Asian Journal of Managerial Science
ISSN: 2249-6300 Vol. 6 No. 1, 2017, pp.1-4
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Problem Faced by the Customers while Using E-Banking Services Offered by Selected Private Sector Banks in Sivakasi

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Abstract - **Electronic banking is a system where banking services are provided electronically to Bank customers and it has created a new path in doing the banking business. Electronic banking, popularly known as e-banking, is a service provided by the bankers, that allows customers to carry out all their banking transactions like, financial transactions, deposits, withdrawals, paying bills and to access the his/her/its account information, through the use of electronic channels like Computers, Mobiles, ATMs, Television and other Electronic devices. The private sector banks introduce various e-banking facilities to their customers. But most of the customers are not having much knowledge to apply the banking services in the banking activities. So, in-order to identify the problems facing by the E-banking technology emphasized the research**.

I. INTRODUCTION

By the mid of 20th century, human had achieved a mastery of technology. The advancement of technology has rooted the introduction and use of electrical devices for the smooth functioning of banking business called E- banking. Electronic banking is a system where banking services are provided electronically to Bank customers and it has created a new path in doing the banking business. Electronic banking, popularly known as e-banking, is a service provided by the bankers, that allows customers to carry out all their banking transactions like, financial transactions, deposits, withdrawals, paying bills and to access the his/her/its account information, through the use of electronic channels like Computers, Mobiles, ATMs, Television and other Electronic devices. E-banking, is also known as internet banking or virtual banking or online banking or web banking, provides, convenience their customers in accessing banking facilities from the comfort of their home or office without having to physically visit their bank. It also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by check or cash.

II. OBJECTIVES OF THE STUDY

1. To study the socio economic characteristic of respondents.
2. To study the problem faced by the customer while using banking service.
3. To offer suitable suggestions on the basics of findings of the study.

III. RESEARCH METHODOLOGY

A. Source of Data

The present study was based on primary data as well as secondary data. The data were collected from every possible source.

B. Primary Data

The primary data were collected from the customer of the selected private sector banks conducing through interview schedule. In the present study at most care has been taken to reduce the non-sampling errors. The researcher has paid attention to reduce response error.

C. Secondary Data

The secondary data have been collected from the standard books, journals, articles and internet.

D. Sampling Design

The study the customers of sivakasi only. There are 10 private sector banks functioning in sivakasi. The researcher has used **sample survey.com** for calculating sample size .The sample size is 96 respondents. So, the researcher using judgement sampling technique for collecting the primary data from the respondents.

E. Tools for Analysis

The collected data were analyzed with help of following statistical tools

1. Percentage analysis,
2. Chi square test.

F. Hypothesis

There is no significant association between male and female with regard to the problem faced by them while using E-Banking services.

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IV. RESULTS AND DISCUSSION

TABLE 1 SOCIO ECONOMIC PROFILE OF THE RESPONDENTS

S.No	Particulars	No of Respondents	Percentage
Gender wise Classification of Respondents			
1	Male	69	71.90
2	Female	27	28.10
Age wise Classification of Respondents			
1	Below 30 years	18	18.80
2	31 to 45 years	29	30.20
3	46 to 60 years	32	33.30
4	Above 61 years	17	17.70
Level of Education			
1	School level	21	21.90
2	Under graduate	33	33.40
3	Post graduate	16	16.70
4	Diploma	9	9.40
5	Illiterate	17	17.70
Employment Status of the Respondents			
1	Employed	58	60.40
2	Unemployed	38	39.60
Nature of Occupation			
1	Business man	13	22.41
2	Government employee	8	13.80
3	Private employee	20	33.48
4	Professional	10	17.24
5	Agriculturist	7	12.07
Total		58	100
1	House wife	12	31.58
2	Student	22	57.90
3	Retired people	4	10.52
Total		38	100
Monthly Income Level of the Respondents			
1	Less than 5000	6	6.20
2	5001 to 10000	28	29.20
3	10001 to 15000	20	20.80
4	15001 to 20000	23	23.00
5	Above 20000	19	19.80

Source : Primary data

From the Table I clearly exhibit that out of 96 respondents, most of the respondents are male, belong to the age group of 46 to 60 years, under graduate, their family income Rs 15001 to 20000, out of 58 respondents most of the respondents are private employee, out of 38 respondents majority of the respondents are student.

TABLE 2 TYPY OF BANK ACCOUNT /DEPOSITS

Sl.No	Type of Bank Account	No. of. Respondents	Percentage (%)
1.	Savings account	53	55.2
2.	Current account	13	13.5
3.	Recurring deposit account	12	12.5
3.	Fixed deposit account	18	18.8
Total		96	100

Source: Primary data

It is crystal clear from the Table II that, Out of 96 respondents, 53 respondents are holding savings account

TABLE 3 REASONS FOR NOT USING ONLINE BANKING

S.No	Particulars	No of Respondents	Percent (%)
1.	Lack of computer knowledge	19	30.65
2.	Do not trust on mechanical devices	15	23.19
3.	Fear to use	28	45.16
Total		62	100

Source : Primary data

From the Table 3 mostly 45.16 percent of the customers stated that fear to use internet is the main reason for not using online banking.

TABLE 4 PROBLEM FACED BY THE CUSTOMER WHILE USING E-BANKING SERVICES

Particulars	SA	%	A	%	NO	%	DA	%	SDA	%
E-channels are creating more confusion	11	11.5	46	47.9	27	28.1	12	12.5	_	__
Unauthorized access within the network and loss or damage of data by hackers	30	31.2	28	28.1	17	17.7	18	18.8	4	4.2
Bad network connection	2	2.1	10	10.4	21	21.9	55	57.3	8	8.3
ATM machine out of cash	10	10.4	50	52.1	26	27.1	9	9.4	1	1.0
Too many steps in processing transaction	63	65.6	21	21.9	8	8.3	4	4.2	_	__

Source : Primary data

1. 47.9 per cent of the respondents agree that the E-channel is creating more confusion,
2. 31.2 per cent of the respondents strongly agree that there are unauthorized access within the network and loss or damage of data by hackers
3. Majority 57.3 per cent of the respondents disagree with the bad network connection
4. 52.1 per cent of the respondents agree that the ATM machine are out of cash most of the time
5. Majority 65.6 per cent of the respondents strongly agree that there are too many steps in processing transactions

V. HYPOTHESIS TESTING

"There is no significant association between male and female with regard to the problem faced by them while using E-Banking services"

To test the above null hypothesis chi square test is applied and the results are presented in Table 5

TABLE 5 ASSOCIATIONS BETWEEN MALE AND FEMALE WITH REGARD TO THE PROBLEM FACED BY THEM WHILE USING E-BANKING SERVICES– RESULT OF CHI SQUARE TEST

	Value	DF	Asymp.sig. (2 – sided)
Pearson chi square	.850	2	.654
Likelihood ratio	.814	2	.666
Linear by Linear Association	.612	1	.434
N of Valid cases	96		

From the above results it is found that the significant value of .850 is more than the acceptance level 0.05 (p=0.654). Hence the null hypothesis is accepted and it is concluded that there is no significant association between male and

female with regard to the problem faced by them while using E- Banking services.

VI. FINDINGS

The findings of the research study are reported below

1. Among 96 respondents majority 71.90 per cent of the respondents are male.
2. From the age – wise classification of the respondents, majority 33.3 per cents (32) of the respondents are in the group of 46 to 60 years..
3. For the literacy level classification, majority of the customers are literate and only 17.7 per cent of the respondents are the illiterates.
4. It is clearly states that among 96 respondents, 60.4 per cent of the respondents are employed
5. Among 58 respondents most 33.48 per cent of the customers are private employees
6. Out of 38 unemployed respondents 57.90 percent of the respondents are student
7. From the analysis of monthly income, majority 29.2 per cent of the customer's monthly income ranges between Rs 5001 to Rs 10000
8. Out of 96 respondents, 53 respondents are holding savings account
9. Mostly 45.16 percent of the customers stated that fear to use internet is the main reason for not using online banking.
10. 47.9 per cent of the respondents agree that the E-channel is creating more confusion,
11. 31.2 per cent of the respondents strongly agree that there are unauthorized access within the network and loss or damage of data by hackers
12. Majority 57.3 per cent of the respondents disagree with the bad network connection
13. 52.1 per cent of the respondents agree that the ATM machine are out of cash most of the time
14. Majority 65.6 per cent of the respondents strongly agree that there are too many steps in processing transactions
15. There is no significant association between male and female with regard to the problem faced by them while using E- Banking services.

VII. SUGGESTIONS

1. Based on the research work majority of the respondents have stated that E-channels like mobile banking, online banking are creating more confusion. So, the banks can steps to reduce their confusions by giving proper operating instructions in their web sites.

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2. Majority of the respondents have agreed to the statement that the ATM machines are out of cash at most of the times. So, the banks should see to that their machines are always filled with cash in order to avoid inconvience of their customers.
3. Based on the findings majority of the customers strongly agree that there are too many steps in processing transaction. So, the banks should simplify the transaction processing procedure for the purpose of easy accessibility of customers.

VIII. CONCLUSION

E-banking products improve customer service and ensure greater efficiency in the Banking sector. They derive certain benefits from the use of these products predominantly time saving, easy access to cash and convenient in the use of the products. However, customers prefer ATM among the E-banking products because of its effectiveness and user friendliness. The average operating time of E-banking products is less than 5 minutes. Furthermore, E-banking products have security features such as username and passwords which are used to protect the products from easy theft. Adoption of E-banking products has influencing factors. Predominant factors are customer satisfaction and competition from other banks. Increasing competition among banks to increase or retain their customer base is driving the banks to continue to adopt E-banking technologies. Despite the benefits of E-banking, it is associated with some challenges. The study shows that network failure from internet connection is the major challenge facing customers using E-banking services. However, respondents believed that considerable education and marketing of E-banking products from the bank could attract more customers.

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