
IMPACT OF TRUST OF CUSTOMER TOWARDS ONLINE BANKING

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ABSTRACT

E-banking is the use of digital -era technologies to create both local and global opportunities. It allow to drastic change in transaction costs as well as well as the development of new form of banking opportunities that overcome time and distance barriers. E-banking gives banks more customers, lower transaction costs, product creativity, better marketing, and connectivity, and the ability to deliver services regardless of location or time. This research aims to examine the online banking services offered by various public and private sector banks and assess their effect on customer's preferences.

INTRODUCTION

Banking

Banking is a financial institution to receive the deposits from public for the purpose of lending or investment, repayable on demand or otherwise and withdraw able by cheque, draft or otherwise. It can also be defined as the business activity in accepting and safeguarding money owned by individual and entities and then lending out money in order to earn money. The banking services these days include issuance of debit and credit cards, providing safe custody of valuable items, lockers, ATM services and online transfer of funds across the country.

The transaction done with bank and the services it offers to its customers is collectively known as banking. Banking can be done online, offline or both ways. A bank is a financial institution licensed to receive deposits and offer loans. Bank also provides financial services, such as safe deposit, currency exchange and wealth management.

Online Banking

Electronic banking are known as Cyber banking, Home banking and virtual banking and includes various banking activities that can be conducted from anywhere. E-banking allows customers to do financial transactions on a secured website operated by the institution, which can be a retail bank, virtual bank, credit union, building society. It also includes RTGS, NEFT, Credit cards and debit cards, ATM, Tele banking, Internet banking and Mobile banking.

In India, ICICI bank was the first bank that initiated E-banking as early as 1997 under the brand name "Infinity". The concept of Internet banking has been simultaneously evolving with the development of the World Wide Web. According to Daniel, electronic banking can be simply defined as

the delivery of bank's information and services by banks to customers via different delivery platforms that can be used with different terminal services such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television.

E-banking Products

ATM: An ATM is known as an automated teller machine. In simple words it is an electronic telecommunication device that allows customers to complete financial transactions like cash withdrawals or cash deposit, balance enquiry, mini statement by using their ATM cards and report of the accounts balance can be received.

Tele Banking: Tele banking is another innovation about e-banking through which customer to perform a various financial transactions over the telephone, without visiting any bank branch. Moreover, the timing of telephone banking is much longer than branch timing and even some financial institutions offer 24 hour service for their customer.

Smart Card: It is also known as chip card or integrated circuit card (ICC). The microprocessor is under a contact pad on one side of the card. This microprocessor on the smart card is there for security. The host computer and card reader actually talk to the microprocessor. The microprocessor enforces access to the data on the card. The chips in these cards are capable of many kinds of transactions like cash withdrawal, deposit and balance inquiry etc.

Debit Card: It is a plastic payment card that can be used instead of cash when making purchases but operate like cash or a personal check. But still Debit Cards are different from credit card as credit card is a way to "pay later." but debit card is a way to pay now. And it is necessary when you want to use a debit card.

Electronic Bill Payment: It is a type of E-banking innovation that allows a customer of a financial institution or bank to transfer money through a financial transaction or credit card account to the creditors or vendor such as plastic utility, department store or an individual to be credited against a specific account.

REVIEW OF LITERATURE

Manish Kumar (2025), the study examines the rise of E-banking in India and globally focusing on how digital tool like United Payment Interface (UPI), mobile wallets. The study also highlights the adoption of e-banking trends and role of govt. about exploring these e-banking services. Primary and secondary data has been used for draw the conclusion. The study was concluded that urban people have quickly adopted digital banking services while rural people are still catching up to low internet access and less using the digital services of banking system.

Jasmine V and Joseph (2024), the study was mainly focused on Adoption of Payment Bank among Rural Customer in Kerala. The main objective of study was to analyze the attitude towards the adoption of payment bank services among rural customers. Primary data has been taken about to draw the conclusion. The study was concluded that the customer perception about saving habits have a positive effect on attitude towards using the e-banking services. The study also found those rural customers are benefited about payment through the e-banking mode. These modes are also beneficial for gathered the information in mobile easily.

Dr. K. Bhawna Raj (2023), the study was mainly focused on awareness of E-banking services among

rural customers in India. The main objective of the study is to examine the customer satisfaction of E-banking services. The study has been mainly based on primary data and information has been gathered through the respondents lived in rural area. This study shows that married male and female respondents are significantly impact the usage and adoption of e-banking services.

Anirban Sarkar and Ahana Sen (2022), the study was investigated the factors that rural bank customer consider while using the E-banking services. The primary data has been taken under the study which was based on 100 samples of customers has been taken. The main conclusion of the study was that there is no significant difference among the customer based on their demographic profile.

Widanengsish (2021)," highlighted in his paper examined the effect of perceived usefulness and perceived ease of use on attitudes and interest in using M-banking on 100 respondents by structural Equation model method. The result showed that perceived usefulness has no significant effect on attitudes. Perceived usefulness has no significant effect on interest using mobile banking.

OBJECTIVES OF THE STUDY

- 1.) To understand the security concern about E-banking services.
- 2.) To study the level of trust of customers towards E-banking services.
- 3.) To understand the problems faced by customers in online transactions.

SIGNIFICANCE OF THE STUDY

Online Banking is very easy to use and provides their services 24 hours a day. Because of its all the facilities like suitability, accessibility and flexibility so many people started using the E-banking and many people are attracted towards it. It becomes a very quite common trend in our contemporary world. The research is conducted to know about the pros and cons of E-banking. So, it is very important to know what they perceive about online banking before starting online banking. And what is their satisfaction level during online banking.

RESEARCH DESIGN

Research design is simply a set of methods, plan for the study in collection and analyzing he data. The research is exploratory and descriptive in nature.

DATA COLLECTION

Data collection is the process of collecting information from all the relevant sources to find the answer to the research problem. Primary data as well secondary data has been collected for this study.

Sampling Size

All the citizens of Ambala Distict constituted of the population of the. A total of 100 customers were randomly selected.

Sampling Unit

Study is conducted through questionnaires mainly from the Ambala District.

Instrument of Data Collection

A Close ended questionnaire with 5-points likert scale having three themes was designed in the light of research objectives. Each theme was accompanied with many item, which were subjected for the collection of data from the respondents.

Data Analysis and Interpretation

The term data analysis refers to exploring the data with the help of statistical tools and techniques. Interpretation refers to concluding the results from the collected and analytical facts or data. The result of the study is as under:

Demographic Profile

1. Gender

Gender	No. of Respondents
Male	65
Female	35

Source: Primary Data

The above table shows that 65 percent respondents were male and 35 percent respondents were female.

2. Age:

Age	No. of Respondents
Below 20	20
20-30	40
30-40	15
40-50	15
50 Above	10
Total	100

3. Qualification:

Qualification	No. of respondents
Less than high school	0
High School	15
Graduation	50
Post Graduation	25
Other	10
Total	100

Source: Primary Data



S.No.	Statements	SD	DA	N	A	SA
1	Internet is a reliable medium for financial transaction	02	03	20	45	30
2	Online Banking provides reliable services	5	10	20	25	40
3	Online Banking provides complete description of services	5	8	23	28	36
4	Online Banking will not disclose your personal data without your consent	4	5	20	31	40
5	Online Banking is easily accessible and available 24 hours a day	3	5	22	26	44
6	Online Banking will provide support during online transaction	2	5	23	30	40
7	Online Banking Websites or Application are easy to use	1	5	23	24	47
8	Online Banking is more flexible or suitable	3	6	21	20	50

Source: Primary Data

FINDING OF THE STUDY

On the basis of above data we found that maximum number of respondents are satisfied with the online banking system. The respondents are satisfied with the accessibility of online banking and through this online system of banking they have saving of time due to easy use the e-banking services but some respondents are not satisfied due to lack of awareness.

SUGGESTIONS

Banks should motivate the age group of 21 to 60 years to use online banking services. They should adopt some new policies and incentives to the online banking customers for making large number of transactions and they should improve the technical and physical accessibility of online banking.

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