



A STUDY ON CUSTOMER'S PROBLEMS AND PROSPECTS TOWARDS E-BANKING WITH SPECIAL REFERENCE TOCHENNAI CITY

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Abstract:

The intention of this paper is to qualitatively discover the present-day status, issues and possibilities of E-banking in Palakkad quarter, Chennai as a case study. Banking is one of utmost extremely good and high carrier zone in India. A hale and hearty banking contrivance is a imperative constraint for fiscal growth. Indian banking system, moment, is at the coronary heart of an IT (Information Technology) bouleversement. The perpetration of web in banking businesses has accounted the banks. The being image is bothered in the banking enterprise in Chennai going via a ultramodern- day stage particularly E-Banking. E-Banking is regularly changing with the use of cheques, pay- in- slips, drafts and utmost relatively guests in my view losing into the flooring of banks. E-Banking is a wide time period encircling web banking, phone banking, cellular banking etc. The hi- tech advancements pooled with radical adaptations in the discussion enterprise has supplied and fashioned gracious bottom for profitable E-Banking. Internet banking has the feasible to make over the banking marketable enterprise as it considerably lowers sale and transport costs. This paper addresses about why e-banking is really a sincere strategy to deal with finances. Internet banking presents splendid cost in expressions of handiness, purchaser closeness, time saving, inexpensiveness and thickness in banking. Anyhow of many disadvantages, E-banking is a great deal recommended, new know- style.

Key words: OnlineBanking,InternetBanking,BankingServices,Customersproblems,E-Banking.

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INTRODUCTION

Banking is the sustenance of a nation. The current and way forward of any frugality depends upon the accomplishment and blowup of banking. Indian banking is the backbone of the state and its individualities. Indian banking system, currently, is inside the core of an IT(Information Technology) revolution. The competition among the banks has light- emitting diode to the rise in total banking robotization within the Indian banking system. Electronic banking is

outlined as "Delivery of bank's services to a customer at his plant or home by exploitation of Electronic technology will be nominated as Electronic Banking". Online Banking or web Banking orE-banking lets the purchasers of profitable deals on a defended web point managed by the establishment, which may be a retail bank, virtual bank, banking company or savings and loan. The privileged services covered beneath E-banking includes of-Automated Teller Machines (ATM), Credit Cards, Debit Cards,



Smart Cards, Electronic Funds Transfer (EFT) System, Mobile Banking, Internet Banking, Telephone banking, Electronic Clearing Services.

The perception and compass of E-banking remains evolving. It facilitates an operative payment and system of counting thereby, enhancing the speed of delivery of banking services drastically. A flourishing E-banking offers:

- Checking with no yearly figure, free bill payment and rebates on ATM
- Surcharges Credit cards with low rates
- Easy on-line operations for all accounts, including particular loans and mortgages, 24-hour account access
- Quality customer service with particular attention
- Advantages formerly command by massive plutocrat establishments have contracted significantly

therefore, a bank's web actuality renovates from 'folder' order to 'Internet banking' position once the bank goes through a technology integration trouble to grease the client to pierce data regarding his or her precise account.

PROBLEMS OF E-BANKING

The following are the problems faced by the customers of Chennai city, Chennai in using internet banking. complications in perpetration of technology Confidentiality, trust ability and confirmation, client Satisfaction, Handling Technology, Security Fraud sequestration threat, The Trust Factor – Fear of online pitfalls swindles, Hard for first timekeepers, Low broadband Internet Penetration.

PROSPECTS OF E-BANKING

The prospects of E-banking for the guests of customers of Chennai city, Chennai are as follows Convenience, Multiple Channels – One stop shop, estimable client Service enterprise taken by government agencies for fiscal, knowledge, Ever-

adding Internet druggies, safe-deposit box and secure, Nominal Costs.

LITERATURE REVIEW

E-banking is an enhancement while new data technologies combine into ancient banking services. In agreement with **Nevens (1999)**, the bank dealing price plunges 80 or further formerly it's handled electronically. Operating expenditure minimization and returns maximization are the crucial motorists that boost e-banking services (**Sannes, 2001 Reibstein, 2002**). E-banking service is unnaturally a tone-service by guests, thus for banks, it entails lower coffers and lower business and product disbursement (**Southard and Siau, 2004; Witman and Poust, 2008**). Web banking involves use of net for delivery of banking wares and services. There are a multitudinous major challenges and problems facing the web banking in the present day. The foremost and conceivably most crucial aspect is that the security concern (**Ziqi and Michael, 2003**). Another challenge facing net banking is that the eminence of delivery service – together with each delivery speed and delivery responsibility (**Furstetal., 2000**). also, customer education on security pitfalls will play an necessary part for paperback protection and thus, limit reputational trouble of the banks. Eventually, the concern of customer hipness with the web is also pivotal to touch upon, that's high among elderly choosers (**Yang et al., 2007**). Within the fast dynamical financial surroundings, severe competition and changes within the restrictive programs formed nebulosity and threat for the Indian assiduity. Grasping this reality, academicians and interpreters stressed in their studies that data force in banks was of capital significance and that they checked out data technology as strategic response to dynamical financial terrain/challenges (**Ammayya, 1996**). Beckett, Hower and **Howcroft (2000)** expressed that the emergence of recent feathers of

technology had created extremely competitive request conditions for bank suppliers. numerous academicians and interpreters argued that technology in banks would grease to enlarge the quantum of productivity and customer satisfaction(Girish and Preetha, 1997). To fulfill the challenges posed by the entry of foreign banks, Indian banks ought to endow heavily in technology to fulfill competition, gauge back price, ameliorate customer service, ameliorate productivity and supply new products services.

OBJECTIVES OF THE STUDY

- To study the challenges faced in E-banking in Chennai city.
- To have an insight into the outlook of customers towards internet banking

- To study the opportunities existing in E- banking in Chennai city.

BASED ON PRIMARY DATA AND SECONDARY DATA. PRIMARY DATA HAS BEEN COLLECTED THROUGH OBSERVATION RESEARCH METHODOLOGY

Research design is the skeleton for a study that steers the compendium and scrutiny of the data. It's a plan or offer according to which exploration is to be carried out. The focus is to study the internet banking and client mindfulness towards internet banking. The current study is simply styles, questionnaires, interview styles. And the secondary data Secondary data are information study formerly collected by others for certain purpose. Secondary data can be internal and external. The tools used for interpretation are chance analysis.

DATA ANALYSIS AND INTERPRETATION

**TABLE NO: 1
 AGE WISE CLASSIFICATION OF RESPONDENTS**

SL. NO.	AGE GROUP	NO. OF RESPONDENTS	PERCENTAGE
1	BELOW 30	20	20%
2	30 – 35	60	60%
3	35 – 40	12	12%
4	40 – 45	6	6%
5	ABOVE 45	2	2%
	TOTAL	100	100%

Source: Primary Data

Interpretation: Above table No:1 clearly indicates that majority of 60% the respondents are coming under below 30-35 age group, 20% the respondents are coming under below 30 age group, Around 12% the respondents in 35-40 age group, 6% in 40-45 age group and the remaining 2% the respondents are above 45 age group

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**TABLE NO: 2
 THE RESPONDENTS USING INTERNET BANKING SERVICES IN A MONTH**

SL. NO.	USING INTERNET BANKING MONTH	NO. OF RESPONDENTS	PERCENTAGE
1	NEVER USE	2	2%
2	1-3 TIMES	6	6%
3	3-8 TIMES	20	20%
4	8-12 TIMES	32	32%
5	OVER 12 TIMES	40	40%



	TOTAL	100	100%
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Source: Primary Data

Interpretation: Above table No:2 clearly indicates that majority of 40% the respondents are using over 12 times in a month, 32% the respondents are using 8-12 times in a month, 20% the respondents are using 3-8 times in a month, 6% the respondents are using 1-3 times in month, 2% the respondents are never use internet banking services.

**TABLE NO: 3
 ELECTRONIC BANKING Vs MANUAL BANKING**

SI. NO	OPINION	NO OF RESPONDENTS	PERCENTAGE
1	STRONGLY AGREE	60	60%
2	AGREE	34	34%
3	DISAGREE	6	6%
4	STRONGLY DISAGREE	0	0%
5	NO COMMENTS	0	0%
	TOTAL	100	100%

Source: Primary Data

Interpretation: Above table No:3 clearly indicates that majority of 60% were strongly agreed about electronic banking was better than manual banking, 34% respondents were concerned agreed about electronic banking but only 6% respondents were concerned disagreed about electronic banking was better than manual banking.

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**TABLE NO: 4
 IMPORTANT STEPS TAKEN BY BANKS TO MOTIVATE CUSTOMERS TO USE INTERNET BANKING**

SL. NO.	IMPORTANT STEPS TAKEN BY BANK TO MOTIVATE CUSTOMERS TO USE INTERNET BANKING	NO. OF RESPONDENTS	PERCENTAGE
1	CUSTOMER AWARENESS PROGRAM	4	4%
2	FACE TO FACE COUNSELING	82	82%
3	DISTRIBUTING USER FRIENDLY BOOKLETS	14	14%
4	OTHER	0	0%
	TOTAL	100	100%

Source: Primary Data

Interpretation: Above table No:4 clearly indicates that majority of 82%respondents agree that face to face counseling is undertaken by thebanks to motivate to use internet banking and 14% states that distributing user friendly booklet by the banks to motivate the use of internet banking.

**TABLE NO: 5
 RESPONDENTS' REASONS FOR USING E-BANKING**

SI. NO	REASONS	NO OF RESPONDENTS	PERCENTAGE
1	GOOD CUSTOMER SERVICE	44	44%
2	JUST IN TIME SERVICES	10	10%
3	SECURITY & PRIVACY	34	34%
5	KNOWLEDGE RELATED	12	12%
	TOTAL	100	100%

Source: Primary Data



Interpretation: Above table No:5 clearly indicates that 44% believes in good customer service in internet banking, 10% agreed in just in time services, 34% are happy with security and privacy in e-banking and 12% believes that e- banking is knowledge related.

TABLE NO: 6
CUSTOMER PERCEPTION TOWARDS SAFETY AND SECURITY OF E-BANKING

SI. NO	OPINION	NO. OF RESPONDENTS	PERCENTAGE
1	SECURED	86	86%
2	NOT SECURED	14	14%
	TOTAL	100	100%

Source: Primary Data

Interpretation: Above table No:6 clearly indicates that majority of them have faith on safety and securities of electronic banking. It states that 86% of respondents agreeing with the safety. And remain 14% shows that electronic payment is not secured.

FINDINGS AND SUGGESTIONS

This study was conducted in Chennai to find out the problems and prospects of customers in Chennai city towards internet banking. The present study is based on 100 sample selected by using purposive sampling technique which involve interview schedule questions.All of the respondents are holding a bank account and majority among them have faith in internet banking.

A well-performinge-banking network is reliant on vacuity of a backbone network linking the whole country. Developing and enforcing online banking system in a country is much grueling . To ameliorate or overcome the problems ofe-banking services in the country, theE-banking systems should be royal to use, presto and stoner friendly. Findings of this study revealed that internet banking has been anatomized by banks and guests as a cost reduction channel. It likewise saves time and makes out no physical perimeters. The findings also open to the rudiments that a large quantum of guests who have taken up web banking services trusts that it has a bunch of prospective concerning its advantages, still a good number of druggies also supposes that there are farther troubles put together to internet banking services than the benefits as validation from the findings. This is substantially due to the security and sequestration issues on one hand and lack of

telecommunication architectures, poor education of the druggies and poverty(low income) issues on the other. E-banking services should be formalized so that wherever the result is used the client is well- known with the procedure followed. Government should oblige the banking sectors to automate their operation and going online by a specific period. The Government should apply the cyber laws to insure proper security about client’s information. The Government, in collaboration with the banks, should educate and inform its citizens and guests on the plasticity and effectiveness ofE-banking. This will increase the confidence position of guests. Ase-banking druggies substantially use ATMs in utmost cases, the banks should emphasize on furnishing uninterruptible service.

CONCLUSION

The exploration report is grounded on primary data. The Online banking services of marketable banks have been developing conception in India and across the world. currently, the guests who are using the online services to bank deposits, plutocrat transfers, bills payments and some other business deals always done by the online access. It bridges the gap between the saviors and borrowers with further client satisfaction, good client station and perception towards online banking services. In the times of history, the Indian banking member has absolutely



altered. The banks are defying innumerable challenges and colorful openings are being within the banks. multitudinous financial modernizations like ATMs, credit cards, RTGS, disbenefit cards, mobile bankingetc. have wholly amended the expression of Indian banking. But still there's a need to have further pioneering results so that the challenges can be answered and openings can be profited efficiently by the Indian banks.

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