



Research Article

A STUDY ON IMPACT OF DEMOGRAPHIC VARIABLES ON CONSUMERS USAGE OF ELECTRONIC BANKING SERVICES

Sunita Srivastava and Smriti Mathur*

510 D, Sector M, Aashiana Colony, Lucknow

ARTICLE INFO

Article History:

Received 6th December, 2017

Received in revised form 21st

January, 2018 Accepted 05th February, 2018

Published online 28th March, 2018

Key words:

E banking, demographic, usage, frequency, services.

ABSTRACT

The main focus of this paper is on ascertaining the impact of demographic variables on usage of e banking services i.e. Internet banking, ATM, Mobile banking and tele banking. For this purpose, a model has been designed for the study. Another focus is to show whether there is an association between consumers education level and the source of knowledge about e banking services and consumers monthly income and the frequency of usage of e banking services. In order to collect data required for examining the hypothesis and reaching conclusions, a questionnaire was designed divided into two parts i.e. Demographic characteristics of respondents and e banking services, usage and frequency of using e banking services. Data was collected from 210 respondents and analysis was done using chi square.

Copyright©2018 Sunita Srivastava and Smriti Mathur. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

Various synonyms of E banking are internet banking, virtual banking, online banking, personal computer banking etc. E banking is a part of e commerce. Evolution of technology and competition between banks forced banking sector towards electronic banking. Any user with a personal computer and a web browser can get connected to his bank's website to perform any of the virtual banking functions is E banking. E banking facilitate easy electronic transfer of funds, better efficiency in CRM, making payment of bills online, checking balances of accounts online etc. E banking includes four channels or services that allows customers to do a wide range of financial and non financial services through a banks website. Banking channels includes internet banking, ATM's, mobile banking and tele banking. Therefore shift towards *e banking is a big step towards cashless society.*

Objective of Study: The proposed study mainly aims:

- To know about e banking services.
- To assess the impact of demographic variables on usage of e banking services.
- To assess whether there is any association between education level and source of knowledge about e banking.
- To assess whether there is any association between monthly income and frequency of usage of e banking services.

Review of Literature

A study by izogo, nnaemeka, onuoha, ezema, titled "impact of

**Corresponding author: Smriti Mathur*

510 D, Sector M, Aashiana Colony, Lucknow

demographic variables on consumers adoption of e – banking in nigeria : an empirical investigation", discussed about the demographic variables and their impact on consumers adoption of e banking. For this model was prepared. Study concluded that age, gender, religion and income do not have significant effect on customers adoption and usage of e banking.

A study by sunita mehla, titled "relationship between demographic variables and the factors influencing internet banking", focussed on the factors influencing the customers acceptability of internet banking and examine the relationship between demographic variables and customers acceptability of e banking. Study concluded that the influence of demographic variables on these factors indicate that age, gender, income, marriage, type of bank and experience with internet banking have significant effect on customers' acceptability of e-banking.

A study by s. Vijay anand, dr. M. Selvaraj, titled "impact of demographic variables on customer satisfaction in banking sector – an empirical study", discussed about the profile of the customers and association between demographic variables and its impact on customer satisfaction. This study revealed that there is no significant relationship between the demographic variables of the respondents and the satisfaction level except personal choice of bank with the status of the residential area. A study by shamsul haq, bilal mustafa khan, in their paper "impact of demographic factors in adoption of e – banking", discussed about the challenges which affect the customers and banks usage of e banking, general challenges affecting e banking, relationship between factors and the acceptance of e banking and factors which discourage customers from using e banking. the research depicted that

users of internet banking are increasing as their income and education standard is improving number of users depending upon the education standard of internet banking users with income. Fear of hacking of accounts is the main problem that consumers do not go for e banking.

A study byshubhara jindal, 2015, in his paper “study of e – banking scenario in india” discussed aboutvarious e banking services/functions adopted by banks, analyzed the progress made by indian banking industry in adoption of technology and challenges faced by indian banks in adoption of technology and recommendations to tackle them and concluded that only those banks will survive in the future which will manage the changes as per the technological developments and customer requirements.

A study bydr. A. Vinaygamoorthy, mr. C. Sankar, 2012, in his paper “ an analytical study on e – banking in india” discussed about the reach of internet banking, analyzing awareness among customer using e banking, identifying the level of security among customers in using these services and finding the popularity of the e banking service in customer as users and non users along with reasons and concluded that e banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. The rise of e banking is redefining business relationship with the customers. The international scope of e banking provides new growth perspectives.

E - Banking Services

E banking services are a range of banking services that use electronic equipments and includes ATM’s ,Intenet banking, Mobile banking and Tele banking.

Atm’s : ATM is a short form of Automatic Teller Machine. ATM is issued by a financial institution which enables a customer to access an ATM. ATM performs number of transactions such as deposits, cash withdrawl, obtaining account information etc. ATM’s can be seen at banks as well as on other locations. There is a number called Personal Identiofication Number (PIN), which is a key for carrying desired transactions.

Advantages	Disadvantages
Provides round the clock services i.e. 24*7.	Not available in rural areas.
Provides accessibility to bank from any part of the world.	Existence of limitation of cash withdrawl.
Reduces human intervention and cost of operations and increases profitability of banks.	Possibility of misusing ATM card if misplaced or lost.
Banks can expand their services to any corner of the world.	Customers can lose personal touch with bankers.

Internet Bnaking: Internet Banking is an internet portal through which the customers can use different kinds of banking services from bill payments to making investments. Variety of services provided are payment of bills, fund transfer, viewing account statement etc.

Advantages	Disadvantages
Simple to open and easy to operate.	Difficult for a beginner.
Convenient as we can pay our bills, transfer funds etc. Easily from home.	Internet connection is necessary. Security issues are involved as account information might get hacked.
Provides round the clock services i.e. 24*7.	Delay in successful transaction due to slow internet connection or bad server.
Provides ease of monitoring accounts any time.	

Tele Banking: the process of handling bank accounts over phone is tele banking. It is also called as Telephone Banking. Tele banking allows clients to avail variety of services such as payment of bills, check bank account balances, transfer money, request bank statement, make loan payment, make credit card payment etc. It takes only two minutes for any transaction.

Advantages	Disadvantages
Provides round the clock services i.e. 24*7.	Difficult for beginners.
Simple to use.	Not all banks offer 24*7 tele banking.
Saves times as waiting time is eliminated.	Security threat is created by providing accessibility to personal information without human interaction.
Cheaper since transaction cost is less.	

Research Methodology

The present study is basically relied on both primary as well as secondary method of data collection. Primary data was collected from customers (n = 210) using online banking services through questionnaire. Questionnaire is divided into two parts. Part 1 is the demographic study and it consists questions related to respondent’s demographic profiles such as age, gender, marital status, education level, occupation as well as monthly income. Part 2 is about online banking consisting questionsabout e banking source of knowledge, usage of e banking services and frequency of usage. The major sources of secondary data are books, research papers, and webs and various e - banking reports / studies published online.

Hypothesis of the Study

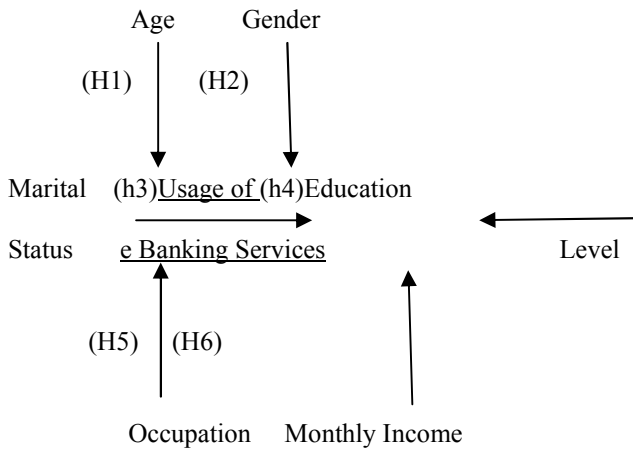
Based on review of literature on online banking, following hypothesis was formulated.

- H1:** There is no association between consumers age and the usage of e banking services..
- H2:** There is no association between consumers gender and the usage of e banking services.
- H3:** There is no association between consumers marital status and the usage of e banking services.
- H4:** There is no association between consumers education level and the usage of e banking services.
- H5:** There is no association between consumers occupation and the usage of e banking services.
- H6:** There is no association between consumers monthly income and the usage of e banking services.
- H7:** There is no association between consumers education level and the source of knowledge about e banking services.
- H8:** There is no association between consumers monthly income and the frequency of usage of e banking services.

Study Model

In order to show the impact of demographic variables on usage of e banking services, following research model has been prepared.

Schematic Representation of the Research Model



Model clearly specifies that six hypothesis were formulated to show the impact of demographic variables i.e. age, gender, marital status, education level, occupation and monthly income.

RESULT

Demographic profile of respondent

Table 1 shows Gender of the Respondents. Table shows that 64.8% of respondents are female while 35.2% are males.

		Frequency	Percent
Valid	Male	74	35.2
	Female	136	64.8
	Total	210	100.0

Table 2 indicates age of the respondents. Table shows that 58.6% were between 21 to 30 years, 15.7% were between 31 to 40 years, 2.9% were up to 20 years, , 11.4% were between 41 to 60 years and 1.4% were above 60 years.

		Frequency	Percent
Valid	Upto 20 years	27	12.9
	21 to 30 years	123	58.6
	31 to 40 years	33	15.7
	41 to 60 years	24	11.4
	Above 60 years	3	1.4
	Total	210	100.0

Table 3 Indicates Marital Status of the Respondents. Table shows that 63.3% were Unmarried while 36.7% were married.

		Frequency	Percent
Valid	Married	77	36.7
	Unmarried	133	63.3
	Total	210	100.0

Table 4 Indicates Education Level of the Respondents. Table shows that 52.9% were post graduate, 33.8% were graduate, 9.0% were professionals and 4.3% were secondary.

		Frequency	Percent
Valid	Secondary	9	4.3
	Graduate	71	33.8
	Post graduate	111	52.9
	Professionals	19	9.0
	Total	210	100.0

Table 5 Indicates Occupation of the Respondents. Table shows that 41.9% were Student, 29% were Government employee, 25.2% were Private Employees, , 1.9% were Businessmen, 1.4% were retirees and 0.5% were housewives.

		Frequency	Percent
Valid	Business	4	1.9
	Government employee	61	29
	Private employee	53	25.2
	Student	88	41.9
	Retired	3	1.4
	House wife	1	0.5
	Total	210	100.0

Table 6 Indicates Monthly Income of the Respondents. Table shows that Income of 28.6% was less than 20000, 21.3% was from 60001 to 80000, 18.1% was from 40001 to 60000, 17.1% was from 20001 to 40000, and 14.3% was above 80000.

		Frequency	Percent
Valid	LESS THAN 20000	60	28.6
	20001 TO 40000	36	17.1
	40001 TO 60000	38	18.1
	60001 TO 80000	46	21.9
	ABOVE 80000	30	14.3
	Total	210	100.0

Testing of Hypothesis

H1: There is no association between consumers age and the usage of e banking services.

Table 7 Age Responses

		Services			
		Internetbanking	Atm	Mobilebanking	Telebanking
		Count	Count	Count	Count
Age	Upto 20 years	10	26	8	2
	21 to 30 years	88	115	62	19
	31 to 40 years	24	33	18	9
	41 to 60 years	18	24	6	3
	Above 60 years	3	3	3	0

Table 8 Pearson Chi-Square Tests

		Services
	Chi-square	37.209
	Df	16
	Sig.	.002

Findings: Table 7 shows the responses on usage of e banking services i.e. internet banking, ATM's, mobile banking and telebanking, based on age. Highest number of respondents are between 21 to 30 years. Table 8 shows the association between age and usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.002) < 0.05, therefore, H1 Is Rejected.

H2: There is no association between consumers gender and the usage of e banking services.

Table 9 Gender Responses

		Services			
		Internetbanking	Atm	Mobilebanking	Telebanking
		Count	Count	Count	Count
Gender	Male	53	74	43	22
	Female	490	127	54	11

Table 10 Pearson Chi-Square Tests

		Services
GENDER	Chi-square	29.246
	Df	4
	Sig.	.000

Findings: Table 9 shows the responses on usage of e banking services i.e. internet banking, ATM's, mobile banking and telebanking, based on gender. Highest number of respondents were female. Table 10 shows the association between gender and usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.000) < 0.05, therefore, H2 Is Rejected.

H3: There is no association between consumers marital status and the usage of e banking services.

Table 11 Marital Status Responses

		Services			
		Internet banking	Atm	Mobilebanking	Telebanking
		Count	Count	Count	Count
Maritalstatus	Married	62	77	41	16
	Unmarried	81	124	56	17

Table 12 Pearson Chi-Square Tests

		Services	
		Chi-square	18.872
Maritalstatus		Df	4
		Sig.	.001

Findings: Table 11 shows the responses on usage of e banking services i.e. internet banking, ATM's, mobile banking and telebanking, based on marital status. Highest number of respondents were unmarried. Table 12 shows the association between marital status and usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.001) < 0.05, therefore, h3 is rejected.

H4: There is no association between consumers education level and the usage of e banking services.

Table 13 Education Level Responses

		Services			
		Internet banking	Atm	Mobile banking	Tele banking
		Count	Count	Count	Count
Educationlevel	Primary	0	0	0	0
	Secondary	3	9	3	0
	Graduate	41	68	36	10
	Post graduate	85	105	49	17
	Professionals	14	19	9	6

Table 14 Pearson Chi-Square Tests

		Services	
		Chi-square	20.870
Educationlevel		df	12
		Sig.	.052

Findings: Table 13 shows the responses on usage of e banking services i.e. internet banking, ATM's, mobile banking and telebanking, based on education level. Highest number of respondents were post graduate. Table 14 shows the association between education level and usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.052) > 0.05, therefore, H4 Is Accepted.

H5: There is no association between consumers occupation and the usage of e banking services.

Table 15 Occupation Responses

		Services			
		Internet banking	Atm	Mobile banking	Tele banking
		Count	Count	Count	Count
Occupation	Business	3	4	1	0
	Government employee	46	60	28	11
	Private employee	36	53	26	10
	Student	55	80	40	11
	Retired	2	3	1	0
	House wife	1	1	1	1

Table 16 Pearson Chi-Square Tests

		Services	
		Chi-square	22.341
Occupation		Df	20
		Sig.	.322

Findings: Table 15 shows the responses on usage of e banking services i.e. internet banking, ATM's, mobile banking and telebanking, based on occupation. Highest number of respondents were students. Table 16 shows the association between occupation and usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.322) > 0.05, therefore, h5 is accepted.

H6: There is no association between consumers monthly income and the usage of e banking services.

Table 17 Monthly Income Responses

		Services			
		Internet banking	Atm	Mobile banking	Tele banking
		Count	Count	Count	Count
Monthlyincome	Less than 20000	31	54	25	3
	20001 to 40000	28	34	18	6
	40001 to 60000	23	37	17	8
	60001 to 80000	40	46	25	11
	Above 80000	21	30	12	5

Table 18 Pearson Chi-Square Tests

		Services	
		Chi-square	36.994
Monthlyincome		Df	16
		Sig.	.002

Findings: Table 17 shows the responses on usage of e banking services i.e. internet banking, ATM's, mobile banking and telebanking, based on monthly income. Highest number of respondents had monthly income between 20001 to 40000. Table 18 shows the association between monthly income and usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.022) < 0.05, therefore, h6 is rejected.

H7: There is no association between consumers education level and the source of knowledge about e banking services.

Table 19 Education level Responses

	Source of knowledge			
	Newspaper	Searching on internet	Radio	
	Count	Count	Count	
Education level	Primary	0	0	0
	Secondary	6	6	0
	Graduate	45	49	16
	Post graduate	68	70	15
	Professionals	13	13	4

	Source of knowledge				
	Magazines	Television	Banks	Word of mouth	
	Count	Count	Count	Count	
Education level	Primary	0	0	0	0
	Secondary	6	3	6	3
	Graduate	28	49	70	47
	Post graduate	30	66	105	91
	Professionals	7	17	14	18

Table 20 Pearson Chi-Square Tests

Education level	Source of knowledge	
	Chi-square	66.602
	Df	21
	Sig.	.000

Findings: Table 19 shows the responses on source of knowledge of e banking services i.e. newspaper, searching on internet, radio, magazines, television, banks and word of mouth, based on education level. Highest number of respondents were post graduate. Table 20 shows the association between education level and the source of knowledge about e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.000) < 0.05, therefore, H7 is rejected.

H8: There is no association between consumers monthly income and the frequency of usage of e banking services.

Table 21 Monthly income * Frequency Cross tabulation Count

	Frequency				
	Never	1 Time	2 - 3 Times	4 - 6 Times	
Monthly income	Less than 20000	7	22	19	4
	20001 to 40000	3	15	9	3
	40001 to 60000	5	12	10	3
	60001 to 80000	0	15	16	4
	Above 80000	1	5	14	3
	Total	16	69	68	17

	Frequency	
	Everyday	
Monthly income	Less than 20000	8
	20001 to 40000	6
	40001 to 60000	8
	60001 to 80000	11
	Above 80000	7
Total	40	

Table 22 Pearson Chi-Square Tests

Monthly income	Frequency	
	Chi-square	16.008
	Df	16
	Sig.	.452 ^a

Findings: Table 21 shows the responses on frequency of usage of e banking, based on monthly income. Highest number of respondents had their monthly income less than 20000. Table 22 shows the association between monthly income and frequency of usage of e banking services. Chi square test is used to test the association. Decision rule is that if p value > 0.05, then accept the hypothesis otherwise reject it. We followed the same rule and concluded that p value (0.425) > 0.05, therefore, H8 is accepted.

CONCLUSION

The study examined the impact of demographic variables on usage of e banking services. The output of the study reveals that education level and occupation do not have significant impact on usage of e banking services. Age, gender, marital status and monthly income has significant impact on usage of e banking services. Also the study reveals that education level has association with the source of knowledge about e banking and monthly income has no association with frequency of usage of e banking services.

Reference

Izogo, nnaemeka, onuoha, ezema, impact of demographic variables on consumers adoption of e – banking in nigeria : an empirical investigation, *European journal of business and management*, issn 2222-1905 (paper) issn 2222 – 2839 (online), vol 4, no. 17, 2012

Sunita mehla, relationship between demographic variables and the factors influencing internet banking, *apeejay journal of management and technology*, july 2013 ,vol.8 ,no:2

S. Vijay anand, dr. M. Selvaraj, impact of demographic variables on customer satisfaction in banking sector – an empirical study, *international journal of scientific and research publications*, volume 2, issue 5, may 2012 1, issn 2250-3153.

Shamsul haq, bilal mustafa khan, impact of demographic factors in adoption of e – banking, *international journal of advanced research in management and social sciences* issn: 2278-6236, vol. 2, no. 7 july 2013.

Dr. A. Vinaygamoorthy, mr. C. Sankar, 2012, an analytical study on e-banking in india.

Shubhara jindal, 2015, study of e – banking scenario in india, *international journal of science and research (ijsr)*, issn (online): 2319-7064, index xcopernicus value (2015): 78.96, impact factor (2015): 6.391.

How to cite this article:

Sunita Srivastava and Smriti Mathur (2018) 'A Study on Impact of Demographic Variables on Consumers Usage of Electronic Banking Services', *International Journal of Current Advanced Research*, 07(3), pp. 10541-10545. DOI: <http://dx.doi.org/10.24327/ijcar.2018.10545.1790>
