



CHALLENGES FACED BY CUSTOMERS OF E-BANKING SERVICES BY THE SCHEDULED COMMERCIAL BANKS IN COIMBATORE CITY

Ms. K. Sumathi

Ph.d Research Scholar- PT, Chikkanna Government Arts College, Tiruppur, Tamilnadu, India

Dr.g.ravindran*

Assistant Professor, Department of Commerce, Chikkanna Government Arts College, Tiruppur, Tamilnadu, India *Corresponding Author

ABSTRACT E-banking is a major invention that has changed the business of banking. World over banks are reorienting their strategies towards new opportunities offered by e-banking. Banking through internet is considered as a complimentary delivery channel for the services rather than a substitute for the brick and mortar banking branches. 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, be it customer service, transactions, remittances, audit, marketing, pricing or any other activity in the banks. Thus, this study will be presenting you the challenges faced by customers over E-banking services offered by scheduled commercial banks in the Coimbatore city.

KEYWORDS :Banking, Technology, Customer Services, Scheduled Commercial Banks.

INTRODUCTION

With the expansion of internet usage, E-banking has become one of the most revolutionized components of today's economic growth. E Banking is powerful value added tool to attract new customers and retain the existing ones. With the proliferation of internet and computer usage, the electronic delivery of E-banking service has become ideal for banks to meet customer expectations. Besides it helps in eliminating costly paper handling and teller interaction in the increasingly competitive banking environment. The potential competitive advantage of E-banking lies in the areas of cost reduction and satisfaction of consumer needs.

One sector that has undergone fundamental changes as a consequence of the application of Information Technology (IT) is banking. E-Banking implies performing basic banking transaction by customers round the clock globally through electronic media. Alternatively electronic banking can be defined as "delivery of bank's services to a customer at his office or home by using electronic technology and this has resulted in conceptualization of virtual banking". In traditional banking, the customer has to visit the branch of the bank in person to perform the basic banking operations viz., account enquiry, fund transfer and cash withdrawal. The brick and mortar structure of a bank is essential to perform the banking functions. On the other hand, E-Banking enables the customers to perform the basic banking transactions by sitting at their office or at homes through PC or LAPTOP.

PROBLEM TO BE FOCUSED

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 regarded as pulse of the nation. 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 from being a sleepy business institution to a highly proactive and dynamic entity. This transformation has been largely brought about by large scale liberalization and economic reforms that have allowed banks to explore new business opportunities rather than generating revenues from conventional streams such as borrowing and lending. Economic reforms and the entry of private players have seen nationalized banks revamp their services and product portfolios to incorporate new, innovative customer-centric schemes. The revolution of information technology has influenced almost every facet of life, among them is the banking sector. 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. Hence, Indian banking has finally woken up to the surging demands of the ever-discerning Indian consumer. 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.

SCOPE OF THE STUDY

The study covers the respondents as the customers of private and public sector commercial banks from the Coimbatore city. The sample was selected from this place and was restricted to 100 respondents. The data has been collected through the structured questionnaires from the respondents. The study covers the examinations on challenges of the customers on availing E-banking services from their respective banks. The study would be helpful to academicians, researchers and industrialists in providing the information as they require.

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	48
		Female	46	46
		Transgender	06	06
2	Age	18 – 30 years	30	30
		Between 30 and 45 years	44	44
		Between 45 and 60 years	22	22
		Above 60 years	04	04
3	Education	School level	22	22
		Diploma	16	16
		Graduation	50	50
		Professional	12	12
4	Marital status	Married	38	38
		Unmarried	62	62
		Divorced/others	00	00
5	Occupation	Public	24	24
		Private	58	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;

H₀1: 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	x2	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. Deregulation and liberalization in the financial sector has stimulated financial innovations. 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. Without any doubt, the international scope of E banking provides new growth perspectives and Internet business is a catalyst for new technologies and new business processes.

REFERENCES

1. Report on Trend and Progress of Banking in India 2016-17, published by RBI
2. Rugimbana R (1995), "Predicting ATM Usage: The Relative Importance of Perceptual and Demographic Factors", International Journal of Bank Marketing, Vol. 13, No. 4, pp. 18-31.
3. Hasanbanu, S. (2004), "Customer service in rural banks: An Analytical study of Attitude of Different types of customers towards banking services", IBA Bulletin, Vol. XXV1, No. 8(August), pp.21-29.
4. Pathrose, P. (2001), "Hi-Tech. Banking-Prospects and problems", IBA Bulletin, Vol. XX111, No. 7(July).
5. Padwal, S. (2003), "Data warehousing and CRM in banking", Vinimaya, Vol. XXXIV, No. 2 (July-September), pp. 19-30. <http://www.telecomindiaonline.com/telecom-india-daily-telecom-station-mobile-banking-in-india-perception-and-statistics.html>, August 2012.
6. <http://www.pluggd.in/mobile-banking-in-india-market-report-297/>, 2nd February 2012
7. <http://www.businessreviewindia.in/technology/apps/mobile-banking-in-india>, June 2012.