

**Challenges Faced by Customers of E-Banking Services
by the Scheduled Commercial Banks in Coimbatore
City**

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Abstract

E-banking is a big thing that has changed the way banks do business. Banks all over the world are changing their plans to take advantage of the new opportunities that e-banking brings. People don't think of online banking as a replacement for brick-and-mortar banking branches, but rather as an extra way to get services. E-banking has increased the competition among the banks and both domestic and foreign banks are offering more and more modern ways of e-banking. The new technology has radically altered the traditional ways of doing banking business. Today, no banking business or corporate strategy is complete without information technology, whether it's for customer service, transactions, remittances, auditing, marketing, pricing, or anything else. So, this study will show you the problems that customers of scheduled commercial banks in the city of Coimbatore have with E-banking services.

Keywords: E- Banking, Technology, Scheduled Commercial Banks.

Introduction

With more people using the internet, E-banking has become one of the most changed parts of the growth of the economy today. E-banking is a powerful way to get new customers and keep the ones you already have. With more and more people using the internet and computers, E-banking has become the best way for banks to meet customer expectations. In a banking world where competition is growing, it also helps get rid of expensive paper handling and interactions with tellers. E-banking could have a competitive advantage in the areas of lowering costs and meeting customer needs.

Banking is an industry that has changed a lot because of how Information Technology (IT) has been used. E-banking means that customers can do basic banking transactions around the world and at any time through electronic media. Electronic banking can also be described as "the delivery of bank services to a customer at his office or home using electronic technology, which has led to the idea of virtual banking." In traditional banking, the customer has to go to the bank branch in person to do basic things like check their account, move money between accounts, and get cash. In order for a bank to do its job, it needs to have a physical building. E-Banking, on the other hand, lets customers do basic banking tasks while sitting at their office or at home on their PC or LAPTOP.

Problem statement

Banking industry worldwide is offering various options, financial products and services to enhance customer satisfaction. Innovative ways for information technology are used to provide services. Undoubtedly e-banking is the technological wonders and is gaining popularity. E-banking is seen as the heartbeat of the country. It is important for banks to encourage customers to use e-banking. Banks-trusted business service providers, have the opportunity to leverage their existing relationships to provide full range of high quality trusted internet business services to their customers.

Indian banking has come a long way since it was a slow-moving business. It is now a very active and busy sector. This change is mostly the result of large-scale liberalization and economic reforms that have made it possible for banks to try out new business ideas instead of just making money from traditional sources like borrowing and lending. As a result of economic reforms and the entry of private players, nationalized banks have changed their services and product lines to include new, customer-focused ideas. The information technology revolution has changed almost every part of life, including the banking industry. The introduction of electronic banking has revolutionized and redefined the ways banks were operating. As technology is now considered as the main contribution for the organizations' success and as their core competencies. So the banks, be it domestic or foreign are investing more on providing on the customers with the new technologies through e-banking. So, Indian banking has finally woken up to the fact that Indian consumers are becoming more and more picky. With the above settings, the present study has been made to identify the solution for the following research question;

1. What would be the challenges faced by customers while using the various E-banking services provided by public and private sector commercial banks in Coimbatore city?

Objectives of the study

1. To examine the challenges faced by the customers while accessing various E-banking services provided by public and private sector commercial banks in Coimbatore city.

Hypothesis for the study

H₀₁: There is no significant difference in problems in adopting e-banking services among the groups of respondents based on their demographic classification.

Methodology

The research is investigative and qualitative in nature and the methodology adopted for the study is presented below:

Source of data

The research work is mainly based on primary data collected from the sample respondents through a structured questionnaire. Other information relevant for the study's analysis and others was collected from secondary sources such as journals, magazines, published and unpublished research works and websites.

Sample design

The population targeted for this study consisted of 100 samples from the city of Coimbatore who are making use of E-banking services from the 22 public and 13 private commercial banks. The sampling technique adopted for the study was convenient sampling where the sample respondents were selected on the basis of the accessibility.

Statistical tools for analysis

- Simple Percentage
- Mean Score
- ANOVA

Limitations of the study

1. This research was location specific and was confined to the city of Coimbatore in the state of Tamil Nadu in India. Hence the results of this research may not be applicable to other parts of globe.
2. The study adopted convenient sampling which was one of the methods of non-probability sampling and hence the limitations of this technique are applicable.
3. The study has all the limitations of a qualitative research namely subjectivity and personal bias.

Analysis and Discussion

Table-1: Demographic Profile of Respondents

S. No.	Customers' Particulars	No. Of Respondents	Percentage (%)
1	Gender	Male	48
		Female	46
		Transgender	06
2	Age	18 – 30 years	30
		Between 30 and 45 years	44
		Between 45 and 60 years	22
		Above 60 years	04
3	Education	School level	22
		Diploma	16
		Graduation	50
		Professional	12
4	Marital status	Married	38
		Unmarried	62
		Divorced/others	00
5	Occupation	Public	24
		Private	58

		Self employed/Business	18	18
		Others	00	00
6	Monthly Income	Upto 15000 Rs	26	26
		15001 to 20000	34	34
		20001 to 30000	28	28
		More than 30000	12	12

Source: Primary data

The above table shows that when it comes to gender and age, it is found that 48 % are male and 44 % belong to the age group of 30 to 45 years. Most of the respondents are graduate constituting 50 % and unmarried who are being 62 % and most respondents of about 58 % are private employees. Finally when it comes to monthly income most respondents fell under the category of having the income between Rs. 15001 to 20000.

Table – 2: Problems in Adoption of E-Banking Services - Mean Scores

Problems	Mean Scores
Inadequate knowledge	4.18
Improper instructions	4.08
Inaccurate information	4.02
Poor network	4.11
Security reasons	4.29
Technical barriers	4.32
Service charges	3.91
Size of transactions	3.60
Procedural complexities	3.98
Maintaining Secrecy/Passwords/PIN	4.10
Replacement of lost cards	3.32
Knowledge gap of various services	4.27
Duration	3.33
Poor customer service mechanism	3.67
Uneasy entry and exit	3.11

The above table indicates the problems faced while adopting the e-banking services in scheduled commercial banks. The technical barriers, security reasons and knowledge gap of various services are the top ranked problems as per the mean scores of the respondents. The problems are treated as most vicious based on the mean scores strength. The problems named uneasy entry and exit stands last with low mean score.

Problems in adoption of e-banking services: ANOVA

Analysis of variance on problems in adopting e-banking services by the respondents has been calculated using the following hypothesis;

H₀: There is no significant difference in problems in adopting e-banking services among the groups of respondents based on their demographic classification.

Table – 3: Challenges of e-banking services and the demographic classification

S. No	Dependent Variable	Independent Variable	χ^2	Sig. value	Hypothesis
1	E-banking Services	Gender	0.41	.532	Accepted
2	E-banking Services	Age	1.48	.003**	Rejected
3	E-banking Services	Education	0.03	.005**	Rejected

4	E-banking Services	Marital status	0.23	.035*	Rejected
5	E-banking Services	Occupation	1.34	.045*	Rejected
6	E-banking Services	Monthly Income	4.16	.015*	Rejected

Source: Primary data * significant at 5%. ** significant at 1%

The above table depicts the analysis of variance between challenges on E-banking services and demographic classification of respondents. It is clear from the table that the hypothesis is accepted for gender alone and rejected for the demographics namely age, education, marital status, occupation and monthly income.

Conclusion

With the development of Information Technology (IT), the world has become a global village and it has brought a revolution in the banking industry. The banks appear to be on the fast track for IT based products and services. There have been more financial innovations since deregulation and liberalisation in the financial sector. Breath taking developments in the technology of telecommunications and electronic data processing have further accelerated these changes. The rise of E-banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. E-international banking's reach opens up new growth opportunities, and Internet business is a driving force behind new technologies and ways of doing business.

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