A STUDY ON CHALLENGES FACED BY CUSTOMERS WITH E-BANKING SERVICES IN CHENNAI CITY

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ABSTRACT

Banking plays a vital role in the economy. Without money people cannot afford their living. There are frequent transactions between accounts and banks every single day. Nowadays, to make it even easier for people to make their transactions, E-banking is introduced. This helps them to withdraw money and also to transfer it by just some taps on their mobile phones, tabs or laptops. Though it seems easy, it also has its other side which is more of problems like hacking, technical errors, wrong transactions etc. This study focuses on the major problem which is faced by people, that is the security and privacy. This factor is very much important as it has the full database of the customers. This cannot be made extinct but can reduce the affected percentage by taking some security and privacy protocols. This study also checks how customers are relaying on the E-banking services. The suggestions of using the two factor authentication, voiceprints and some strict rules by the government can surely reduce the problems in security and privacy.

INTRODUCTION:

The project titled **"Challenges faced by customers with E-banking services in special reference in Chennai"** focuses on the services which are availed by the banking sectors through electronic mode. As technology is growing rapidly we could see how banking sectors are improvising their services which satisfy its customers. Most of the services are provided in electronic mode (E-Banking) which is also known as "Green Banking".

Electronic Banking is done on a software platform that connects the customers using online through the internet. This form of banking is highly encrypted which avoids leaking of one's bank details with others. It also works as a tool to win over the customers by providing the best services for people without approaching the bank for making a transaction.

E-Banking helps to transfer cash, print paper documents, applying for various loans, paying bills, and receive documents online. This service is very convenient and is quick to make payments. It also saves time for the customers which avoid waiting for hours in the bank for making a single transaction. Now they can make a transfer just by a single tap using mobile phones, tabs and desktops. The E-Banking services are provided 24/7 for the customers designed for their easy access to their bank accounts. All banking institutions like ICICI, HDFC, Citibank, etc have provided the electronic payment facilities for its customers in its best own way. Customers who are satisfied with these facilities endow with their loyalty toward the banks.

NEED FOR THE STUDY:

The need for the study, on the title **"Challenges faced by customers with E-Banking services in special reference in Chennai."** is referred in terms of;

- To examine the Challenges and problems this is faced by the customers in Chennai while making transactions through online banking.
- To measure the customers preference on Electronic Banking than offline mode.
- To know on how many customers rely on these online services even considering the major problematic features.
- To examine on what the customers sense about the online mode banking in this faster growing period.

STATEMENT OF THE PROBLEM:

The major problem specified form the Title, **"Challenges faced by customers with E-Banking services in special reference in Chennai."** is the problems and issues faced by customers while processing transactions through Electronic Banking.

Some of the problems which are faced by customers are;

- Technical issues are a major problem in Electronic Banking. Some banks may have their websites crashed like Error 404. It may sometimes doesn't make transaction when is of an urgent need.
- Privacy and security is always a root issue in E-Banking as customers are very much sensitive on their bank details which are to be exposed on an online platform as 'Hackers' are in and around networks.
- Some payments would buffer due to improper network connection.
- Payment details will be shown in the pass book after days.
- Some payments may take time to process and if that transaction should be done urgent, then the customer is in critical situation.

The specific problem which is to be undertaken in this project is PRIVACY and SECURITY. Though the transactions are highly encrypted on both ends still there are hacking, cyber stalkers, phishing problems, etc. Even if these are rectified too the customers may find it difficult and frightened in entering their bank details in online banking. The relevance of the problem is that these issues have a major consequence that affects the customers directly as well as indirectly. These problems need to rectify so that the customers may use electronic banking payments in the future. As technology is growing at its own pace, there will be days where everything should be done in online mode itself. These may help the customers better understand the issues and have them at a safe place while making any transactions.

OBJECTIVES OF THE STUDY:

Primary Objectives: To study the challenge and issues faced by the customers while making transactions through Electronic Banking.

Secondary Objectives:

- To analyze how often customers rely on the online payments besides the Challenges and issues in online banking.
- To check on the value provided by the bankers for the customers in security and privacy.
- To measure the Customers point of view towards the banking through online.
- To investigate on how many customers prefer Internet Banking rather than Offline payments in reference in Chennai.

LIMITATIONS OF THE STUDY:

- Many statistical tests and formulas are required to calculate and are also difficult to provide the approximate values.
- This study is done with reference in Chennai, with the sample size of 150 to 200 and therefore dependability of the project is not certain.
- Every customer point of view differs from one another which are tedious to compile.
- The problems and issues can be analyzed but some other new issues are still out of the box.
- Convenience sampling is used and hence it is not the true representation of the universe.

REVIEW OF LITERATURE:

Title and Author: E-BANKING: REVIEW OF LITERATURE, Anukool Manish Hyde.

Journal Name: Prestige e-Journal of Management and Research, Volume 2, Issue 2 (October, 2015) ISSN 2350-1316.

This study tells about the features of the banking industry across the globe has been that it is increasingly becoming turbulent and competitive, characterized by an increasing trend towards internationalization, mergers, takeovers and consolidation of the banking industry. This has given a myriad of options to customers in choosing banking services and has attracted many. It is obvious that e-banking and payments are likely to advance. This study attempts to explore literature review on e-banking and gives conclusion on the basis of past studies. It has concluded as, people are still not fully aware of advantages of e-banking but those who are tech savvy are using e-banking successfully. Important thing is that people need to be technically sound so that they can use e-banking facility properly.

STATISTICAL TOOL CALCULATION FROM THE STUDY:

1) **Aim:** To test the relationship between usage of E-banking services towards gender of the respondents.

Null Hypothesis (Ho): There is no significant difference between gender of the respondents and usage of E- banking services.

Alternate Hypothesis (H1): There is significant difference between gender of the respondents and usage of E- banking services.

Table .4.21.1: Hypothesis 1

E-Banking Services / **Gender**	Always	Often	Sometimes	Rare	Never	**TOTAL**
Male	22	19	14	3	4	**62**
Female	13	32	19	24	2	**90**
TOTAL	**35**	**51**	**33**	**27**	**6**	**152**

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	18.868[a]	4	.001
Likelihood Ratio	20.537	4	.000
N of Valid Cases	152		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.45.

RESULT: Since p value is less than 0.05, we accept the alternative hypothesis and reject the null hypothesis. Hence, there is significant association between gender of the respondents and usage of E-banking services.

2) **Aim:** To test the relationship between preference on online/offline banking towards occupation of the respondents.

Null Hypothesis (Ho): There is no significant difference between preferences on online/offline banking towards occupation of the respondents.

Alternate Hypothesis (H1): There is significant difference between preferences on online/offline banking towards occupation of the respondents.

Table .4.21.2: Hypothesis 2

Occupation / **Preference**	Student	Government Employee	Private Employee	Business	Retired	House wife	**TOTAL**
E-Banking services	59	9	24	11	5	5	**113**
Approaching Bank	5	5	11	10	2	6	**34**
TOTAL	**64**	**14**	**35**	**21**	**7**	**11**	**152**

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	22.192[a]	5	.000
Likelihood Ratio	23.597	5	.000
N of Valid Cases	152		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.80.

RESULT: Since p value is less than 0.05, we accept the alternative hypothesis and reject the null hypothesis. Hence, there is significant association between preferences on online/offline banking towards occupation of the respondents.

3) **Aim:** To test the relationship between E-banking services towards security and privacy.

Null Hypothesis (Ho): There is no significant difference between E-banking services towards security and privacy.

Alternate Hypothesis (H1): There is significant difference between E-banking services towards security and privacy.

Table .4.21.3: Hypothesis 3

Security and privacy attributes / **E-Banking services**	Strongly Agree	Agree	Neither Agrees nor Disagrees	Disagree	Strongly Disagree	**TOTAL**
ATM	9	12	6	2	2	**31**
Card Payments	11	12	4	2	1	**30**
UPI Transaction (scan and pay) like Gpay, Paytm etc.	9	10	7	3	2	**31**
Banking over Internet websites, Net banking and Mobile apps.	9	12	5	2	2	**30**
EFT (Electronic Funds Transfer) System - E-cheque.	6	11	7	3	3	**30**
TOTAL	**44**	**57**	**29**	**12**	**10**	**152**

Correlations

		STRONG	AGREE	NEUTRAL	DISAGREE	WEAK
ATM	Pearson Correlation	1	.375	-.772	-.663	-.988**
	Sig. (2-tailed)		.534	.126	.222	.002
	N	5	5	5	5	5
Card Payments	Pearson Correlation	.375	1	-.772	-.919*	-.395
	Sig. (2-tailed)	.534		.126	.028	.510
	N	5	5	5	5	5
UPI	Pearson Correlation	-.772	-.772	1	.840	.813
	Sig. (2-tailed)	.126	.126		.075	.094
	N	5	5	5	5	5
Mobile apps	Pearson Correlation	-.663	-.919*	.840	1	.645
	Sig. (2-tailed)	.222	.028	.075		.239
	N	5	5	5	5	5
EFT	Pearson Correlation	-.988**	-.395	.813	.645	1
	Sig. (2-tailed)	.002	.510	.094	.239	
	N	5	5	5	5	5

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

RESULT: Since p value is less than 0.05 and 0.01, we accept the alternative hypothesis and reject the null hypothesis. Hence, there is significant difference between E-banking services towards security and privacy.

SUGGESTIONS AND CONCLUSION:

- Customers can able to rely on the E-banking services more when they are given the security and privacy terms.
- People using E–banking face lot of problems like website errors, receiving late information on the transaction and default payments.

- It would be helpful for the customers when the website is maintained properly.
- Hack proof protocols and the portal must be user-friendly to immediately block or reverting unnecessary and accidental transactions.
- Debit and credit card information can be given through SMS which can also include location of transaction.
- Improvising the terms for keeping the customers information on safe and secured.
- Using two factor authentication and secret access codes that are re-generated every 60 seconds which secures the payments.
- The user interface of E-banking should not change much as it is hard for people aged above 45.
- Messages and awareness regarding the happenings of frauds.
- Banks can use latest chip technology on the debit and credit cards to avoid hacking.
- To provide the information on the payments as some keep on processing and end up failed, but the money would have transferred. In such cases the banks must provide the data security and the relevant information to redeem their money forgone.

The objectives mentioned in the study have been attained. It has resulted that the customers have a positive thinking towards E-banking and its varied services. The customers prefer E-banking the most than approaching bank in physical mode, as E-banking helps people to save more time and convenience. Most of the customers have a serious notion on the security and privacy and are likely to recommend the banks in providing the proper security and secure their banking details. They can provide more security by providing two factor authentications, strong biometric features as well as encryptions. Security and privacy can affect people and retain them from using the E-banking services. The worry free situation can be done by providing password policies, firewalls and site secure services to protect the customers from being hacked. The technology is providing services and making people to do their banking transactions at one click from where ever and whenever they need