



# A STUDY ON RISK AND RETURN IN ONLINE BANKING TRANSACTION

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**Abstract:** This study aims to examine the relationship between risk and return in online banking transactions and explore the various security measures that financial institutions can adopt to ensure the safety of their customer's information. For this purpose, the primary data is collected from 103 respondents through well-structured questionnaire. The statistical Tools like Chi-Square, Percentage methods were used. T-test and One-way ANOVA is used for testing of Hypothesis. By gaining a deeper understanding of the risks and benefits of online banking, this study can provide valuable insights for financial institutions, customers, and policymakers alike.

## INTRODUCTION

The advent of online banking has revolutionized the way individuals and businesses manage their finances. The convenience and accessibility of online banking have made it a popular choice for many people, allowing them to perform transactions from anywhere at any time. However, with the increase in online banking usage, there also comes a risk of cyber threats and fraud. As such, it is crucial to study the risks associated with online banking transactions and understand how financial institutions can mitigate these risks while still generating returns for their business. This study aims to examine the relationship between risk and return in online banking transactions and explore the various security measures that financial institutions can adopt to ensure the safety of their customer's information. By gaining a deeper understanding of the risks and benefits of online banking, this study can provide valuable insights for financial institutions, customers, and policymakers alike. Banks are financial institutions that serve as intermediaries between individuals, businesses, and governments to facilitate financial transaction and promote economic growth. Banks Offer a wide range of services, including checking and saving account, credit cards, personal and business loan, mortgages, investment products and wealth management services. E-banking, also known as online banking refers to the use of electronic channels to conduct banking transactions, such as transferring funds, paying bills, checking account balances, and managing other financial activities. The most common types of e-banking includes Online banking, Mobile banking, Automated Teller Machines (ATMs), POS terminals, Telephone banking Internet banking portals, Electronic fund transfers etc.,

## REVIEW OF LITERATURE

Md yusuf hossein khan (2022) in the study analyzed the international tourist's satisfaction with online banking services in the contexts of Bangladesh. This paper explores tourist's satisfaction with efficient dimensions, responsiveness dimensions, System available dimensions, privacy dimensions, fulfillment dimensions, compensation dimensions, and contact dimensions. The data were gathered from a sample of 176 international visitors to Bangladesh by utilizing a purposive sampling method and adopting a survey method comprised of a web-based structured questionnaire. The findings of the research suggest that efficient dimensions, system availability dimensions, privacy dimensions, and fulfillment dimensions are the most essential aspects which significantly affect international tourists' satisfaction with online banking services.

G. Balamurugan & Dr.P.Kanagaraju (2022) this study's goals were to examine how satisfied customers were with the public sector banks in Cuddalore District's e- banking services. At the moment, the modern banking industry has been offering a wide range of services to customers, and customers would benefit from having a large selection of services available online at affordable prices. So, compared to traditional banking, Internet banking offers clients a convenient and time-saving service, and users can access the service anywhere and at any time over the internet. For bankers, online banking gives more possibility to deliver tailored services and adequate supply and demand than traditional services

M. Sirajul Islam, Shang Gao, and Khando (2022) the most recent digital payment methods are thoroughly examined in this article, along with the challenges the clients face. It identifies four categories of digital payment technologies, card payment, e-payment, mobile payment, and crypto currencies, and classifies the key challenges they face into social, economic, technical, awareness, and legal themes. The categorization and classification of payment technologies and challenges presented in this study an assist researchers and practitioners in understanding, developing, and implementing effective digital Payment strategies.

Dr. K. S. Chandrasekar (2018) in this study examines the effects of banks on customer satisfaction with online banking systems. The purpose of this article is to evaluate how consumers feel about e-banking services. ANOVA and percentages were used to analyze the data descriptively after it was gathered through a questionnaire. This study explores how consumer satisfied with e-banking products in Trivandrum and Addis Abeba. It shows that the two key elements that have a substantial impact on customer satisfaction are technology-based options and service quality. Consumers have also expressed a lot of interest in institutions that meet their requirements and preferences. The two elements in the banking industry are the most crucial factors and resources for assessing and delighting consumers, increasing customer loyalty and the average customer retention rate. The same variables, which have always been crucial, are to blame for the fact that Trivandrum and Addis Abeba clients predominately use e-banking. Banks are aware of the necessity to satisfy client demands.

Mr. Lakshmi Narayana, Mr. Sri Hari.V & Dr.P. Paramashivaiah (2013) studied the level of customer satisfaction with Bangalore City's banking services. According to this study, the range of services offered, rates, fees, and prices charged are the main variables that customers consider when choosing a bank. 250 responses were received from residents of Bangalore for this study. It also demonstrated that good front office services, value-added services, deposit-oriented services, and offering cutting-edge products will all satisfy the needs of customers in addition to superior service

## OBJECTIVES OF THE STUDY

- To determine the problems and insecurities of consumers while using online payment methods
- To compare and analyze the risks of online banking.
- To study about the consistency of using online banking Transactions.
- To study about the Pros and Cons of using online banking.

## RESEARCH METHODOLOGY

The study is descriptive in nature. The Primary data for the study is collected well-structured Questionnaire. The sampling procedure used was convenience sampling as in questionnaire were administered at places like the residents, office and college. 103 respondents make up the sample size for this survey, which aims to determine consumer satisfaction and public behavior. The Statistical tools such as Percentage analyses; Chi-Square is used for the study. T-test and one-way ANOVA is used for testing of Hypothesis. Technological tools like MS-Excel, MS-Word, SPSS and Google Form are also used for this purpose.

## HYPOTHESIS:

1. H<sub>0</sub>: There is no significant difference between Gender and choosing online banking service.
2. H<sub>0</sub>: There is no significant difference between the age of the respondents and satisfaction level of online transactions.
3. H<sub>0</sub>: There is no significant difference between the Income level and benefits of transactions.

## DATA ANALYSIS AND DATA INTERPRETATION

**Table 1.1: Table Showing Gender of Respondent**

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Female	58	56.3	56.3	56.3
Male	45	43.7	43.7	100
Total	103	100	100	

**Interpretation:** From the above table, it is observed that out of 103 respondents 45% of the respondents are male, 56.3 % of the respondents are female. It is inferred that the majority of the respondents are male.

**Table 1.2: Table Showing Age of Respondent**

Age	Frequency	Percent	Valid Percent	Cumulative Percent
15-25	64	62.1	62.1	62.1
25-35	30	29.1	29.1	91.3
35-45	7	6.8	6.8	98.1
Above 45	2	1.9	1.9	100
Total	103	100	100	

**Interpretation:** From the above table, it is observed that out of 103 respondents 62.1% of the respondents are between the age group of 15-25 years, 29.1% of the respondents are between the age group of 25 – 35 years, 6.8% of the respondents are 35 – 45 years of age, 1.9% of the respondents were above the 45 years age group. So, it is inferred that the majority of the respondents are between the age group of 15- 25 year age group.

**Table 1.3 Table Showing Income level of Respondent**

Income level	Frequency	Percent	Valid Percent	Cumulative Percent
15000-35000	23	22.3	22.3	22.3
35000-55000	19	18.4	18.4	40.8
55000-75000	9	8.7	8.7	49.5
Above 75000	7	6.8	6.8	56.3
Below 15000	45	43.7	43.7	100
Total	103	100	100	

**Interpretation:** From the above table it can be said that 22.3% of respondents are between 15000-35000 , 18.4% of respondents are between 35000-55000 , 8.7% of respondents are between 55000-75000, 6.8% of respondents chose above 75000 and 43.7% of respondents have income below 15000

**Table 1.4 Table Showing Year of experience of Respondent**

Years of experience	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 years	52	50.5	50.5	50.5
5-10 years	29	28.2	28.2	78.6
Above 10 years	7	6.8	6.8	85.4
Less than a year	15	14.6	14.6	100
Total	103	100	100	

Interpretation: From the table, it can be said that 50.2% of respondents have 1-5 years, 28.2% of respondents have 5-10 years, 6.8% of respondents have above 10 year, and 14.6% of respondents have less than a year of experience.

**Table 1.5 Table showing benefits of using online transactions**

Particulars	TIME SAVING		EASY ACCESSIBLE		TRANSACTION TRACEABILITY		OFFERS		24/7 TRANSACTIONS	
	Total	%	Total	%	Total	%	Total	%	Total	%
Highly Satisfied	1	1	2	1.9	4	3.8	4	3.8	1	1
Satisfied	81	77.1	78	74.3	79	75.2	63	60	79	75.2
Neutral	16	15.2	21	20	17	16.2	27	25.7	17	16.2
Dissatisfied	5	4.8	2	1.9	3	2.9	9	8.6	6	5.7

Highly Dissatisfied	0	0	0	0	0	0	0	0	0	0
Total	103	100	103	100	103	100	103	100	103	100

**Interpretation:** From the above table, it can be said that the benefits of online transactions can be categorized on the basis of

1. TIME SAVING: 1% of respondents are highly satisfied, 77.1% of respondents are satisfied, 15.2% of respondents are neutral and 4.8% of respondents said they were dissatisfied.
2. EASY, ACCESSIBLE: 1.9% said they were highly satisfied, 74.3% of respondents said they were satisfied, 20% of respondents said neutral and 1.9% of respondents said they were dissatisfied.
3. TRANSACTION TRACEABILITY: 3.8% of respondents said they were highly satisfied, 75.2% of respondents were satisfied, 16.2% of respondents said neutral and 2.9% of respondents said dissatisfied.
4. OFFER: 3.8% of respondents said they were highly satisfied, 60% of respondents said satisfied, 17% of respondents said neutral and 8.6% of respondents said they were dissatisfied.
5. 24/7 TRANSACTION: 1% of respondents said they were highly satisfied, 75.2% of respondents said they were satisfied, 16.2% of respondents said neutral and 5.7% of respondents.

Thus, it can be said that Majority of respondents are satisfied with the benefits of online transactions.

#### H0-NULL HYPOTHESIS:

There is no significant difference between gender and choosing online banking services.

#### H1-ALTERNATIVE HYPOTHESIS:

There is significant difference between gender and choosing online banking services.

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
What do you prefer while choosing online banking transactions?	Equal variances assumed	.285	.594	-1.374	96	.173	-.268	.195	-.655	.119
	Equal variances not assumed			-1.397	93.095	.166	-.268	.192	-.649	.113

#### Interpretation:

Since the P value is 0.592 which is greater than the significance level 0.05 ( $P > 0.05$ ) at 95% level of significance So, the null hypothesis is accepted, hence there is no significant relationship between Gender and choosing online banking services.

#### HYPOTHESIS:

#### H0-NULL HYPOTHESIS:

There is no significant difference between age and satisfaction level of online transactions.

#### H1-ALTERNATIVE HYPOTHESIS:

There is significant difference between age and satisfaction level of online transactions.

#### ANOVA

		N	Mean	Std. Deviation	F	Sig.
NEFT	15-25	64	2.50	.535	.818	.487
	25-35	30	2.63	.850		
	35-45	7	2.43	.535		



	Above 45	2	2.00	0.000		
	Total	103	2.52	.639		
IMPS	15-25	64	2.38	.604	1.122	.344
	25-35	30	2.63	.850		
	35-45	7	2.29	.488		
	Above 45	2	2.50	.707		
	Total	103	2.45	.682		
RTGS	15-25	64	2.63	.604	1.085	.359
	25-35	30	2.73	.785		
	35-45	7	2.43	.535		
	Above 45	2	2.00	0.000		
	Total	103	2.63	.657		
UPI	15-25	64	2.41	.706	.393	.759
	25-35	30	2.53	.973		
	35-45	7	2.43	.535		
	Above 45	2	2.00	0.000		
	Total	103	2.44	.775		

**Interpretation:**

Since the P value (.487, .344, .359, .759) is greater than 0.05, the NULL HYPOTHESIS is accepted at 5% level of significance. The NULL HYPOTHESIS is “There is no significant difference between the age and satisfaction level of online transactions. Hence, all has a same perception in their benefits of choosing online transactions.

**HYPOTHESIS:**

**H0-NULL HYPOTHESIS:**

There is no significant difference between Income level and benefits of transactions.

**H1-ALTERNATIVE HYPOTHESIS:**

There is significant difference between Income level and benefits of transactions.

ANOVA						
		N	Mean	Std. Deviation	F	Sig.
Fake Apps	Below 15000	45	2.53	.588	2.707	.035
	15000-35000	23	2.78	.600		
	35000-55000	19	3.00	1.000		
	55000-75000	9	2.22	.441		
	Above 75000	7	2.86	.900		
	Total	103	2.67	.719		
Transaction Charges	Below 15000	45	2.47	.726	.487	.745
	15000-35000	23	2.52	.665		
	35000-55000	19	2.68	.749		
	55000-75000	9	2.33	.500		
	Above 75000	7	2.57	.787		
	Total	103	2.51	.698		
	Below 15000	45	2.56	.725		
	15000-35000	23	2.61	.656		

[Unencrypted Data	35000-55000	19	2.79	.787	.591	.670
	55000-75000	9	2.78	.441		
	Above 75000	7	2.86	1.069		
	Total	103	2.65	.724		
Network Issue	Below 15000	45	2.53	.757	1.147	.339
	15000-35000	23	2.70	.822		
	35000-55000	19	2.32	.671		
	55000-75000	9	2.44	.726		
	Above 75000	7	2.14	.378		
	Total	103	2.50	.739		
Privacy Issue	Below 15000	45	2.60	.889	.443	.777
	15000-35000	23	2.87	.757		
	35000-55000	19	2.74	.733		
	55000-75000	9	2.78	.972		
	Above 75000	7	2.86	1.215		
	Total	103	2.72	.857		

### Interpretation:

Since the P value (.035, .745, .670, .339, .777) is greater than 0.05, the NULL HYPOTHESIS is accepted at 5% level of significance. The NULL HYPOTHESIS is “There is no significant difference between the Income level and benefits of transactions.

Hence, all Income group has a same perception in their benefits of choosing online transactions

### FINDINGS OF THE STUDY

- ❖ It is inferred that Majority of the respondents are from student’s category between the age group below 15-25 yrs and falls under the income group below 15000.
- ❖ It is inferred that Majority of the respondents are aware of online banking transaction and have 1-5 yrs of experience in online banking.
- ❖ Transfer of fund and regular online checking of bank statement are the major use of online banking.
- ❖ Time saving, fast access, safe and secure, easy access, transaction traceability, 24/7 service are the major criteria that plays a major role among respondents using online transaction.
- ❖ Majority of respondents consider online banking as safe and frequently use UPI transaction on daily basis.
- ❖ It is inferred that Majority of respondents are satisfied with NEFT, IMPS, RTGS and UPI.

### CONCLUSION

The research has concluded that while online banking provides a convenient and accessible way for customers to manage their finances, there are risks associated with it, such as identity theft and fraud. However, these risks can be managed by implementing robust security measures, such as two-factor authentication and encryption technologies. Overall, the study highlights the need for continued investment in online banking security and the potential benefits that online banking can bring to both financial institutions and customers. As technology continues to evolve, it is important for financial institutions to stay ahead of the curve and ensure that their online banking systems are secure and reliable, and that customers are educated on how to use them safely

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