



## E-Banking: Usage and Problems Faced by Bank Customers

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### ABSTRACT

*Our nation is moving forward in developing its electronic services to meet the challenges of this century. One of the electronic services which is gaining more popularity and attention is e-banking. The consideration given to the e-banking by the current traditional banking customers may be due to the changes in the banking consumers' lifestyle, and this lifestyle has become compatible to the new way of conducting banking services online. However, the trust and security will be the central factors that influence banking customers' acceptance of the service. This paper report the usage and problems face while using e-banking facilities by bank customers in Coimbatore city. So, a survey was conducted and sampled copies of 120 questionnaires were distributed to the banks customers. The customer faces various problems while using e-banking facilities. So respond to the problem of e-banking facilities and customer mindset. The paper prepare in reference of the problem understanding and solving through the help customers and banks. Findings show that the e-banking facilities are used when it is required, most of them are using these facilities because it saves times.*

### KEYWORDS :

#### Introduction

India is in the developing stage of E-banking growth and development. Competition and changes in technology and lifestyle in the last five years have changed the face of banking. The changes that have taken place impose on banks tough standards of competition and compliance. The issue here is – 'Where does India stand in the scheme of E-banking.' E-banking is likely to bring a host of opportunities as well as unprecedented risks to the fundamental nature of banking in India. The growth and magnitude of digital economy is forcing banks, regardless of their size, to spend a significant proportion of their budget on information technology. The reasons for investing in the technology are numerous; but two distinct reasons are obvious: to streamline work processes and to provide the best service to their customers. With the increasing use and acceptance of electronic banking, banks have increased their range of services available and diversified some of the facilities they offer. Increasingly, banks are starting to offer most of the financial services online, traditionally given over the counter, pushing technology to the customers. E-banking is changing the way banking customers conduct their banking transactions. They no longer have to visit their bank to perform banking activities. Bank customers can conduct their banking activities almost everywhere as long as they have devices with Internet connection. This new innovation raises the needs to assess factors that influence its acceptance and also banks, knowing the factors that affect the acceptance of e-banking will assist them in developing and introducing suitable strategies to enhance its usage.

#### Review of Literature

Geetika et al (2008)<sup>61</sup> in their article titled, "Internet Banking in India: Issues and Prospects", discussed the concept of internet banking, perception of internet banking customers, non customers and issue of major concern in internet banking. A questionnaire was prepared to collect information form 100 adult internet users in Allahabad. The collected data was tabulated and analyzed with the help of different statistical tools. The survey found that checking balances online and e-ticketing are the most popular services and other services like shopping online, prepaid mobile recharge, online bill payment, applying for consumer loan and inter account transfer are moderate in popularity.

Tan, Garry(2010)<sup>69</sup>, this paper aims to investigate the factors that affect the adoption of online banking in Malaysia. The findings revealed that social influence, perceived usefulness, trust, perceived ease of use are the major factors affecting the intention to adopt online banking services in Malaysia while perceived financial cost and perceived security risk were found to be insignificant in this study. In this study, the research model only explains 47.5% of the intention to adopt online banking suggesting that the model may have excluded other possible factors influencing the adoption of online banking. The study did not take into consideration other beliefs such as convenience, government supports, quality of the internet connection,

privacy and so on.

K.T. Geetha and Malavizhi(2011)<sup>79</sup>, their study shows that customers are more reluctant in join new technologies or methods that might contain little risk. Hence, banks should design the website to address security and trust issues. The recommendations to the banks are that they have to increase the level of trust between banks website and customers. In order to achieve this, the following strategies should be applied by banks. Banks should ensure that online banking is safe and secure for financial transaction like traditional banking. Banks should organize seminar and conference to educate the customer regarding uses of online banking as well as security and privacy of their accounts.

#### Objectives

1. To find out the reasons for preferring e-banking services utilized by the respondents.
2. To find out the problems faced by the respondents while using e-banking facilities.

#### Methodology

The study was based on primary and secondary data. The required information was collected by administering an interview schedule to the selected respondents and through journals, articles, etc. The data collected relate to the period May 2015. The location of the study was confined to Coimbatore city on the grounds of easy accessibility to data and time constraints. The sample size of the study was 120. Data collected were tabulated and analyzed using percentage method and chi-square test.

#### Findings of the study:

**Table 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

S.NO.	DEMOGRAPHICS	FREQUENCY	PERCENTAGE
1	GENDER		
	Male	74	61.67
	Female	46	38.33
	Total	120	100
2	AGE		
	Below 25	22	18.33
	>25 to 40	63	52.50
	Above 40	35	29.17
	Total	120	100

S.NO.	DEMOGRAPHICS	FREQUENCY	PERCENTAGE
3	EDUCATION		
	Secondary	21	17.5
	Degree	57	47.5
	Above Degree	42	35
	Total	120	100
4	OCCUPATION		
	Student	19	15.84
	Employee	73	60.83
	Business	28	23.33
	Total	120	100
5	MONTHLY INCOME		
	Upto 15,000	61	50.83
	15,000 – 35,000	32	26.67
	Above 35,000	27	22.50
	Total	120	100

Source: Primary Data

**Inference**

**Gender:** Among 120 respondents majority of 61.67 percent respondents were male and 38.33 percent respondents were female.

**Age:** The respondents who were under the age group of 25 were 18.33 percent. About 25-40 years of age group were 52.50 percent and above 40 years were 29.17 percent. Therefore majority of them were under the age group of 25-40 years.

**Educational Status:** A majority of the respondents 47.5% were degree holders, followed by 35% were above degree holders and 17.5% were having only secondary education.

**Occupation:** Among 120 respondents 15.84% were students, 60.83% were employees and 23.33% were business people.

**Monthly Income:** A majority of the respondents 50.83% were earning upto 15,000 as monthly income, 26.67% of them were earning 15,000-25000 and 22.5% of them were earning above 35000.

**Table 2: Frequency of using e-banking facilities:**

Technology		Everyday	Once in a week	Once in a fortnight	When required	Total
ATM	No.	10	17	24	69	120
	%	8.33	14.17	20	57.5	100
Internet Banking	No.	21	33	15	51	120
	%	17.5	27.5	12.5	42.5	100
Mobile Banking	No.	12	16	30	62	120
	%	10	13.33	25	51.67	100

Source: Primary data

**Inference**

It is inferred from the above table that out of the total respondents majority of the respondents are using e-banking facilities when required.

**Table 3: Period of using e-banking facilities:**

Technology		Less than 1 yr	2-5 yrs	Above 5 yrs	Total
ATM	No.	19	40	61	120
	%	15.83	33.33	50.83	100
Internet Banking	No.	18	68	34	120
	%	15	56.67	28.33	100
Mobile Banking	No.	54	47	19	120
	%	45	39.17	15.83	100

Source: Primary data

**Inference**

From the above table, it is clear that most of them use ATM service for more than 5 years, the most of the internet banking using this service for 2-5 years. But most of the respondents were using the mobile banking services for only less than 1year.

**Table 4: Reason for preferring e-banking facilities:**

Reasons	Frequency	Percentage
Easy to operate	21	17.5
Safety & Security	9	7.5
Time saved	38	31.67
24 hrs service	32	26.67
Speed in operation	20	16.67
Total	120	100

Source: Primary data

**Inference**

From the above table, it is clear that most of them use e-banking facilities due to time saved 31.67%, due to 24hrs service 26.67%, due to easy to operate 17.5%, due to speed in operation 16.67% and due to safety and security only 9%. It is inferred that there is a need of more safety and security for e-banking facilities.

**DEMOGRAPHIC VARIABLES AND PROBLEMS FACED IN E-BANKING SERVICES**

The comparative study of problems faced in e-banking services and the demographic variables gender, education, occupation and monthly income is taken for analyze and presented in following tables.

**Table 5.1: GENDER AND PROBLEMS FACED IN E-BANKING SERVICES**

Gender	Problems faced in e-banking services					Total
	Wrong amount of Statement	Machine out of order	Security	Delay in updated	More service charges	
Male	7	21	24	14	8	74
Female	4	8	18	6	10	46
Total	11	29	42	20	18	120

Source: Primary data

**H<sub>0</sub>** There is no significant relationship between gender and problems faced in e-banking service.

**X<sup>2</sup> Test:**

S.No.	Test	Value	Result H <sub>0</sub>
1	Level of Significance	5%	Accepted
2	Critical Value	9.488	
3	Calculated Value	4.644	

**Inference**

The table value was calculated from X<sup>2</sup> table for ((c-1)(r-1) d.f. (5-1)(2-1) d.f. 4 the 5% level of significant the table value 9.448. Since the calculated value is less than the table value, hence Null hypothesis was accepted. There is no significant relationship between gender and problems faced in e-banking services.

**Table 5. 2: AGE AND PROBLEMS FACED IN E-BANKING SERVICES**

Age	Problems faced in e-banking services					Total
	Wrong amount of Statement	Machine out of order	Security	Delay in updated	More service charges	
Less than 25	3	5	9	3	2	22
25 – 40	12	14	17	9	11	63
Above 40	4	8	15	5	3	35
Total	19	27	41	17	16	120

Source: Primary data

**H<sub>0</sub>** There is no significant relationship between age and problems

faced in e-banking service.

**X<sup>2</sup> Test:**

S.No.	Test	Value	Result H <sub>0</sub>
1	Level of Significance	5%	Accepted
2	Critical Value	15.507	
3	Calculated Value	4.617	

**Inference**

The table value was calculated from X<sup>2</sup> table for ((c-1)(r-1) d.f. (5-1)(3-1)) d.f. 8 the 5% level of significant the table value 15.507. Since the calculated value is less than the table value, hence Null hypothesis was accepted. There is no significant relationship between age and problems faced in e-banking services.

**Table 5. 3: EDUCATION AND PROBLEMS FACED IN E-BANKING SERVICES**

Education	Problems faced in e-banking services					
	Wrong amount of Statement	Ma- chine out of order	Secu- rity	Delay in up- dated	More service charg- es	Total
Secondary	2	8	6	2	3	21
Degree	9	12	17	9	10	57
Above degree	3	7	13	12	7	42
Total	14	27	36	23	20	120

Source: Primary data

H<sub>0</sub> There is no significant relationship between education and problems faced in e-banking service.

**X<sup>2</sup> Test:**

S.No.	Test	Value	Result H <sub>0</sub>
1	Level of Significance	5%	Accepted
2	Critical Value	15.507	
3	Calculated Value	8.025	

**Inference**

The table value was calculated from X<sup>2</sup> table for ((c-1)(r-1) d.f. (5-1)(3-1)) d.f. 8 the 5% level of significant the table value 15.507. Since the calculated value is less than the table value, hence Null hypothesis was accepted. There is no significant relationship between education and problems faced in e-banking services.

**Table 5. 4: OCCUPATION AND PROBLEMS FACED IN E-BANKING SERVICES**

Occupation	Problems faced in e-banking services					
	Wrong amount of Statement	Ma- chine out of order	Secu- rity	Delay in up- dated	More service charg- es	Total
Student	3	7	5	1	3	19
Employee	11	19	21	12	10	73
Business	5	6	8	5	4	28
Total	19	32	34	18	17	120

Source: Primary data

H<sub>0</sub> There is no significant relationship between occupation and problems faced in e-banking service.

**X<sup>2</sup> Test:**

S.No.	Test	Value	Result H <sub>0</sub>
1	Level of Significance	5%	Accepted
2	Critical Value	15.507	
3	Calculated Value	2.663	

**Inference**

The table value was calculated from X<sup>2</sup> table for ((c-1)(r-1) d.f. (5-1)(3-1)) d.f. 8 the 5% level of significant the table value 15.507. Since the calculated value is less than the table value, hence Null hypothesis was accepted. There is no significant relationship between occupation and problems faced in e-banking services.

**Table 5. 5: MONTHLY INCOME AND PROBLEMS FACED IN E-BANKING SERVICES**

Monthly Income	Problems faced in e-banking services					
	Wrong amount of Statement	Ma- chine out of order	Secu- rity	Delay in up- dated	More service charg- es	Total
Upto 15000	8	17	14	10	12	61
15000 – 35000	3	8	11	4	6	32
Above 35000	2	5	7	9	4	27
Total	13	30	32	23	22	120

Source: Primary data

H<sub>0</sub> There is no significant relationship between monthly income and problems faced in e-banking service.

**X<sup>2</sup> Test:**

S.No.	Test	Value	Result H <sub>0</sub>
1	Level of Significance	5%	Accepted
2	Critical Value	15.507	
3	Calculated Value	6.381	

**Inference**

The table value was calculated from X<sup>2</sup> table for ((c-1)(r-1) d.f. (5-1)(3-1)) d.f. 8 the 5% level of significant the table value 15.507. Since the calculated value is less than the table value, hence Null hypothesis was accepted. There is no significant relationship between monthly income and problems faced in e-banking services.

**Conclusion**

It is found from this study that younger generation were using electronic banking services are more as compared to older generation because of new innovation in information technology and their adoption level is high in e-banking .Above 40 age group category were using e-banking services are less than others. To identify the affect of problems we need to do comparison. It is seen from the comparison that there is no significant relationship between demographic variables and problems faced in e-banking facilities. The most of the respondents face security problem. Further, with increasing customer demands, banks have to constantly think of giving security services. In future, the availability of technology to ensure safety and privacy of e-transactions and the RBI guidelines on various aspects of e-banking will definitely help in rapid growth of e-banking in India.

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