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The relationship between customers' monthly income and perception towards e-banking

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ABSTRACT

This descriptive study aimed to measure customers' perceptions towards e-banking services provided by Yemeni banks and to find out whether the customers' monthly income is related to their perception of the service. The sample included 189 respondents. Data was collected online using a five-point Likert scale questionnaire. The statistical tests applied for data analysis were frequency descriptive analysis, one way ANOVA and Pearson correlation. The study revealed that the perception of Yemeni customers towards E-banking is high, there is no difference in perception towards e-banking services among users who have different monthly income and there is no relationship between monthly income and customers' perception towards e-banking services.

Keywords— *Customers' Perceptions, Monthly Income, E-Banking, Services, Yemen*

1. INTRODUCTION

The banking sector is the cornerstone of the national economy because of its major role in the economic development and it represents one of the important sectors for the development of the financial system of any country. Therefore, it is necessary for countries to modernize this sector to keep pace with the development in information and communication technology. The banking industry has become the main business industry in the development of electronic business, and nowadays the model of traditional branches of banks is being replaced by electronic channels through which banking transactions are completed via the Internet because of its convenience and wonderful benefits for both banks and customers.

Despite the political and economic crises in Yemen since 2011 and also despite the Saudi-led coalition war on the country that has been going on since March 2015, Yemen is following the example of other countries by trying to advance the banking sector and give it a modern and sophisticated character in conducting its operations. Despite the fact that the adoption of electronic banking services by Yemeni banks has taken place since the early part of the current millennium, there is still a great lack of research studies that investigate issues related to these services, including the lack in knowledge on customers' perceptions about electronic banking services in Yemen. Therefore, this study is an attempt to bridge this gap in literature through studying customers' perception of e-banking services in Yemen.

2. E-BANKING

Electronic banking or online banking is a comprehensive term used to refer to all activities and operations that are conducted, implemented or promoted through electronic means (such as telephone, computer, ATM, Internet, digital television, etc.) by banks or institutions that deal in electronic cash transfers. Kalani (2018) stated that e-banking "is an electronic payment system wherein customers of a given bank can perform all their banking transactions. In other words, e-banking refers to all the financial transactions undertaken by any financial institution over the internet." E-banking is "a banking arrangement, with which the customer can perform various transactions over the internet, which is end-to-end encrypted, i.e., it is completely safe and secure" (businessjargons.com).

2.1 Customer's Perception

Perception is an intellectual and psychological process in which people look at, analyze, and interact with any kind of information. It is also subjective because individuals perceive a specific similar event differently. It plays a vital role in an organization because it influences personal work relationship, employee selection, and performance evaluation (businessjargons.com).

2.2 Objectives of the Study

- To study the perception of customers towards E- banking in Yemen.
- To find out the relationship between customers’ perception towards e-banking service and their monthly income in Yemen.

3. LITERATURE REVIEW

Ganpathi, (2016) investigated the level of perception of the customers in utilizing the online banking services, and found that the educational level of customer influence their use of e-banking and he found that customers are highly satisfied with secrecy maintenance, transaction updating, account transfer and security followed by easy access while using the e-banking services. **Helina and Rathiha (2018)** found that the majority of the customers have high perception on free flow of information avail in e-banking. **Kumar and Gupta (2020)** examined customers’ perception towards e-banking with regard to online risk for public, private and foreign banks, and found that the security factor is perceived as most important among various factors of perceived risk, followed by privacy and trust factors, also public sector banks are perceived to be the most secure and also considered to be benign in terms of privacy and trust, followed by private and foreign banks. **Nguyen and Tran (2020)** investigated perception of customer in Vietnam towards e-banking and found that customer perception is influenced by different variables such as convenience, speed, security, procedure, ease of use, service costs, reliability, and quality of service. There were significant differences in customers’ perception of e-banking among ages, occupations, income levels, and frequency of using groups, but variables such as gender, marital status, and education levels had no significant influence on the perceptions of e-banking. **Reddy and Reddy (2015)**, said that around 70 % of customers have positive perception about E-Banking Services but customers are not using all the E-banking services frequently because they have less knowledge about computer and internet. **Vadher (2019)** found that users of e-banking services have a strong positive perception of e-banking. The study also identified that four factors affect the adoption of ATMs, i.e, convenience, speed of operations and accessibility are positively associated with the adoption of ATMs while the perceived risk has a negative influence. **Waititu, (2019)**, investigated the customers' perception on e-banking in Kenya. The study found that safety is an important factor when deciding to use e-banking and the findings of the study revealed that customers who have not adopted e-banking are worried about how their private information is handled but customers who use e-banking are unsure of whether banks consult them before sharing their private information. **Weligodapola, et al. (2020)** found "that perceived cost, awareness of the service, and knowledge of internet and access to internet have a significant positive effect on customer perception towards E-banking while perceived usefulness, perceived ease of use, and perceived risk and trust has no significant effect towards E-banking usage."

4. RESEARCH METHODOLOGY

The study is descriptive in nature. The study sample was drawn from customers who use electronic banking services in Yemen. The sampling technique used was the convenient method since the total number of users of e-banking in Yemen is not known. Data for the study was collected online using a five-point Likert scale questionnaire. The questionnaire items were developed based on the literature review. The questionnaire included some demographic questions and questions related to perceptions towards e-banking. 189 questionnaires were filled out. The statistical tests applied for data analysis were frequency descriptive analysis to present frequencies and ratios, one way ANOVA was conducted to find whether there is difference in perception towards e-banking among users who have different monthly income, and Pearson correlation was conducted to find if there is correlation between users’ monthly income and their perception towards e-banking.

5. HYPOTHESES

H₀₁: there is no significant difference in perception towards e-banking among customers with varying monthly income.

H₀₂: There is no relationship between customers’ perception towards e-banking service and their monthly income.

6. DATA ANALYSIS

Table (1) shows the distribution of the sample (N=189) according to their gender

	Frequency	Percent%
Male	168	88.9
Female	21	11.1
Total	189	100.0

Table (1) shows that 88.9% of the sample were males, while 11.1% were females.

Table (2) shows the distribution of the sample (N=189) according to their age

	Frequency	Percent%
Below 25 years	10	5.3
26-35 years	75	39.7
36-45 years	87	46.0
46-55 years	14	7.4
above 56 years	3	1.6
Total	189	100.0

Table (2) shows that 46% of the sample were between (36-45) years, while 1.6% of the sample were (above 56) years.

Table (3) shows the distribution of the sample (N=189) according to their Monthly Income

	Frequency	Percent%
Up to 50000	32	16.9
50001 - 100000	42	22.2
100001 - 150000	18	9.5

Above 150000	97	51.3
Total	189	100.0

Table (3) shows that 51.3% of the sample were users with (above 150000k) monthly income, while 9.5% were users with between (100001k-150000k).

Table (4) shows the distribution of the sample (N=189) according to their Education

	Frequency	Percent%
High school	9	4.8
Diploma	8	4.2
Degree	103	54.5
Master Degree	50	26.5
PhD	19	10.1
Total	189	100.0

Table (4) shows that 54.5% of the sample were users who have (degree), while 4.8% were users who have (high school).

Table (5) shows the distribution of the sample (N=189) according to frequency of using E-banking

	Frequency	Percent%
Daily	19	10.1
Weekly	48	25.4
Fortnightly	21	11.1
Monthly	40	21.2
Sometimes	61	32.3
Total	189	100.0

Table (5) shows that 32.3% were users who use e-banking (sometimes), while 10.1% were users who use e-banking (daily).

Table (6) descriptive statistics for customers' perception towards E-banking

Statement		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. Deviation	Rank
E-banking is user-friendly.	N	41	120	21	7	0	4.0317	0.69117	1
	%	21.7	63.5	11.1	3.7	0			
Conducting my transactions using e-banking is fast.	N	56	91	29	12	1	4	0.86909	2
	%	29.6	48.1	15.3	6.3	0.5			
E-banking service provides appropriate and precise information.	N	44	100	33	10	2	3.9206	0.84365	3
	%	23.3	52.9	17.5	5.3	1.1			
E-banking service is cost effective.	N	52	100	24	11	2	4	0.85676	2
	%	27.5	52.9	12.7	5.8	1.1			
E-Banking is available 24/7.	N	45	76	48	17	3	3.7566	0.96977	6
	%	23.8	40.2	25.4	9	1.6			
E-banking services provide privacy and security.	N	41	97	42	8	1	3.8942	0.80518	4
	%	21.7	51.3	22.2	4.2	0.5			
E-banking enables fund transfer	N	46	91	36	15	1	3.8783	0.88786	5
	%	24.3	48.1	19	7.9	0.5			
The overall value from e-banking is excellent.	N	32	94	49	13	1	3.7566	0.83413	6
	%	16.9	49.7	25.9	6.9	0.5			
weighted mean							3.905		
Std. Deviation							0.8447		

Table (6) shows that the statement with the highest average was: "E-banking is user-friendly" with mean 4.0317 and S.D. 0.69117, followed by statements: "Conducting my transactions using e-banking is fast" and "E-banking service is cost effective" with mean 4 and S.D. 0.86909, 0.85676 respectively, followed by statement: "E-banking service provides appropriate and precise information" with mean 3.9206 and S.D. 0.84365, followed by statement: "E-banking services provide privacy and security" with mean 3.8942 and S.D. 0.80518, followed by statement: "E-banking enables fund transfer" with mean 3.8783 and S.D. 0.88786, and finally came statements: "E-banking is available 24/7" and "The overall value from e-banking is excellent" with mean 3.7566 and S.D. 0.96977, 0.83413 respectively.

The weighted mean of customers' perception was 3.905 with S.D 0.8447, which indicates that the trend of customers' perception towards e-banking services is neutral according to the 5-point Likert scale as shown in table (6). And according to Pimentel (2010) intervals scaling: 'Low level' lies within the following interval [1-2.59], 'Moderate level' lies within the following interval [2.60-3.39] and 'High level' lies within the following interval [3.40-5]. So, since the weighted mean in the study lies in the interval [2.60-3.39], we can conclude that the perception of Yemeni customers towards E-banking is high.

Table (7) Results of ANOVA tests for difference in perception towards e-banking among users with different monthly income

		Sum of Squares	df	Mean Square	F	Sig.
E-banking is user-friendly.	Between Groups	3.073	3	1.024	2.185	0.091
	Within Groups	86.736	185	0.469		
	Total	89.810	188			
Conducting my transactions using e-banking is fast.	Between Groups	4.402	3	1.467	1.973	0.120
	Within Groups	137.598	185	0.744		
	Total	142.000	188			
E-banking service provides appropriate and precise information.	Between Groups	3.089	3	1.030	1.457	0.228
	Within Groups	130.721	185	0.707		
	Total	133.810	188			
E-banking service is cost effective.	Between Groups	1.109	3	0.370	0.500	0.683
	Within Groups	136.891	185	0.740		
	Total	138.000	188			
E-Banking is available 24/7.	Between Groups	1.686	3	0.562	0.594	0.620
	Within Groups	175.118	185	0.947		
	Total	176.804	188			
E-banking services provide privacy and security.	Between Groups	4.781	3	1.594	2.518	0.060
	Within Groups	117.102	185	0.633		
	Total	121.884	188			
E-banking enables fund transfer	Between Groups	2.143	3	0.714	0.905	0.440
	Within Groups	146.058	185	0.790		
	Total	148.201	188			
The overall value from e-banking is excellent.	Between Groups	1.162	3	0.387	0.553	0.647
	Within Groups	129.642	185	0.701		
	Total	130.804	188			

Results of ANOVA tests in table (7) show that there is no difference in perception towards e-banking services among users who have different monthly income, where the P value of all statements of perception are as follows (.091, .120, .228, .683, .620, .060, .440 and .647). These values are all greater than (0.05), so the null hypothesis “there is no significant difference in perception towards e-banking among customers with varying monthly income” is accepted.

Table (8) Correlations showing the relationship between customers’ perception towards e-banking service and their monthly income

		Monthly Income	E-banking is user-friendly	Conducting my transactions using e-banking is fast.	E-banking service provides appropriate and precise information.	E-banking service is cost effective.	E-Banking is available 24/7.	E-banking services provide privacy and security.	E-banking enables fund transfer	The overall value from e-banking is excellent.
Monthly Income	Pearson Correlation	1	0.079	0.046	0.049	-0.026	-0.061	-0.116	-0.051	-0.055
	Sig. (2-tailed)		0.277	0.527	0.502	0.722	0.406	0.111	0.488	0.456
	N	189	189	189	189	189	189	189	189	189

** . Correlation is significant at the 0.01 level (2-tailed).

Result of correlation in table (8) shows that there is no correlation between monthly income of users and their perception towards e-banking, where the correlation coefficients of the statements are as follows: .079, .046, .049, -.026, -.061, -.116, -.051 and -.055 respectively. All these values of correlation coefficients are lower than (± 0.30) which means that there is no correlation, so the null hypothesis “there is no relationship between customers’ perception towards e-banking service and their monthly income” is accepted.

7. FINDINGS AND DISCUSSION

The study showed that 88.9% of e-banking users are males, and this is due to the Yemeni nature, where most women are housewives and do not have jobs or bank accounts. Age-wise analysis showed that the highest use of electronic banking services was in the age group between 36-45 years, representing 46% of the respondents. Analysis according to the monthly income revealed that the group that has monthly income above 150000k was the highest group in using e-banking services, and this group represented 51.3% of the respondents. Regarding the education level, the highest use of e-banking was for those who have degree,

as they are more likely to use the service by 54.5% than the others. Analysis of the number of times respondents use e-banking showed that the majority of them (with a percentage of 32.3%) use the services only 'sometimes'.

The overall level of customer perception of e-banking services was high, where the weighted average was 3.905. The highest mean was for the statement 'E-banking is user-friendly' with a mean of 4.0317, while the lowest mean was for the two statements 'E-banking is available 24/7' and 'The overall value from e-banking is excellent' with the mean 3.7566 for both. The reason why these two statements had the lowest mean could be because banks do not provide the service throughout the week, especially the availability of cash in ATMs, and this is due to several factors, the most important of which is the war imposed on the country since March 2015 due to the Saudi-led coalition, which was reflected on the services in general and the e-banking services in particular.

The study also showed that there was no difference in the perception of customers based on the difference in their monthly income, where the *P* values for all the statements in the ANOVA analysis were higher than (0.05). So the null hypothesis that "there is no significant difference in perception towards e-banking among customers with varying monthly income levels" was accepted. This result is consistent with the study conducted by (Reddy and Reddy, 2015) who found no difference in customers' perception towards e-banking services among the respondents belonging to different income groups. In addition, the study showed that there is no relationship between the monthly income of customers and their perception of electronic banking services, where the Pearson Product Moment Correlation test showed that all the values of the correlation coefficient between the monthly income and each of the statements of Yemeni customers perception towards e-banking were less than ± 0.30 , which means that there is no relationship. Therefore, the null hypothesis that "There is no relationship between customers' perception towards e-banking service and their monthly income level" was accepted. The researcher believes that the conditions that the country is going through because of the war led by the Saudi coalition have negatively affected all banking and other services in the country, and also this war has affected the communications sector, which is the lifeblood of electronic banking services, which depend on the Internet.

8. CONCLUSION AND SUGGESTIONS

The aim of the study was to measure customers' perceptions towards e-banking services provided by Yemeni banks and to find out whether the customers' monthly income is related to their perception of the service. The study revealed that the perception of Yemeni customers towards E-banking is high, there is no difference in perception towards e-banking services among users who have different monthly income and there is no relationship between monthly income and customers' perception towards e-banking services. Therefore, Yemeni banks should go on their promotion and increase their advertisements for these services, provide more comprehensive and broader services and not to be confined to ATMs and some mobile-related services, pay attention to reassure users of the security of the service and preserve their privacy, see the experiences of international banks in this field, and the government should improve the quality of the Internet, which is still very poor compared to the other countries of the world.

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