

Customers' Perception on Internet Banking: An Investigation from the Perspective of Non-Users

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Abstract

The main objective of this paper is to identify why bank customers are reluctant to use Internet Banking (IB) and to identify factors that contribute for non-usage of IB in Manmunai North (MN) Divisional Secretarial (D.S) of Batticaloa even though bank customers have Internet access and basic Information and Communication Technology (ICT) knowledge. In order to achieve these objectives of this study, data were collected from 150 bank customers who are not using IB through questionnaire. Interview was also conducted among eighteen bank customers and four bank officers in the study area. Findings for the first objective showed that high cost, security problem, less awareness, less knowledge, no needs, lack of IB related technical knowledge and having possibility to do banking transactions through others at bank branches are the main reasons for non-usage of IB. The factor analysis results for the second objective revealed that bank customer's perception towards IB (negative perception), position of branch banking (BB) in the customer's mind (strong position of BB), technical and transactional difficulties, banks interest towards IB (less interest toward IB), cost (customer view IB as a costly one), customer's knowledge of IB (less technical and operational knowledge towards IB), substitute for IB (more substitute for IB), nuisance (some form of inconvenience), and banking through others (as a strong practices among customers) are major factors which are contributing to non usage of IB in MN D.S of Batticaloa.

Key words: Internet banking, bank customer, non-user.

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