

A Study on Factors of E-Banking Challenges in India

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ABSTRACT

The customer uses the banking services through online banking, mobile phone banking and automated teller machine these were are called as 'E-Banking. This study aimed to describe the customer view about the banking services through E-banking. Customer service is also a part of the banking, this paper will tell about the customer satisfaction level about the e-banking will explain through the pilot study.

KEYWORDS: E-banking, Automated teller machine, level of satisfaction

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INTRODUCTION

The E-banking provides various benefits to customer in terms of ease and cost of transaction. It is a future oriented. Electronic banking services have given banks the chances to inspire clients which urge them to continue banking with them. Today, it is hard to see a bank in the nation that does not offer one type of electronic banking service or the other, even banks in the most remote parts of the world. Information and communications technology has become a vital asset that has transformed many areas of life including business and commerce. Information systems are used in business to facilitate new products, and create market opportunities. E-banking has more advantages that fast access, convenient, and available at anytime at anywhere, whatever the customer's location, it can provide services more efficiently and at substantially lower costs. E-banking also feel that it will be more easier when compared with the bank's services and also increases the competition level among the banks and it will get their services into the new market and reach in the geographical level. This paper clearly indicateds that how far the e-banking services reaches the customers in rural area and what are all factors that play a crucial role in the effective implementation of e-banking among the rural customers in sivagangai district. This paper says that how far these factors will effect among the customers get throught the pilot suevey.

Objective of the study:

- To study the awareness level of rural customers about E-banking.
- To study the influence of psychological barriers on E-banking.

- To study the influence of technological barriers on E-banking.
- To analyze the E-banking challenges.

Review of literature:

Hussein Ahmad Alwan and Abdelhalim Issa Al-Zu'bi [1] has said in the study aimed at investigating the adoption of Internet banking by customers of Jordanian commercial banks, the barriers restraining its growth, and the solutions to some of the main hindrances that face this innovative technology. The adoption rate is low and is tracked mainly by customers of high education levels and high ability in using computer applications and internet experiences. Also, it provides some recommendations and future research to resolve the obstacles facing Internet banking adoption by customers of commercial banks in Jordan.

Vimala (2016) [2] was suggested that the usage of Internet has revolutionized the entire banking system. People can bank anytime, anywhere without having the need to visit the bank branch. This helps customers in saving time by completing work at the click of the button. an effort has been made to inspect and evaluate the Internet banking security measures followed by the selected bank, Indian Bank, in Coimbatore district, for the benefit of its customers.

Chaudhry (2016)[3], Opara (2016)[5] E-payment is described as that whereby banking businesses are transacted through automated processes andelectronic devices such as personal computers, telephones, and fax machines, Internet card payments and othe relectronic channels .The network which connects the various locations

and gives connectivity to the central office within the organization is called intranet. Those intranet networks are limited to the organizations that use it.

Singhal & Padhmanbhan, (2008)[4], Opara (2016)[5] Internet banking is now used as the term for new age banking system Internet banking is defined as the use of Internet to deliver banking activities such as funds transfer, viewing current account's data, paying bills and savings account balance, purchasing financial instruments and paying mortgages and certificates of deposits.

Wen, Chen, & Hwang, (2001)[6]; Watson, Berthon, Pitt, & Zinkhan, (2008)[8]; Khurana, Goel, Singh, & Bhutani(2011)[7], Electronic commerce is an application of information technology that enables businesses to increase their profits and to improve market-shares, customer service, logistics, variety, quantity and quality by enhanced digital communications.

Factors which consider as a challenges:

Awareness:

The bank has tried to develop e-banking services in India to improve their operations and reduce cost. All the banks put a lot of efforts to better and easier e-banking services, but these services remain largely unnoticed by the customers and even though some are not known about their availability due to their lack of knowledge.

Frequency table:

Frequency of the variables will be calculated with the sample of 33 customers for the pilot study. There were a lot of variables which will come under the above factors.

50.5% respondents belonging to the young age group and 43.3% respondents belonging to old age group are having medium awareness on e-banking. 31.2% of respondents belonging to young group and 14.2% respondents belonging to middle age group are having low awareness on e-banking.

Security issues:

Problem of Security in E-Banking are the Loss of data due to technical defaults and Lack of security measures. Every customer will have some fears about the security related things in it.

Technical problems:

The technical supports will be the one of the major factors in the e-banking challenges i.e Less awareness regarding technology, Insufficient technology, Lack of proper infrastructure for the installation of e-delivery channels, Flaws in design, implementation and monitoring bank's information system.

Network problems:

For the e-banking services the internet connection is more important. If lack of network will also create a problem while using the e-banking services it will also be one of the main problems in e-banking.

		types of services			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	3.0	3.0	3.0
	1	9	27.3	27.3	30.3
	2	17	51.5	51.5	81.8
	3	2	6.1	6.1	87.9
	5	3	9.1	9.1	97.0
	9	1	3.0	3.0	100.0
	Total	33	100.0	100.0	

Table1. types of services

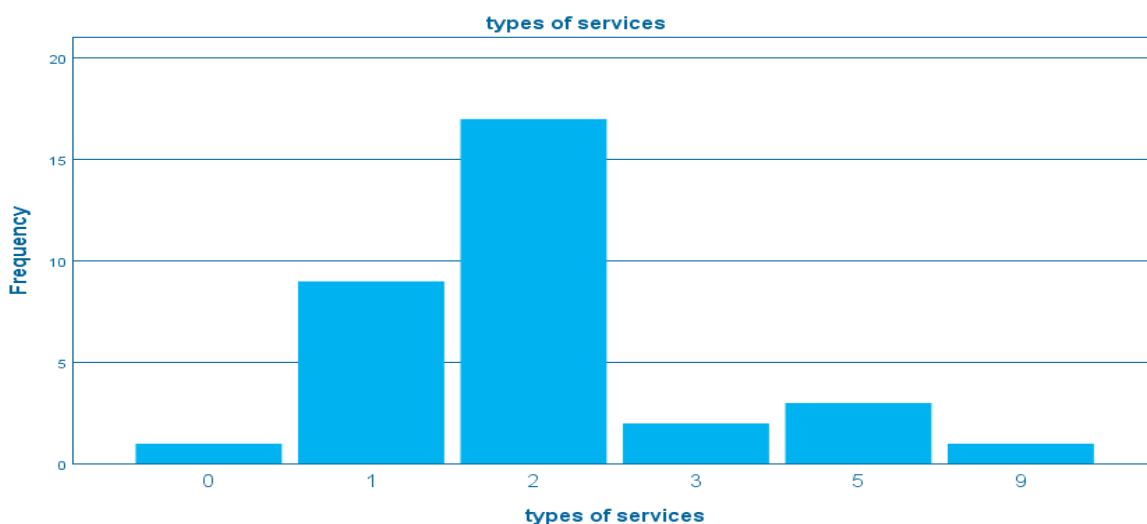


Figure1. types of services

		awareness			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	3.0	3.0	3.0
	1	8	24.2	24.2	27.3
	2	10	30.3	30.3	57.6
	3	8	24.2	24.2	81.8
	4	6	18.2	18.2	100.0
	Total	33	100.0	100.0	

Table2. Awareness

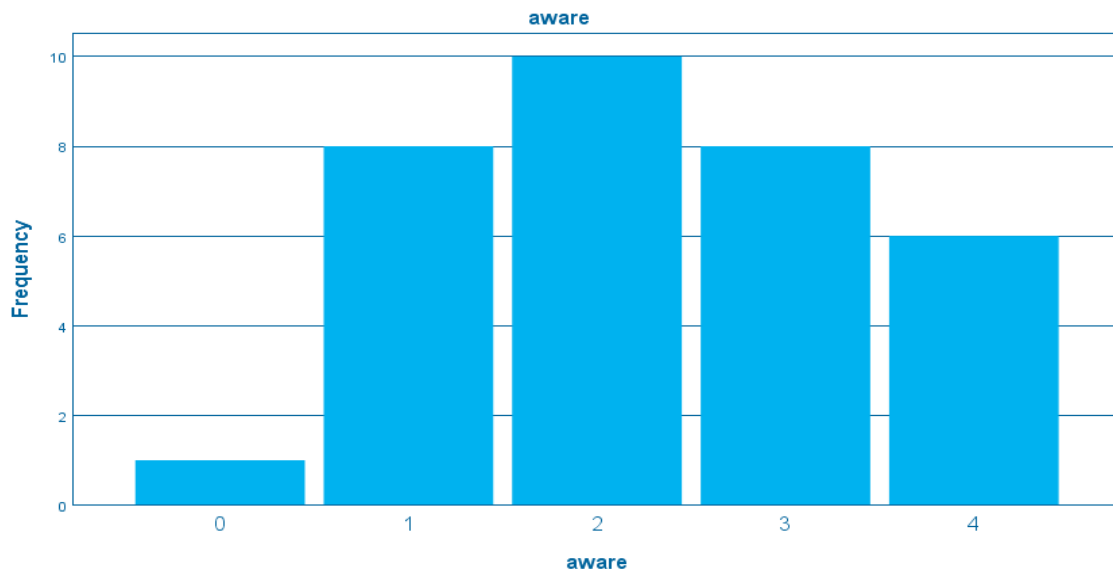


Figure2. Awareness

		security issues			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	3.0	3.0	3.0
	1	3	9.1	9.1	12.1
	2	15	45.5	45.5	57.6
	3	9	27.3	27.3	84.8
	4	5	15.2	15.2	100.0
	Total	33	100.0	100.0	

Table3. Security issues

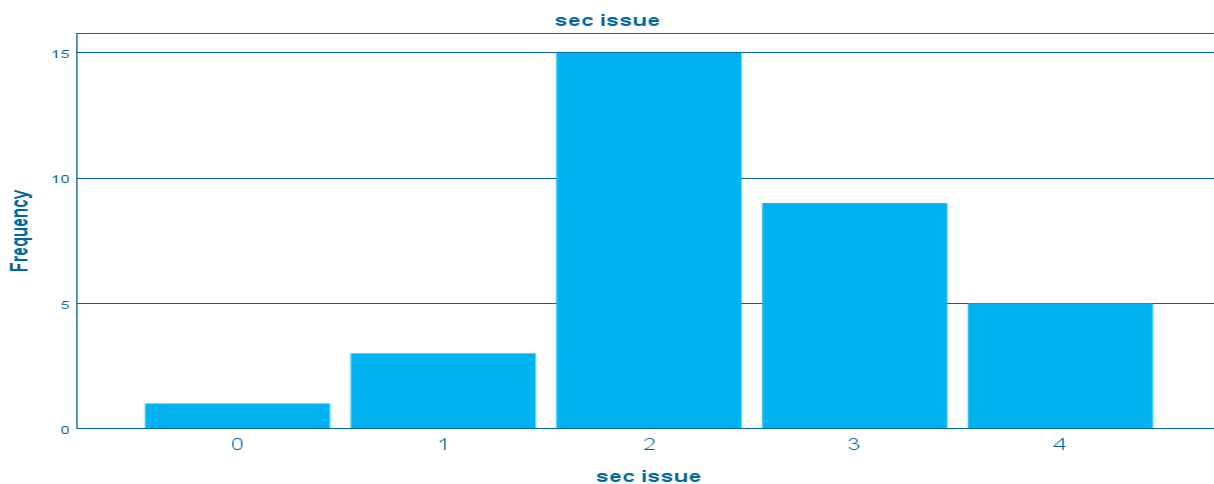


Figure3. Security issues

Conclusion:

Hence this paper is proposed to tell the opinion about the e-banking challenges by using the frequency of the variables . this will helps to know about the customer satisfaction level on e-banking in rural area.

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