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Determination of customer's problems: Usage of E-banking in India

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Abstract

Nowadays, E-Banking plays an imperative role in the current scenario of the developing countries including India. It is very essential for the lifeline of Indian economy. The fair, strong and transparent banking system are required for the economic growth. Today, Indian banking system is efficiently running under the revolution of Information Technology (IT) sector. The execution of E-Banking establishments is restructured for the upliftment of banks in India. Day by day, the E-banking has improved its efficiency and convenience. For the improvements of E-Banking sector, there are so many challenges coming to their managers, supervisors and administrators. The E-Banking encompass the internet banking, telephone banking, mobile banking, etc. These all are basically depending upon the IT based services. The E-Banking services are executed for the smooth functioning of the customers in the banking sector. These services will be integrated with the core banking solutions in current and future scenario of the banking systems in India. The present study aims to assess the problems and difficulties faced by the customers at the time of usage of Electronic Banking in India.

Keywords: Electronic banking; information technology; internet banking; mobile banking; telephone banking

Introduction

The banks have turned into a basic segment of the vast majority of the economies as banking services are described as “engine of economic development” or go about as “courses towards advancing Financial development” (Sathye, 1999) ^[1]. In recent year the world economy has experienced another wonder which is considered as one the most imperative changes since the modern insurgency, i.e. The Introduction of “Internet based Economy” (Voiculescu, 2000) ^[2]. Thinking about the advantages of utilizing internet the banks have Begun to put resources into this recently made market. At the Underlying level, banks principally focus on developing the Commercial web sites, with the purpose of promoting their products and service using the internet (Stamoulis, 2000) ^[3]. Bit by bit, it Was acknowledged by banks that the Internet can be a viable Dissemination channel as well. Presently with the changing Occasions the conventional approach of keeping money is being Changed and banks are endeavouring to coordinate with the ongoing Headway in the field of innovation. Revolutionary development in Information technology and communication in the past 20 years have Changed the way that how banks deal with their customers. With the rapid development of technology, internet plays a significant role in changing the banking scenario. It provides an online platform for various banking transactions through which it offers various services line online payment, online fund transfer, online stock trading and online shopping etc. The use of internet as a delivery channel for banking services is increasing widely in the banking sector. Internet banking facilities enable financial institution and customers to access their accounts, transaction and getting information on financial products and services (Prakash and Malik, 2008) ^[4]. Now a day's most of the commercial banks have launched various services through internet banking including latest service like opening online saving accounts and demand for these services is increasing rapidly. The concept of e-banking is fairly a new concept in India as compared to its developed counterparts. So, the paper deals with defining the concept of Internet banking. Further, the present paper attempts to identify the challenges and opportunities of adopting internet banking in the Meerut district of Uttar Pradesh.

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E-Banking: Concept and its Benefits

In the late 1990s, many banks originate to view web-based banking as a strategic obligatory. A way of maintaining their customers and building loyalty banks looked for web-based banking. Electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically, without visiting a brick-and-mortar institution (Keivani *et al.*, 2012) ^[7]. Electronic banking services have actually started to develop only since 1995, when the Maryland Presidential Bank, an American bank, allowed banks accounts to be opened online (Imola and Claudia, 2014) ^[8].

E-banking facilitates customers to avail various small and large value banking products and services through electronic channels (BIS, 2015). Internet banking involves banking activities or services which can be availed by the customers at any point of time and from any places with their convenience, it is also called PC banking, online banking, cyber banking, virtual banking, etc (Dheenadhayalan, 2010) ^[9]. Internet banking delivers banking services through the open access computer network, i.e. Internet, directly to customers' home that can be used with different electronic devices such as personal computer, mobile phone with a browser or desktop software, digital television (Daniel, 1999) ^[10].

A common definition for electronic banking comes from the Basel Committee on Banking Supervision: "e-banking includes the provision of retail and small value banking products and services through electronic channels as well as large value electronic payments and other wholesale banking services delivered electronically" (BCBS, 1998) ^[6]. So, we can say that Internet banking is about using banking facilities via the internet with the help various electronic devices. Electronic banking can also be defined as a variety of the popular services provided by banks.

1. Automated Teller Machines,
2. Credit Cards,
3. Debit Cards,
4. Smart Cards,
5. Electronic Funds Transfer (EFT) System,
6. Cheque's Truncation Payment System,
7. Mobile Banking,
8. Internet Banking,
9. Telephone Banking, etc.

Review of literature

Lalitha *et al.*, (2014) ^[23] studied that A well-functioning e-banking network is dependent on availability of a backbone network connecting the whole country; reliable and secure information infrastructure, including telecommunication infrastructure; ICT penetration in the banking sector; skilled operational personnel and legal and regulatory framework.

Shiraj (2015) ^[20] examines the factors influencing the adoption of internet banking services by commercial banks in the South-Eastern region in Sri Lanka. The results of the model tested are the adoption/non-adoption decision is highly influenced by attitude toward change, perceived benefits, perceived risks, occupation, users' IT knowledge except information on online banking.

Kumari (2016) ^[22] study revealed that most of the banks have already implemented the e-banking facilities, as these facilities are beneficial to both i.e. banks as well as consumers. The banks are facing many challenges and many opportunities are available with the banks. Many financial

innovations like ATMs, credit cards, RTGS, debit cards, mobile banking etc. have completely changed the face of Indian banking. Thus, there is a paradigm shift from the seller's market to buyer's market in the industry and finally it affected at the banker's level to change their approach from "conventional banking to convenience banking" and "mass banking to class banking".

Puneet and Shubham (2017) ^[21] Observe that e-banking got attention in Indian context due to demonetisation. It is electronic channel through 92 which bank delivers their banking services through e-banking. Mostly all the banks have already implemented the e-banking concept and provide the facilities related to e-banking to its customers.

Lekshmi (2018) ^[24] analyses the problems and prospects of Electronic Banking in India. Banking sector plays an important role in the development of a country. It is the lifeline of an economy. Indian banking industry, today, is in the midst of an IT (Information Technology) revolution. E-Banking is a generic term encompassing internet banking, telephone banking, mobile banking etc.

Methodology

The main purpose of this paper is to access the opinion of respondents regarding e-banking services and problems faced by using these services. The study has been based on Primary as well as secondary sources. Primary data has been collected from the respondents with the help of questionnaire and secondary data collected from newspaper, journals report internet source and other published material. A sample of 250 respondents selected from Meerut district of Uttar Pradesh. The convenience sampling has been used to conduct this research paper.

Objectives of the study

To analyse the problems faced by the customers while using the E- banking services provided by banks.

To offer valuable suggestions to make study more reliable. With regard to privacy of customer's information revealed that 40 percent are agree, 23.4 percent are strongly agree, 10 percent disagree and 6.6 percent are strongly disagree about privacy of customer's information in banks. Preference towards traditional banking were asked and it is found that about 37.5 percent are agree, 23.4 percent are neutral, 5.8 percent are disagree and 12.5 are strongly disagree.

To ascertain that banker providing few E-banking services it depicts that 35 percent are strongly agree, 28.3 percent are agree, 13.3 percent are disagree and 4.2 percent are strongly disagree about services provided by banks. When the respondents are asked to give their views on fee charges by banks on e-banking services it is found that 30.8 percent are neutral, 30 percent are strongly agree, 9.2 percent are disagreed and only 3.3 percent are strongly disagree about bank charges high fees for e-banking services.

With regard to breakdown or failure of e-banking transaction are the same, it is revealed that majority of the respondents i.e. 38.3 percent are agree. It is followed by 21.7 percent who are neutral. From this, it can be inferred that about three-fourth of the respondents are of the view that the e-banking facilities provided by the banks are not running smoothly.

When the respondents are asked to give their views on e-banking service on a scale with regard to security and privacy, it is found that about 35 percent of the respondents are agree, 23.4 percent are neutral and 16.6 percent are

strongly agree. However, about 15 percent of the respondents have viewed it disagree and 10 percent disagree.

Suggestions

Every client must take actions to embrace and to refresh technological advancement in their banking transactions both for business and self-account support, as this would do away with traditional transactions method and pave way higher achievement.

It is seen that few of the respondents are not prepared to trust the e-banking activities It may be caused because of the lack of awareness of the available e-banking services and also as a result of literacy rate of the respondents. If they are believing the e-banking activities then it will increase the banking transactions and also improve e-banking technology

It is advisable that, the customers must interact with the bankers frequently about the latest technology adopted by the banking sector. The customers must use all the available e-banking services while perform the banking transaction. For this the bankers have to conduct a number of awareness programs to inculcate much knowledge in several grounds of the updated e-banking technology. Considering the challenges and risk related to e-banking, the Government of India along with various government agencies is making an effort to make e-banking more safe, secure and reliable.

Conclusion

On the whole the present research is a fact-finding research work conducted on a limited scale. A well-functioning e-banking network is dependent on availability of a backbone network connecting the whole country; consistent and secure information infrastructure, including telecommunication infrastructure; ICT penetration in the banking sector; skilled operational personnel and legal and regulatory framework. The government, reserve bank and scheduled banks are related to these issues. Therefore, both individual and joint efforts are needed to overcome the constraints in promoting e-banking in the country.

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