

PROBLEMS FACED BY THE CUSTOMERS WHILE USING E-CHANNELS WITH SPECIAL REFERENCE TO TRICHIRAPPALLI CITY

Prasath J¹, Georgia. L. Thinakaran²

¹Research Scholar, Dept. of Commerce, St. Joseph's College, Trichy.

²Assistant Professor, Dept. of Commerce, St. Joseph's College, Trichy

Abstract - *Electronic distribution channels provide alternatives for faster delivery of banking services to a wider range of customers'-banking provides enormous benefits to consumers in terms of the ease and cost of transactions. Electronic banking is a new industry which allows people to interact with their banking accounts via the internet from virtually anywhere in the world. The electronic banking system allows consumers to access their banking accounts, review most recent transactions, request a current statement, transfer funds, view current bank rates and product information and reorder checks. The electronic banking system can be seen as an "extension of existing banks. "This study focuses on E-banking service quality and identified various factors of E- banking service quality, i.e., access, communication, competence, credibility, reliability, responsiveness, security, tangibility, Courtesy and understanding. Main objective of the study is to understood and analyses the service quality dimensions and customer satisfaction level with E-banking services on banking sectors. Finally researcher suggests some measures to improve the E-banking service quality and to increases the customer satisfaction level.*

Key Words: Customers awareness, quality of e-channels.

1.INTRODUCTION

Technology in Indian banking has evolved substantially from the days of back office automation to today's online, centralized and integrated solutions.

Banking is now no longer confined to the branches where one has to approach the branch in person, to withdraw cash or to deposit a cheque or request a statement of accounts. 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. As per the international report the banking transactions on a brick and mortar banking costs around Rs.60, while through ATM it costs around Rs. 20. On the other hand internet transaction costs less than a rupee. Providing banking is increasingly becoming a „need t have“ than a „nice to have“ service.

Hencenowe-banking is more of a norm rather than an exception in many developed countries due to the fact that it is the cheapest way of providing banking services.

2.MEANING OF ELECTRONIC BANKING:

Electronic banking is a new industry which allows people to interact with their banking accounts via the internet from virtually anywhere in the world. The electronic banking system

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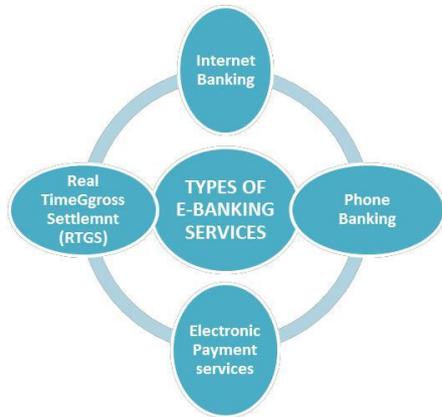
"Electronic banking is the use of a computer to retrieve and process banking data (statements, transaction details, etc.) And to initiate transactions (payments, transfers, requests for services, etc.) directly with a bank or other financial services provider remotely via a telecommunications network".

3.FEATURES OF E-BANKING SERVICES:

- ❖ It helps to verify the account balances, review activity and access account activity.
- ❖ To Pay bills
- ❖ To Receivables e-Bills and reminders through Bill pay
- ❖ To Transfer fund from one account to another account holders.
- ❖ To Transfer funds to an external checking, savings, or money market saving account at another domestic financial institution.

4. TYPES OF E-BANKING SERVICES:

In the view point of use and access media, E-banking can be classified into three narrow sections:



5.OBJECTIVE OF THE STUDY:

1. To evaluate the problems faced by the customers of nationalized or private and commercial banks in using e-banking services.
2. To provide suggestions to improve the e-banking customer services.

6.STATEMENT OF PROBLEM

The government is launching many new programs in the country which are suitable to people's community in order to meet the objective of country's development. One such program is launching of e-banking services. As the e-banking services have started flourishing in the district in the past few years, the banking organizations have to meet the competition among the banking sector. Hence they are forced to do the various forms of e-banking services. It is very important in the point of view of the banks to have a study about the opinion and satisfaction of the customers. So the purpose of the research is to study the views of the customers in using the e-banking services. This study is conducted in selective nationalized and private commercial banks in Trichirappalli district. The respondents of the study were the customers of the banks using various e-banking services. (ATM/Debit card, credit card, online banking, mobile banking and Tele banking). It indeed the researcher has identified the research area to find the genuine of e-banking and it is found to be important to have a comparison between the nationalized banks and private banks. Hence an attempt is made by the researcher to know about the customer's perceived value from different e-banking services provided by different banks.

7.REVIEW OF RELATED LITERATURE:

R.C. Dangwal, KailashSakalani and SwateAnand, (2010) technology has become the engine for triggering rapid change. It is no longer considered merely for transaction processing or confined to management information systems. It implies the integration of information system with the communication technology and of innovative application to product manufacturing, design and control. With the development of technology, the world has become a global village and ushered in a revolution in the banking industry.

Rajesh Kumar Srivastava (2007) The growth in e-banking with the increase in the range of interface options available to access online banking solutions has resulted in a steady increase in the number of customers interacting through remote channels to a greater extent than before. In a climate of increasing online competition, banks that have chosen to retain extensive branch networks are re-aligning the roles of staff in these branches and moving towards a relationship-driven sales culture

Ahmed audu, sanysanurimohd.(2010)this paper aims at investigating the relationship between the electronic banking facilities, customers employment sector and customers age group choice of banks. The results show that there is no significant relationship between electronic banking facilities and customers' choice of banks. It was however found that there is significant relationship between customers; employment sector and customers; age-group on one hand and their choice of banks on the other hand. It was recommended that the management of Nigerian commercial banks should find the relevant factors that are considered important by customers of various age group to appropriate something the target market.

Alain yee-Loong Chong, Keng-Boon Ooi, Binshanlin, Boon-In Tan,(2010) aim to empirically examine the factor that affect the adoption of online banking in vietnam. Perceived usefulness, perceived ease of use, trust and government support were examined to determine if these factors are affecting online banking adoption.

Mahdi salehi, Alipour, Mehrdad, (2010) have stated "Now a day's due to emerging global economy, e-commerce and e-business have increasingly become a necessary component of business strategy and a strong catalyst for economic development. The new information technology is becoming an important factor in the future development of financial services industry, and especially banking industry.

8. RESEARCH METHODOLOGY:

Research design: With the help of this research, the researcher wants to explore the facts and figures related to respondent's socio economic condition regarding e-banking services, their satisfaction level of the e-banking services and faced by the problem while using the e-banking services. On this background this research is exploratory in nature.

Universe of Study: The study is carried out in state of Tamilnadu. However, the study area was confined to Tiruchirappalli Corporation. Population is infinitive in nature.

Sample size: Since the study is carried as a pilot study which represents 100 customers as respondents which comprises of 67 male and 33 female respondents.

9. DATA COLLECTION

Data was collected both from primary and secondary sources. Primary data was collected from the Customers of the e-banking services. Well-structured Questionnaire was used for collecting data. Informal interviews also taken from the respondents. In addition with this, casual walks into their worksites were conducted in order to understand the factual position at their footsteps. The secondary data was collected from policy documents, published reports of similar projects, journals and Ph.D. thesis, journals and online sources.

10. TOOLS FOR DATA ANALYSIS

Both qualitative and quantitative data was analysed in the light of framed objectives. Quantitative data was tabulated and statistically analysed. Qualitative data was interpreted based on the information collected from the field. The researcher adopted the Garrett's ranking techniqueto verify the hypothesis, in addition with percentage analysis.

11. STATEMENT OF THE PROBLEM FACED BY THE RESPONDENTS

Time is the major constraint in collecting the data from the respondents. Most of the respondents are from the rich creamy layer of the society and they are afraid to reveals the data like income, wealth etc. in case of doubt, a cross checking was made in order to avid bogus or biased information. The market survey was conducted only in Trichirappalli District of Tamil Nadu. Hence, the results arrived from the study may or may not be applied to other status. Further, the survey method which was adopted for collecting the data in study has its own limitations. Hence, the generalization of the findings of the study is subject to these limitations.

Indicators	Options	Male	Female	Total
Age	Below 20	12 (17)	05 (15)	17 (17)
	21-35	32 (47)	12 (36)	36 (36)
	36-50	19 (28)	16 (48)	30 (30)
	above 51	4 (5)	.....	16 (16)
	Total	67 (67)	33 (33)	100 (100)
Education	Below HSC	07 (10)	02 (6)	07 (07)
	Degree holders and Post graduate	26 (23)	29 (87)	55 (55)
	Professionals	31 (46)	2 (6)	33 (33)
	Others	03 (22)	.....	05 (05)
	Total	67 (67)	33 (33)	100 (100)
Income	Below 10000	16 (23)	13 (39)	29 (29)
	10001-30000	48 (71)	20 (60)	68 (68)
	Above 30001	03 (4)	.....	03 (03)
	Total	67 (67)	33 (33)	100 (100)
Occupation	Students	24 (35)	24 (72)	48 (48)
	Profession	27 (40)	07 (21)	34 (34)
	Business	12 (17)	.....	12 (12)
	Others	03 (4)	.....	03 (03)
Total	67 (67)	33 (33)	100 (100)	

12. SOURCE: PRIMARY DATA

From the total number of respondents mostly 21-35 age groups were using E-channel. Because they are employed and earn money frequently to access E-channels, Degree holders and post graduate groups were using E-channel.

68 percent of the respondents earn Rs. 10001 to 30000 as monthly income, 29 percent of respondents have earned below 10000, and remaining 03 percent of respondents have earned above 30000 rupees. Most of the respondents occupations were using from students. However they were using E-banking services for applying exam, mobile recharge, and other services. Hence, they have made any difficulties while using E-channels.

13.GARRETT'S RANKING TECHNIQUE

Garrett's ranking technique was used to rank the preference indicated by the respondents on different factors. As per this method, respondents have been asked to assign the rank for all factors and the outcomes of such ranking have been converted into score value with the help of the following formula:

$$\text{Percent position} = 100 (R_{ij} - 0.5) / N_j$$

Where

R_{ij} = Rank given for the i th variable by j th respondents

N_j = Number of variable ranked by j th respondents

With the help of Garrett's Table, the percent position estimated is converted into scores.

Then for each factor, the scores of each individual are added and then total value of scores and mean values of score is calculated. The factors having highest mean value is considered to be the most important factor.

ANALYSIS OF COLLECTED DATA FROM RESPONDENTS

Table 1.2

Factors	Opinion of the respondents				
	SA	A	UD	DA	SDA
Inadequate knowledge about the usage of e-banking channels creation					
No of ATM's not sufficient	20	22	38	16	4
Poor network	32	22	26	14	6
Lack of confidence	34	40	20	4	2
Unsuitable location of ATM's	2	4	12	18	64
	8	12	10	50	20

Sources: Primary data

PERCENTAGE POSITIONS AND THEIR CORRESPONDING GARRETT'S TABLE VALUES

Table 1.3

Rank	Percentage Position	Garrett's Table Value
I	$100(1-0.5)/5 = 10$	75
II	$100(2-0.5)/5 = 30$	60
III	$100(3-0.5)/5 = 50$	50
IV	$100(4-0.5)/5 = 70$	39
V	$100(5-0.5)/5 = 90$	25

THE LEVEL OF AWARENESS ABOUT THE SCHEME AND THEIR RANKS

Table 1.4

S. No	Factors	Opinion of the respondents					No of respondents	Total Scores	Mean Score	Rank
		SA	A	UD	DA	SDA				
1	A	20	22	38	16	4	100	5444	54.44	III
2	B	32	22	26	14	6	100	5716	57.16	II
3	C	34	40	20	4	2	100	6156	61.56	I
4	D	2	4	12	18	64	100	3292	32.92	V
5	E	8	12	10	50	20	100	4270	42.7	IV

Table 1.5

S. No	Factors	Ranks
A	Inadequate knowledge about the usage of e-banking channels creation	III
B	No of ATM's not sufficient	II
C	Poor network and loss or damage of data by hackers	I
D	Lack of confidence	V
E	Unsuitable location of ATM's	IV

By the help of Garrett's ranking method reveals the problems faced by the customers while using the value-added services through E-channels. "Poor network and loss or damage of data by hackers" was ranked first by the selected sample respondents with the weighted average mean score of 61.56. "No of ATM's not sufficient, Crowd in peak hours and Restriction in withdrawal" was ranked second with the mean score of 57.16. "Inadequate knowledge about the usage of e-banking channels creation" occupied third position with the score of 54.44. "Unsuitable location of ATM's and lack of infrastructure" was ranked fourth position with the total score of 42.7. "Lack of confidence" occupied the last position with the total score of 32.92. The researcher found most of the respondents gave the opinion that, poor network and loss or damage of data by hackers was the main problem faced by the customers while using the Value-added services through E-banking with the weighted mean score of 61.56.

14.CONCLUSIONS:

Electronic banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. The effect to liberalization, privatization and globalization pave ways to launch the innovative bank which are directly controlled by RBI. Among the banks on nationalized and private sector bank is one among them and if I work hard to achieve its goal through offering the best services for the customers as per their expectations proper awareness should be created through attractive advertisement in the created through attractive advertisement in the audio visual media.

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