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# Problems Faced by Customers in Adoption of E - Banking Services

Dr. A. Latha<sup>1</sup> D. Mohanasundari<sup>2</sup>

<sup>1</sup>Assistant professor, Government Arts College, Coimbatore

<sup>2</sup>Research scholar, L. R. G Govt. Arts College for Women Tirupur

**Abstract:** Banks are playing vital role for the economic development of a country. Technology has rapidly transformed the traditional ways of doing banking business in to electronic channel. The term e-banking denotes the entire sphere of technological initiatives that have adopted by the banking industry. The e banking services comprises of ATM, credit cards, debit cards, internet banking, mobile banking, phone banking, EFT, RTGS, and Electronic cheque truncation. Technology enables the banks to provide anytime – anywhere banking. The technology and security standards are of primary importance for e banking. This paper aimed to analyses the problems faced by the e banking users. Though there are many advantages in e banking some problems found in e banking usage. complaints regarding lack of security, limited withdrawal facility, limited withdrawals in ATM, lack of legal support, non-functionality of ATM, lack of confidentiality, lack of information about e-banking, technical illiteracy and etc. Hypothesis for this study has framed and tested. The study suggests some positive measures for the effectiveness of e banking.

**Keywords:** E-Banking, Information Technology, Security, problems.

## I. INTRODUCTION

The banking sector has been considerably influenced by the development of the Internet. Banks offer their products and services electronically apart from branch banking. Electronic banking has different types of delivery channels: telephone banking, mobile banking, ATM and the internet pc banking. Moreover personal computer allow customers to use all banking facilities at home without go to the bank. It gives consumer variety of services so they can transfer money between accounts, pay bills, check balance and buy and sell mutual funds, securities also submit electronic loan applications through pc banking.

A mobile banking is the newest service in electronic banking.

Customers can check their balance and make adjustments between accounts, accounts transactions, payment etc. Phone banking service enable the customers with just a single phone call the customers can request for account balance, cheque status, stop payment request, cheque book request and information on all products like loans, credit cards and investments and any time for any clarifications and suggestions. ATM- Automated teller machine is another kind of e-banking services customer can be accessed from anywhere at any time.

Bank issued ATM cards for cash withdrawal at any time, Balance enquiry, mini statement, deposit cash/cheques, funds transfer, cheque book request, pin change and etc. Internet banking services enable the customers to perform all the banking activities over the internet. This type of banking allows customers to check the balance in their accounts, transfer funds and order electronic bill payments to apply for loans, trade stocks or mutual funds.

The services available for internet banking vary from bank to bank. Nowadays the internet is the main channel for e-banking. It makes available to customers a full range of services including some services not offered at branches. Internet banking saves time. Reduce cost and provides convenience and accessibility. For this purpose, it is important for banks to know the problems of customers in using e banking.

Now a days e banking is focal area of bankers because it reduces the cost of doing transactions, attracts new customers, makes transactions faster than before, creates new markets, and enhances service quality.

## II. OBJECTIVES OF THE STUDY

The study has the following objectives

To know about the concept of e banking services To analyse problems faced by the e banking user in using e banking services. To offer suitable suggestions to overcome problems and for effective functioning of e banking services.

### A. Hypothesis OF The Study

$H_1$ : There is relationship between demographic profile of the respondent and problems in using e banking.  $H_0$ : There is no relationship between demographic profile of the respondent and problems in using e banking.

### B. Review Of Literature

some of the related studies were reviewed for the support of the present study studies are: Singh and Sharma (2014) attempts to identify the problems faced by customers during the use of i-banking.. It is found that customers faced difficulties due to lack of knowledge, lack of proper training, outdated technology, technical bottlenecks, frustration in getting work done electronically, reduced personal efficiency and strain due to i-banking as compared to visits in banks personally. They suggested that banks should develop advanced applications or software, which are user friendly, compatible with every electronic gadget, and easy to learn. Customers Regi (2017) examined the relationship between types of bank with problems faced by the customers while availing technological banking. The findings of the study stresses upon the importance of the security and safety expected by the customers especially in technological banking like ATM, Internet Banking, Mobile Banking., etc. The study suggested that future of Internet banking lies in offering personalized Internet based services that are not only valued by their customers but are also unique to them. Bhai(2018) in her research analyse the problems and prospects of Electronic Banking in India, the study explores that Limited online payment options have resulted in many customers to drop out due to dissatisfaction and inconvenience. Internet banking also has the potential to create new opportunities for fraud and cybercrime. Moreover, customer education on security risks can play an important role for consumer protection.

### C. Statement of The Problem

Indian banking sector is transforming and aligning to the new competitive business environment. The increasing adoption of technology in banking involved with some pitfalls and mishaps. Generally, Financial Services are complex and need a lot of trust for the consumer to use technology, the banking industry is constantly responding to customers' needs and preferences. In order to create and maintain banking customers or to stay competitive, it is necessary to offer them the best services by understanding the problems faced by customers in e banking, the banks should know how to make their policies and improve their services. So, it becomes necessary to study the problems of customers in E-banking services provided by banking sectors.

### D. Research Methodology

This chapter describes the research framework that was followed to accomplish the purpose of research and the methods that were applied gathering information and the analytical techniques applied to bring out results of the data analysis. The research design followed in this research is descriptive design. Both primary and secondary data were used in this study. Primary data were collected from the questionnaire and rest of the data were collecting from the secondary sources like website, journals, Magazines, , Books, and relevant websites various banking and other financial institutions . The questionnaire method was selected as the most suitable method to collect data from the customers of private sector banks. A popular and common method of collection of primary data is by personally interviewing respondents, recording their answers in a structured questionnaire. The data for this study were conducted through a survey questionnaire, which was designed keeping in mind the research objectives outlined earlier. The sample size is 120. This study uses simple random technique for collection of data. Respondents were informed about the purpose and objectives of the study. The study was conducted in Erode district, Tamilnadu. The collected data is analyzed using the methods of simple percentage, Mean score, two-way table, Chi-square test and Ranking Technique. The analyzed data is presented in tables.

### E. Data Analysis

Gender Of The Respondents

Gender	No. Of Respondents	Percentage	Chi Square Value	Table Value	Degree Of Freedom	Remarks
Male	74	62	0.380149	.711	4	Hypothesis Is Accepted
Female	46	38				
Total	120	100				

Source: primary Data

### Age Group Of The Respondents

Age Group	No. Of Respondents	Percentage	Chi Square Value	Table Value	Degree Of Freedom	Remarks
18-27	42	35	0.644977	5.226	12	Hypothesis Is Accepted
28-37	36	30				
38-47	28	23				
Above 48	14	12				
Total	120	100				

Source: primary Data

### Occupational Status Of The Respondents

Occupational Status	No. Of Respondents	Percentage	Chi Square Value	Table Value	Degree Of Freedom	Hypothesis Result
Employee	36	30	0.956469	5.226	12	Hypothesis Is Accepted
Business	25	21				
Agricultural	30	25				
Others	29	24				
Total	120	100				

Source: primary Data

### Monthly Income Of The Respondents

Monthly Income	No. Of Respondents	Percentage	Chi Square Test	Table Value	Degree Of Freedom	Hypothesis Result
Below 10000	20	17	0.799504	5.226	12	Hypothesis Is Accepted
10001 – 20000	37	31				
20001 – 30000	52	43				
Above 30001	11	9				
Total	120	100				

Source: primary Data

### Residential Status

Residential Status	No. Of Respondents	Percentage	Chi Square Test	Table Value	Degree Of Freedom	Remarks
Rural	38	32	0.999991	2.733	8	Hypothesis Is Accepted
Urban	53	44				
Semi-Urban	29	24				
Total	120	100				

Source: primary Data

### Using Weighted Score Analysis For Computing The Problem Faced By The Respondents

Problems	Total	Mean	Rank
Lack Of Information About E-Banking	264	2.2	7
Technical Illiteracy	344	2.9	6
Limited Withdrawals In ATM	392	3.2	3
Lack Of Security	428	3.6	2
Lack Of Legal Support	380	3.1	4
Non Functionality Of ATM	440	3.6	1
Lack Of Confidentiality	368	3.0	5

Source: primary Data



### III. FINDINGS

This study reveals that Majority 62 percent of the respondents are male. 35 percent of the respondents are belonging to the age group of 18-27 years. 30 percent of the respondents are Salaried (Govt. /Pvt. It shows that salaried people are more having saving habit and using most of the services provided by the banks. The researcher found that, 43 per cent of the respondents are earning Rs. 20000-30000. The customers of the banks ranked the different e banking problems non functionality of ATM ranked first, lack of security ranked second, limited withdrawals In ATM ranked as third, lack of legal support ranked fourth, Lack of Confidentiality ranked fifth, Technical Illiteracy ranked sixth, and Lack of Information about e-Banking ranked seventh. It also found that some problems affect more and some problems affect less e banking usage. Based on the results obtained the calculated value is lower than the table value. Hence, the research hypothesis is accepted and null hypothesis is rejected.

### IV. SUGGESTIONS

- A. Banker has to arrange facilities to solve their problems by themselves through online itself.
- B. New schemes introduced by the banks should reach the customer within limited period by informing the scheme through sending e-mail, SMS, advertising in media and newspaper.
- C. Research and studies need to be conducted frequently to understand the expectations of the customers.
- D. Bankers need to conduct seminars and awareness programs to educate the customers for using e banking.

### V. CONCLUSION

This study observed that there is significant difference amongst different problems identified in using e banking. It concluded that not all the problems are equally responsible for obstacle in using e banking. In this study some suggestions has been made to overcome the identified problems. Therefore, the key point is while customers facing difficulties in accessing e banking the banks need to employ innovative approach to attract and adopt e banking services hassle free. Bank customers slowly but steadily reaping the benefits of e banking. It has become so popular than traditional banking, that banks are giving a second thought before launching any new plans. Even with all the problems faced, e Banking is the faster and convenient way of banking. Banks should continue to come up with innovations to make sure they stay relevant in the fast moving world of technology

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