LITERATURE REVIEW

Jain & Malhotra (2012) have studied that prior experience of computers and technology, as well as attitude towards computers, influence both attitude towards online banking and actual behavior. Their study suggests that prior computer experience had a significant impact on online banking usage. It is seen that a consumer well versed with computer knowledge is more likely to engage in a more active online banking usage. In addition, positive personal banking experience impacts attitude and usage. It was found satisfied customers tend to keep up with their current delivery channel.

Castro, Daniel, Atkinson, and Robert (2010) found that self service technologies will increasingly find their usage in every sphere of life. The noteworthy finding of this study was that number of retirees in Europe, Japan and US will be up from current 243 to 346 per thousand by 2030. Data available in India also suggests a huge retiree population. It is in place to mention financial inclusion through UID (Aadhar) and the use of SSTs to provide social security.

Eminent management thinker, Late C.K.Prahlad (2004) had defined bottom of the pyramid (BOTP) to be that part of the population of the World that earned $ 2 per day at Purchasing Power Parity rates in 1990 prices (equivalent to $3.10 in 2006 prices). He also states that there are nearly 4 billion people in the World who fit the profile of BOTP. On 1st March 2011, the Population of India was a little over 1.2 billion (Census of India, 2011). Since we form a great proportion of World Population and we are a developing nation, it is safe to assume that a large part of the BOTP population described by Dr C K Prahlad resides in India.

Gangal & Gupta (2013) have found that it presents a huge opportunity to be exploited by businesses across the board, if one agrees with Prahlad (2004). Not only is there an opportunity to earn profits, but also a chance to support the poor and alleviate them of their existing life-style to a status which will contribute positively to the human development of the entire nation. The study though revealed that, where banking services do find demand at the BOTP, SSTs are not the favorite among the consumers in this segment.

Gupta (2008) studied Internet banking in India, He found that it is only at its nascent stage and dominated by the Indian private and foreign banks. The use of Internet banking is confined to a few consumer segments. The risks associated with Internet banking are many, which the banks have to model using sophisticated systems and extensive use of technology.
Musiime & Ramadhan, (2011) have revealed their results of a study conducted in Kampala city, Uganda that banks should be creative and innovative, creating new products or services and marketing strategies that can stimulate the demand to use Internet banking services. It was seen that even if the new strategy is implemented generally, it should mainly emphasize its efforts on targeting individual clients. The research finding also shows that there is a significant relationship between Internet banking and customer satisfaction, whereby they were committed to using the service, as well as there was an evident that the bank was able to retain the majority of its Internet banking service users.

Ragoobur, Ayrga & Doman (2010) have found that there is an association between customers' demographic and financial characteristics and their demand for electronic banking services. This study, done in Mauritius, observed that reluctance to use may slow down the use of internet banking while perceived ease of use and perceived security and privacy have a positive influence. Internet access at home further helps the use of internet banking while internet access at the place of work does not have any significant effect. It was suggested that different types of occupation, gender and region of the respondent do not have a significant impact on the adoption of internet banking.

Aliyu, Younus & Tasmin, (2012) conducted a study in Nigeria to understand the relation to Nigerians' perception of factors affecting Electronic banking. Internet banking sites into serious consideration since fraud and websites hacking still haunt most of the customers. The study found that Commercial banks have started targeting their promotional activities towards those in the younger business personnel who are quite well to do as they seem to be the most likely users of Electronic banking as indicated in this study.

Bahl (2012) suggested that while electronic banking can provide a number of benefits for customers and new business opportunities for banks, it exacerbates traditional banking risks. Continuous vigilance and revisions will be essential as the scope of e-banking increases. In particular, there is still a need to establish greater harmonization and coordination at the international level. The study reveals the ease with which capital can potentially be moved between banks and across borders in an electronic environment creates a greater sensitivity to economic policy management.
Ernovianti, Mat, Kassim, Rashid, Shaari (2012). have conducted their research in Malaysia. It was based on the relationship between perceived ease of use and intention to use. It found that the intention to use Internet banking is predicted by self efficiency. The strong influence of self efficacy reflects their importance to intention to use technology across culture because doing internet banking is not easy as internet surfing. It was suggested that banks should concentrate on providing sufficient guidelines in their Internet banking services especially on youths and young adults who are more likely to be risk takers and love the comfort that Internet banking provides. The results revealed that perceived credibility shows insignificant relationship. Respondents’ judgment on the privacy and security issues of internet banking is less due to higher self efficiency.

Haque, Tarofder, Rahman & Raquib (2009). conducted their research in Malaysia. They observed that security of transaction is the most important factor to expand e-Banking. Their study further states that the consumers’ attention towards the trust and confidence on the e-banking security system is the significant element. Considering the aspect of service quality, the study revealed that e-bank provides logically organized and clear information is available. The awareness of regulatory framework is the key element of customer satisfaction about e-banking security. This variable is a significant determinant of consumer satisfaction and has positive impact on the customers’ perceptions.

Krishnamoorthy & Srinivasan (2013) suggest that as business environment is very dynamic with many changes and innovations, banks find it very difficult to retain the existing customer. It is found that banks can retain the existing customers using internet banking. Furthermore internet banking enables banks to maintain good relationship among the customers by way of creating trust in banking services.

Rajagopal & Ananya Rajagopal (2007) found that self service technologies are far more evolved in the West, than in India. It is only recently that new technology in financial services, especially banking, is reaching out to new target customers. It was found that there are increasing returns as banking operation are scaled upwards. There is a positive impact of self service technologies in banking as a key driver to optimizing profits.
Sudhamani & Kalyanaraman (2013) concluded that customers were satisfied in services like location of ATM, availability of cash, availability of cheque drop box, internet banking, customer care, account balance enquiry, printed statement of transaction and availability in website. Demographic analysis like gender, age, occupation and monthly income highly influence the customers’ perception about the bank services.

Campbell, Frei (2009) studied the context of online banking from the customers’ perspective and suggested that short term gains from technology may translate into higher customer satisfaction and, in turn, higher customer retention rates. This would lead to potential long-term gains for firms.

Singh (2012) found out that though people are aware of e-banking, but complete awareness is not experienced. Customers are comfortable with technology while using e-banking and find it a time saving system with enhancement in efficiency. Customer satisfaction varies according to age, gender and occupation.

Gan, Clemes, Limsombunchai, Weng (2006) found that internet banking enables speedy transactions, access, time and money savings through providing free paper, and complete and up-to-date transactions. The competitive landscape of financial institutions is shifting as internet banking is no longer a competitive advantage but a competitive necessity for banks. A surprising result of the study states that high income consumers are less likely to use electronic banking due to security reasons.

Thaw, Mahmood, Dominic (2009) found that there is a poor correlation between perceived security and perceived privacy with consumers’ trust. This may be because, consumers get used to the Internet and to the techniques that can be used to protect themselves online, the security and privacy are becoming less sensitive matters over as time.

Sharma (2011) observed that mobile phones have immense potential of conducting financial transactions with much of convenience at reduced cost. For inclusive growth, the benefits of mobile banking should reach to the common man at the remotest locations in the country. Mobile banking
should penetrate from high-end to low-end users and from metros to the middle towns and rural areas and also include non-banking population in financial mainstream.

Unnithan, Swatman, 2001) has suggested through his work that it is known and stated that the banking industry has reached its maturity in its current form. Forces, such as competition, customer demand, and technological innovations with its growth and rapid acceptance of the Internet; banks need keep pace with the change. To remain competitive banks must focus on customer retention and relationship management, upgrade and offer integrated value added services. Internet banking would help banks to remain cost-effective.

Farooqi, Dhusia (2012) through his work found that the growth of e-commerce is bringing the world into faster, closer reach for many businesses, changing their strategic vision and operations.

Sahoo & Patra, (2011) observed that Internet banking services have been underused by the potential customers in spite of their availability, in spite of the observation that the internet banking customers gain more benefits than the traditional banking customers as they can access 24-hours services at all places.

Alnaqeib, Alanazi, Jalab, Zaidan, Hmood (2010). have found that internet banking system is the easiest way to access bank account and do some banking transactions anytime at anywhere without the need to go to the bank. They suggest that, to further make the internet banking system a successful one, requirements such as safety, security, performance and quality attributes are be required.

Sarkane (2009) studied that consumer behaviour is changing under the impact of new technologies and especially under the internet and e-commerce. The values of today’s customer are speed of actions, independence, conveniences, economy of resources and updated information.
Katariina Maenpaa, (2006) found that Internet usage is expanding along with consumers’ computer and Internet literacy. The consumer generation is also changing and the majority of bank customers in developed western countries will grow up with the Internet. The study emphasized on two different development possibilities: the first one is to concentrate on core function of Internet Banking Service (IBS) and secondly to design the services in question to be as simple. It must be emphasized that while the basic services must be provided with absolute quality and efficiency, one should also have a long-term orientation and develop features in accordance with changing consumer expectations.

It was found that behaviour and perceptions of consumers using IBS can be divided into four clusters. The clusters differ according to age and education.

Vinh Sun Chau (2005) studied young customers as a focal group for all banks. He found that young customers have a more positive attitude and behavioral intention towards Internet banking services. Further, it is the positive impact of IBS quality on loyalty and satisfaction of customers.

AL Husseini Salah Zolut (2010) found that Internet banking adoption encourages banks to develop new products and services. It helps to fully utilize the Internet’s capabilities.

Chang (2009) found through his research study of customers in Korea that a probability of internet banking adoption and its duration is affected by individual characteristics where individual characteristics include, demographics, the exposure to the hazard, information seeking behaviour and general banking behaviour. Moreover, the demographics are less important than banking-specific behaviour for the probability of a new banking technology adoption. The results also suggest that rank effects of banks have significant impact on customers’ adoption timing of internet banking whilst order effects of banks are negligible. Hence, aggressive expansion in internet banking by dominant banks may be justified by the notion of pre-emption.

Walker & Johnson, (2005) have found that there is an increase in employing technology as an alternative to personal interaction in service provision. There was an attempt to find the impact of technology on service provision and the behavioral response of customers. Regular use of technology, however, didn’t imply willing or satisfied customer, or that he had some sort of relationship with service provider.
Joshua & Koshy (2011) have pointed out that ATMs are most popular, followed by Branch banking, Internet banking and Phone banking in a study conducted in Indian context. Foreign banks have initiated a host of client friendly services, which are well accepted but limited to metros. The penetration is far from satisfactory in Tier II and least in Tier III cities in India.