



Management

PROBLEM FACED BY CUSTOMERS USING TECHNOLOGICAL BANKING SERVICES- AN INFERENTIAL ANALYSIS

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Abstract

IT savvy customer is more empowered and left with many options of making payments, through his ATM and debit cards, credit cards, RTGS, NEFT transfer, ECS, or mobile payments. However, change in technological aspect is rapid and is evolving constantly and therefore what lies ahead in future cannot be predicted with conformity. The following objectives are focused in the study: i. To study the customers perception towards technological banking, ii. To find out the problems faced by the customers while availing technological banking iii. To analyse the relationship between types of bank with problems faced by the customers while availing technological banking. Primary Data was collected by using questionnaire under simple random sampling method. 600 samples were selected from various Public Sector Banks like State Bank of India, Indian Bank and Indian Overseas Bank and Private sector banks like ICICI, HDFC, Karur Vysya Bank in Tirunelveli district. In this paper, the major findings on challenges faced by the customers while availing technological banking and suggestions based on the findings are discussed.

Keywords: Banking; Technological Banking; E-Banking; Challenges; Public & Private Sector Bank.

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1. Introduction

Banking Industry in India has undergone a significant process of changes over time. From nationalization of large banks in 1969, and strong dominance of public ownership till 1980, a slew of change process continued to dominate the Indian banking sector. However, the rate of transformation was very slow and technology intervention was minimal. A wide range of financial sector reforms was introduced in India in the year 1991, with Liberalization, Privatizations and Globalization. Such reforms were initiated to improve resources efficiency

and accelerate the growth process by removing structural deficiency affecting the performance of financial markets as well as financial institutions. Till the 90's no major technological breakthrough took place in the Indian banking system and one could only make payments through two most distinguished means: cash and cheque. But after the 1990's banks in India put greater emphasis on technology and product innovation, which resulted into many new product and services deliverables. And today, a normal as well as an IT savvy customer is more empowered and left with many options of making payments, through his ATM and debit cards, credit cards, RTGS, NEFT transfer, ECS, or mobile payments. However, change in technological aspect is rapid and is evolving constantly and therefore what lies ahead in future cannot be predicted with conformity.

2. Statement of Problem

Once a time, people have to spend three to four hours to go for bank transaction sometimes cost of transaction was more than that of money deposited or withdrawn. E-banking allows customer to conduct financial transaction on a secure website. Nowadays User Friendly Technology is becoming more popular among customers, most of the banks are providing e-banking facility. Today, most of the customers are increasingly using the technological banking facilities available in banking sector. It reduces cost and saves time. From the customers perceptive towards technological banking provides a convenient and effective way to manage finance that is easily accessible at 24hours a day in 7 days a week. On the other hand, online banking has certain problems such as lack of knowledge to operate the technology, set-up cost, legal issues, lack of relationship among banker and customer, securely and privacy issues.

For some people the User Friendly Technology really simplifies their life style, while for others it is very much threatening and complex. Therefore in this context, it is necessary to study the perception of customers' challenges towards User Friendly Technology.

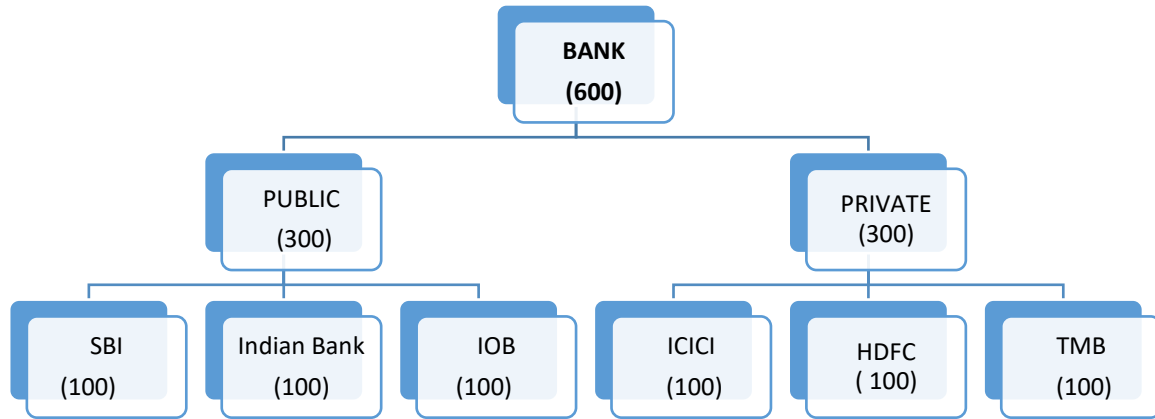
3. Objectives of the Study

The following objectives are focused in the study:

- 1) To study the customers perception towards technological banking.
- 2) To find out the problems faced by the customers while availing technological banking.
- 3) To analyse the relationship between types of bank with problems faced by the customers while availing technological banking.

4. Methodology

Primary Data was collected by using questionnaire under simple random sampling method. Secondary data were collected from internet, books, journals, magazines and newspapers. 600 samples were selected from various Public Sector Banks like State Bank of India, Indian Bank and Indian Overseas Bank and Private sector banks like ICICI, HDFC, Karur Vysya Bank in Tirunelveli district. The method of allocation is given in below chart.



5. Analysis and Interpretation

Table 1: Types of bank and using Technological Banking Services – Hidden Costs

| Types of bank | Hidden Costs | | | Total |
|---------------|-------------------|-----------------------|-----------------|------------|
| | Highly Influenced | Moderately Influenced | No such Problem | |
| Public | 71 | 67 | 162 | 300 |
| Private | 104 | 107 | 89 | 300 |
| Total | 175 | 174 | 251 | 600 |

Source: Primary Data

H_0 There is no significant association between the types of bank and using technological banking services – Hidden Costs.

H_1 There is significant association between the types of bank and using technological banking services – Hidden Costs.

Statistical inference

$$X = 36.649$$

$$Df = 2$$

$$P = 0.00$$

$$P <= 0.05 \text{ significant}$$

In the above table the observed value of chi square is 36.649 and the corresponding significant value is 0.00 less than 0.05, there is a significant association between type of bank and using technological banking services – Hidden Costs. Hence the null hypothesis is rejected.

Table 2: Types of bank and using Technological Banking Services – Network Problem

| Types of bank | Network Problem | | | Total |
|---------------|-------------------|-----------------------|-----------------|------------|
| | Highly Influenced | Moderately Influenced | No such Problem | |
| Public | 44 | 107 | 149 | 300 |
| Private | 29 | 98 | 173 | 300 |
| Total | 73 | 205 | 322 | 600 |

H₀ There is no significant association between the types of bank and using technological banking services – Network Problem.

H₁ There is significant association between the types of bank and using technological banking services – Network Problem.

Statistical inference

X = 5.266
 Df = 2
 P = 0.072
 P > 0.05 significant

In the above table the observed value of chi square is 36.649 and the corresponding significant value is 0.072 greater than 0.05, there is a significant association between type of bank and using technological banking services – Network problem. Hence the null hypothesis is accepted.

Table 3: Types of bank and using Technological Banking Services – Processing Time

| Types of bank | Processing Time | | | Total |
|---------------|-------------------|-----------------------|-----------------|------------|
| | Highly Influenced | Moderately Influenced | No such Problem | |
| Public | 179 | 91 | 30 | 300 |
| Private | 157 | 103 | 40 | 300 |
| Total | 336 | 194 | 70 | 600 |

Source: Primary Data

H₀ There is no significant association between the types of bank and using technological banking services – Processing Time.

H₁ There is significant association between the types of bank and using technological banking services – Processing Time.

Statistical inference

$X = 3.611$
 $Df = 2$
 $P = 0.164$
 $P > 0.05$ significant

In the above table the observed value of chi square is 3.611 and the corresponding significant value is 0.164 greater than 0.05, there is a significant association between type of bank and using technological banking services – Processing Time hence the null hypothesis is accepted.

Table 4: Types of bank and using Technological Banking Services – Fear of using technology in banking services

| Types of bank | Fear of using technology in banking services | | | Total |
|---------------|--|-----------------------|-----------------|------------|
| | Highly Influenced | Moderately Influenced | No such Problem | |
| Public | 138 | 144 | 18 | 300 |
| Private | 92 | 156 | 52 | 300 |
| Total | 230 | 300 | 70 | 600 |

Source: Primary Data

H_0 There is no significant association between the types of bank and using technological banking services – Fear of using technology in banking services.

H_1 There is significant association between the types of bank and using technological banking services – Fear of using technology in banking services.

Statistical inference

$X = 26.194$
 $Df = 2$
 $P = 0.000$
 $P \leq 0.05$ significant

In the above table the observed value of chi square is 26.194 and the corresponding significant value is 0.000 less than 0.05, there is a significant association between type of bank and using technological banking services – Fear of using technology in banking services hence the null hypothesis is rejected.

6. Findings

- 80.5 per cent of the respondents are male and remaining 19.5 per cent of the respondents are female. It describes that majority of the respondents are male.

- 40.2 per cent of the respondents are belonging to the age group of 36-45 years.
- The researcher found that 80.2 per cent of the respondents are married.
- The researcher found that 33.8 per cent of the respondents are Graduates.
- 32.8 per cent of the respondents are Salaried (Govt. /Pvt. It shows that salaried people are more having saving habit and using most of the services provided by the banks.
- The researcher found that, 46.8 per cent of the respondents are earning Rs. 10001-20000.
- 34.8 percent of the respondents don't have account with more than one bank, 29.5 percent of the respondents have account with more than one bank. It describes due some important reason like want to open salary account customers are forced to open an account with some other banks.
- The majority of the respondents are partly aware of the technological banking services provided by the bank.
- 40.16 percent of the respondents are using technological banking for more than five years. It clearly denotes that technological banking has tremendous growth before a decade itself.
- Both public and private sector banks customers know about the use of the technological banking services only through their friends/relatives.
- Majority respondents selected their banks due to security in the banks they prefer banking sector to safeguard their money, jewels and earn interest from their deposits.,etc.
- Majority of the respondents are fully aware of taking statement of account and fund transfer to third party within the bank or with other banks. But respondents are not aware of mobile recharging and stop payment of cheques.
- The researcher found that customers use using requisition and bill payments only when needed but frequently they are using fund transfer and accessing information related to rate of interest and latest services provided by the bankers.
- Most of the respondents are facing too much time for processing the account and have fear of using technological banking due to hackers and fear of forgetting the password.

7. Suggestions

The following are the suggestions recommended to the banks to improve their technological banking services.

- The security and safety in access the ATM, Mobile Banking, Internet Banking has to been keenly noted.
- Make use of the technology much easier.
- The thumb impression is used as a PIN code or Password for Internet Banking to avoid hacker's money theft in technological banking.
- The software application for mobile banking is not suitable for all mobile phones. Due to tremendous development in the latest technologies in the mobile phones. Customers have various models of mobiles. So satisfy their customers banker has to take proper steps in having suitable software for all types of mobile phones.
- Charges, exchange rates, interest rates for deposits and for taking demand draft are to be send to the customers periodically through SMS alters. It helps the customer to make interest to deposit money and take DD if necessary without having many quires while at the working time.

- A banker has to arrange facilities to solve their problems by themselves through online itself.
- New schemes introduced by the banks should reach the customer within limited period by informing the scheme through sending e-mail, SMS, advertising in media and newspaper.
- Research and studies are conducted frequently to understand the expectation of the customers.
- Bank Managers have to be very careful in analyzing the requirement of various groups of customers. Then only they can position the right product to right customers at the right time.
- Bankers have to give more advertisements in media to attract more customers through their services.
- New customers could be attracted to bank through marketing programmes.
- Internet banking there should not be time limit for transferring amount from the account to the beneficiaries.
- Public sector has to take steps to advertise about their latest services through advertisements because it is an easiest mode of advertising about the services and attract more users.

8. Conclusion

Banking sector plays an important role in the economic development in India. Banking is still under evolutionary stage as it is adopting new technologies to further facilitate the customer convenience in the secured environment. Technological banking is becoming popular amongst customers who are familiar with the technology upgradation but it is gradually spreading to mass especially at urban and metropolitan cities. Few banks have taken an early lead by introducing technological banking. These banks are providing the basic services through technological banking viz account enquiry, details of last five transactions and statement of accounts, etc. they have the basic infrastructure to offer the art of services through technological banking. The study on the customer perception towards user friendly technology in banking sector reveals that respondents are satisfied in some aspects and they want to continue in their respective banks. The shift from customerised service to personalized services is highly essential to satisfy all groups of customers. The findings of the study stresses upon the importance of the security and safety expected by the customers especially in technological banking like ATM, Internet Banking, Mobile Banking., etc. The future of Internet banking lies in offering personalized Internet based services that are not only valued by their customers but are also unique to them. This would help distinguish themselves in the crowd. This would also help them evolve continuously to meet customers' needs, capitalizing on new technology to build stronger customer relationship.

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