Consumer Perception and Satisfaction Towards Internet Banking and Mobile Banking with Reference to Nationalized Banks in Rural India

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ABSTRACT

Today, the Indian government is emphasising more on cash less transactions in order to eliminate black money activity in the market. In supporting to this internet and mobile banking is also one of the initiations steps taken by the nationalized banks. Even there are money private sectors banks are also coming up with innovative products of service to facilitate the customer in cashless transactions either in shopping, banking, payment of bills, recharges etc. This venture may be successful in the urban part of the India but making it reachable to the rural part is a big challenge. In this background, current study is focusing on the issues related to the internet and mobile banking usage and its impact on the consumers and their satisfaction towards the facilities offered by the nationalized banks in the rural part of the India especially in the Belthangady taluk, Dakshina Kannada district, Karnataka.

KEYWORDS

Mobile Banking, National Rural Employment Guarantee Scheme, Nationalized Banks, Net Banking, Perceptual Delaying, Pradhan Mantri Jan-Dhan Yojana

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INTRODUCTION

In India, Banking industry has achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remains the same. The biggest challenge for the banking industry is to serve the mass market of India. Companies have shifted their focus from product to customer. The better we understand our customers, the more successful we will be in meeting their needs. Our country’s finance minister Arun Jaitley once said that “Most of India today is included in the banking system,” that is all because of our Prime Minister Narendra Modi launched the Pradhan Mantri Jan-Dhan Yojana (PMJDY) programme in August 2014 and that got recognized for opening the most bank accounts – about 1.80 crore in one week as part of the financial inclusion campaign. The number of accounts opened under PMJDY stood at 11.5 crore as of January 17 after a survey of 21.02 crore households. Of total bank accounts opened, 3.23 crore have deposits worth Rs 9,188 crore. The government has already rolled out direct transfer of benefits for various programmes. This includes the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in 300 districts that’s expected to cover 4.3 crore beneficiaries with a fund flow of Rs 15,000 crore annually besides transfers under various pension and scholarship schemes and even cooking gas subsidies are also being transferred to 15.34 active consumers and even government has vision to move to a cash-less society in the long run. So banks have a big role to play in the nearest future along with traditional banking. Technology up gradation is an inevitable aspect to face challenges. The level of consumer awareness is significantly higher as compared to previous years. Now-a-days they need internet banking, mobile banking and ATM services (Goyal & Joshi, 2012). In the world of banking, the development of information technology has an enormous effect on development of more flexible payments methods and more-user friendly banking services. Internet banking involves, consumer using the internet to access their bank account and to undertake banking transactions. At the basic level, Internet banking can mean the setting up of a web page by a bank to give information about its products and services. At an advanced level, it involves provision of facilities such as accessing accounts, transferring funds, and buying financial products or services online. This is called “transactional” online banking (Sathye, 1999). In India, slowly but steadily, the Indian customer is moving towards Internet banking. But they are very concerned about the security and privacy of internet banking (Malhotra and Singh, 2009).

In this background, this study is undertaken with the following objectives.

- To identify the factors influencing the adoption and usage of Internet and Mobile banking.
- To assess the customer satisfaction towards internet & mobile banking service under the dimensions of service quality, brand perception and perceived value.
- To identify the immediate causes of acceptance of internet & mobile Banking services
- To explore the factors impeding the usage of internet and mobile banking in Belthangady Taluk.
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