



THE ROLE OF SOCIAL MEDIA IN SHAPING CUSTOMER PERCEPTION AND USAGE OF INTERNET BANKING SERVICES: A STUDY IN BALANGIR DISTRICT

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ABSTRACT

The emergence of Internet banking has transformed banking globally. Internet banking has opened up geographical borders by acting as a marketing channel, offering customers a variety of services at lower prices. Investigating the manner in which social media affects customers view and use internet banking services is important and timely. This research delves into the influence of social media on customer attitudes towards internet banking. Using SPSS software, a sample of 173 individual internet banking users from Balangir was analysed through an online survey. The results from the analysis support hypotheses derived from the literature. The findings showed that consumer perceptions of online banking services might be positively or negatively impacted by the content posted on social media sites.

KEYWORDS-Internet banking, Customers, Balangir

INTRODUCTION

The banking sector has seen a radical change in recent years as a result of the quick development of technology, which has resulted in the widespread use of internet banking services. The rise in popularity of social media platforms has simultaneously revolutionised how individuals interact, communicate, and get information. Social media has consequently become a potent instrument for influencing consumer behaviour across numerous industries, including banking. For banks and other financial institutions looking to increase consumer engagement and effectively promote digital banking solutions, it is essential to comprehend how social media affects how customers perceive and use internet banking services. Social media has become a potent force, shaping various aspects of contemporary life, including how people engage with businesses and avail themselves of services. Within the financial sector, one domain profoundly impacted by this phenomenon is internet banking services. The widespread adoption of social media platforms has led to a revolutionary change in how customers perceive and utilize internet banking services. This transformation is speed up by the dynamic nature of social media, its rapid information dissemination capabilities, and its significant influence on customer behaviour.

The role of social media in shaping customer perceptions and usage of internet banking services is of paramount importance. Social media platforms offer a distinct arena for customers to voice their opinions, share experiences, and interact with financial institutions and their offerings. The accessibility and instantaneous communication facilitated by social media have completely transformed customer interactions with banks and financial service providers.

LITERATURE REVIEW

The way businesses connect with their clients has changed significantly in recent years as a result of the integration of social media and digital technologies. Given that more and more people are using internet banking services for their financial needs, the banking industry has undergone substantial changes (Almaiah et.al,2022). Social media platforms have likewise emerged as important venues for communication and information exchange, offering banks distinctive chances to interact with consumers and shape their attitudes and actions.

Social media has become a potent tool for influencing how customers see online banking services. Social media contacts with banks have a beneficial impact on how conveniently, simply, and securely customers perceive online banking (Sandhu and Arora, 2022). Banks can actively connect with customers by highlighting the advantages of internet banking, responding to their concerns, and clearing up any misconceptions. Social media is in fostering confidence in and credibility for online banking services. Positive social



media testimonials, reviews, and recommendations help to increase users' trust in online banking platforms. On the other hand, unfavourable opinions posted on social media can harm prospective clients' trust. In order to keep a good reputation, banks must actively manage their online presence and respond to customer comments right away (Rahi et.al, 2019).

Social media channels also have a big impact on how customers use and adopt internet banking services. Social media marketing initiatives can raise awareness of and interest in internet banking services, which will ultimately lead to customer adoption. It is important to recognise that social media occasionally has a negative impact on how customers see and use internet banking services (Singh and Srivastava, 2019). Spreading false information or unfavourable attitude on social media can make people reluctant to use internet banking services. Additionally, security issues brought on by data breaches or phishing attacks on social media platforms may cast doubt on the security of online banking (Rajasulochana,2022). The significance of social media in influencing customer perceptions and utilization of internet banking services should not be overlooked. These platforms offer an exclusive avenue for customers to voice their opinions, exchange experiences, and interact with financial institutions and their products (Jaiswal et.al,2021). The convenience of access and immediate communication provided by social media have fundamentally altered the way customers engage with banks and financial service providers.

RESEARCH GAP

While existing literature has explored the impact of social media on various aspects of customer behaviour in the banking industry, there remains a notable research gap in understanding the specific role of social media in shaping customer perception and usage of internet banking services. Despite the growing significance of social media in the banking sector, empirical studies that directly examine the relationship between social media interactions and customer perception of internet banking services are scarce. Examining the influence of social media on internet banking can provide valuable insights can guide banks and financial institutions in formulating effective social media strategies and optimizing internet banking services to cater to the diverse needs and expectations of customers.

RESEARCH OBJECTIVE

- To explore the relationship between social media engagement and the adoption and usage of internet banking services among customers.
- To identify the impact of positive and negative content on social media platforms on customer perceptions and trust in internet banking services.

RESEARCH HYPOTHESIS

H1=There is significant relationship between social media engagement and the adoption and usage of internet banking services among customers.

H2=There is significant impact of positive and negative content on social media platforms on customer perceptions and trust in internet banking services.

RESEARCH METHODOLOGY

For the purpose of this research purposive sampling technique was used. A structured questioner was prepared using Google form and was circulated among the users of internet banking in Balangir district of Odisha. The questioner was divided into two parts. The first section focused on social media usage, including questions related to the types of social media platforms used, the frequency of interaction with banking-related content on social media, and the level of engagement with such content. This section aims to assess the extent to which social media plays a role in influencing customer perceptions of internet banking services and the second section of the questionnaire concentrated on customer attitudes towards internet banking services. A total of 195 responses were received out of which 22 responses were discarded as they were incomplete.173 responses were considered for the purpose of this study. The data collected was analysed using SPSS.



DATA ANALYSIS

Table-1, Demographic profile of the respondents

Demographic variable	Frequency	Percentage
Gender	Male	100
	Female	73
Age	20-30	24
	30-40	90
	40-50	59
Education	College Student	24
	Undergraduate	88
	Postgraduate	61
Hours of using social media	Less than 3 hours	52
	3 – 6 hours	87
	More than 6 hours	35
Commonly used social media	Facebook	78
	Twitter	36
	Instagram	59

Table 1 displays the demographic information of the participants, who were using internet banking services involved in this study. A total of 173 respondents (42.1% female; 57.9% male) took part in the experiment and successfully completed the experimental survey. The data collected encompassed variables such as gender, age, highest academic qualification, and occupation. As anticipated, the participants were highly educated, with a significant portion holding academic qualifications. In particular, 13.7% of the population were in college, 50.8% had finished their undergraduate degrees, and 35.5% had pursued postgraduate study. Regarding hours of using social media, majority of the respondents used social media for 3 to 6 hours (i.e.50%). The most popular social networking site among the respondents was found to be Facebook.

Table-2, Cronbach Alpha Reliability Test

Cronbach's Alpha	N Of Items
.867	25

A reliability test, referred to as a statistical analysis, is utilized to gauge the reliability and consistency of measurement devices or constructs. This test assesses how dependable and stable the items or questions on a measurement scale or instrument are in producing consistent results. The evaluation of construct reliability was conducted using SPSS software. The obtained Cronbach's alpha value in this test was found to be .865, indicating a satisfactory level of reliability. This result confirms that the measurements are accurate and provides evidence supporting the reliability of the collected data.



Table-3, Results of Regression Analysis (Model Summary) for hypothesis-1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.775 ^a	.601	.583	.824

a. Predictors: (Constant), Adoption of internet services

The analysis shows that this model accurately explains 60% of the impact that social media has on the dependent variable, which is the adoption of internet services. This conclusion is supported by the Adjusted R square value of 0.583, indicating a substantial relationship between the adoption of internet services and the influence of social media. The regression model's R coefficient of 77% further confirms this, suggesting that the model explains a significant portion of the overall variance.

Table-4, Results of Regression Analysis (ANOVA) for hypothesis-1

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.497	1	22.497	33.152	.000 ^b
	Residual	14.929	22	.679		
	Total	37.426	23			

a. Dependent Variable: Social media

b. Predictors: (Constant), Adoption of internet services

The ANOVA results indicate that the probability value obtained was extremely low, specifically .000b. This result suggests that the regression model is significant, making it suitable for predicting the relationship between the adoption of internet services and the impact of social media. Additionally, the p-value |t|, at a 95% confidence level, is less than 0.05, further supporting the hypothesis.

Table-5, Results of Regression Analysis (Model Summary) for hypothesis-2

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.860 ^a	.739	.710	.543

a. Predictors: (Constant), impact of content customer perceptions and trust

The analysis shows that this model accurately explains 73% of the influence of positive and negative content on social media platforms on customer perceptions and trust in internet banking services. This conclusion is supported by the Adjusted R square value of 0.710, indicating a strong relationship between the variables. The regression model's R coefficient of 86% further supports this assertion, demonstrating that the model explains a substantial portion of the total variance. Moreover, the R Square value of 73% reinforces the model's ability to account for a significant proportion of the overall variability.

Table-6, Results of Regression Analysis (ANOVA) for hypothesis-2

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.527	1	7.527	25.512	.001 ^b
	Residual	2.655	9	.295		
	Total	10.182	10			

a. Dependent Variable: Social media

b. Predictors: (Constant), impact of content customer perceptions and trust



Based on the ANOVA results, the calculated probability value was extremely low, specifically .000b. This suggests that the regression model is highly significant, making it appropriate for predicting the relationship between the impact of positive and negative content on social media platforms and customer perceptions and trust in internet banking services. Furthermore, the p-value $|t|$, at a 95% confidence level, is less than 0.05, providing additional support for the hypothesis.

RECOMMENDATION

- Banks should actively interact with their consumers on social media channels by responding to their questions and concerns in a timely manner.
- Collaborate with brand ambassadors or social media influencers to promote internet banking services. Influencers are a powerful tool for spreading messages and expanding the reach of marketing efforts.
- Keep an eye out on social media channels for complaints from customers about internet banking services.
- Launch social media campaigns to inform users about the ease of use and convenience of online banking services.
- Actively seek out consumer comments on social media platforms to learn more about how users feel about using internet banking services.

CONCLUSION

The emergence of Internet banking has transformed banking globally. However, the integration of social media and digital technologies has radically changed how companies interact with their customers in recent years. The purpose of this study was to investigate at the association between the customer adoption of internet banking services and social media engagement. The study's findings offer significant insights on the influence social media has on consumer attitudes towards online banking services. According to the study, consumer perceptions of online banking services might be positively or negatively impacted by the content posted on social media sites. Positive content may encourage confidence and trust in these services, while negative content can create distrust. These results underline the importance for banks and other financial institutions to actively manage their social media presence. They can improve consumer impressions and foster trust in their services by pushing positive material and responding to negative criticism in an appropriate manner.

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