

# Perception Towards Problems and Prospects of E-Banking

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**Abstract:** Banking sector plays an important role in the development of a country. It is the lifeline of an economy. A strong and healthy banking system is important requirement for economic growth. Indian banking industry, today, is in the midst of an Information Technology (IT) revolution. The implementation of internet in banking organizations has restructured the banks. E-banking has improved efficiency and convenience it has also posed several challenges to the regulators and supervisors. The competition among the banks has led to the increasing total banking automation in the Indian banking industry. E-Banking is a generic term encompassing internet banking, telephone banking, mobile banking etc. Through E-Banking the bank wants to introduce the core concept of IT based services. The E-Banking services are executed only upon the customer, and these E-Banking services would fully integrate with the core banking solution that is already in usage. The objective of the present paper is to examine and analyze the problems and prospects of Electronic Banking.

**Keywords:** E-Banking, Information Technology, Perception, Internet banking.

## 1. Introduction

Banking is the lifeline of an economy. The present and future of any economy depends upon the success and development of banking. Indian banking is the helping hand of the nation and its people. Indian banking industry, today, is in the midst of an IT (Information Technology) revolution. The competition among the banks has led to the increasing total banking automation in the Indian banking industry. Finland was the first country in the world to have taken a lead in E-banking. In India, it was ICICI bank which initiated E-banking as early as 1997 under the brand name Infinity. Electronic banking is defined as "Delivery of bank's services to a customer at his office or home by using electronic technology can be termed as Electronic Banking. E-banking is also called online banking and it is an outgrowth of PC banking. E-banking uses the internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages and purchasing financial instruments and certificates of deposits. It is difficult to infer whether the internet tool has been applied for convenience of bankers or for the customers convenience. But ultimately it contributes in increasing the efficiency of the

banking operation as well providing more convenience to customers. Without even interacting with the bankers, customers transact from one corner of the country to another corner.

## 2. Statement of the Problem

Banking is spreading quickly in recent years as it leads to much lower cost greater competition in financial services. E-Banking helps to attract an individual into the banking system allowing them to improve money management with enhanced financial empowerment. For financial institutions, it draws cash into bank accounts, which can be translated into funds for lending and investment. The adoption and growth of e-banking is found to be very important towards creating a society with its impact on bringing economic transparency, efficiency and growth. From customer perspective, the recognized drivers for the growth electronics banking includes convenience, reliability, widely availability, affordability and usefulness of services.

## 3. Objectives

- To estimate the customer's awareness of e-banking usages
- To find out the constraints which encourage or discourage the customers in the usage of e-banking services.
- To study and evaluate customer's perception and expectations of e-banking.

## 4. Review of Literature

*Sharma (2015)* opined that the trend towards electronic delivery of banking products and services is occurring partly as a result of consumer demand and partly because of the increasing competitive environment in the global context.

*Roshan Lal (2011)* analyzed that development of e-banking in banking sector is due to advent of IT. Bank today operate in a highly globalized, liberalized, privatized and a competitive environment. In order to survive in this environment banks have use to IT. Indian banking industry has witnessed a tremendous development due to sweeping changes that are taking place in the information technology.

*N. Jamaluddin (2013)* concluded that information

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technology has played a vital role in the advancement of banking system. The reach of Indian banking to every individual is possible because of the computerization process adopted by banking sector. Information technology has not only simplified the operation but it has also given a great comfort and individual who does not have a good knowledge of IT but need to access banking in an optimum manner.

*Shukla and Shukla (2018)* stated that E-Banking offers a higher level of convenience for managing one's finances even from one's bedroom. However, it continues to present challenges to the financial security and personal privacy. Customers are advised not to share personal information like PIN numbers, password etc. with anyone, including employees of the bank change ATM PIN and online login and transaction passwords on a regular basis; ensure that the logged in session is properly signed out.

*Mishra (2012)* provided useful tips to ensure safety of IB users are advised not to reply to any mail, phone call or letter, asking for the IB information like login id or password, and not to click on any link provided in any mail, claiming to be the link for the bank's website are the important tips, among others.

*Shrinivas (2016)* discussed various E-Banking channels and suggested security tips for customers which include changing password frequently, abstaining from revealing PIN either via mails or phone, avoiding cyber cafes for net banking etc.

*R. K. Uppul (2008)* concludes that most of the customers of e-banks are satisfied with the different e-channels and their services, but the lack of awareness is a major obstacle in the spread of e-banking services. The paper also suggests some measures to make e-banking services more effective in the future.

*Geetika, Tanuj Nandan, and Ashwani Kr. Upadhyay* discuss the concept of Internet Banking, perception of Internet bank customers, non-customers and issues of major concern in Internet banking. The state of Internet banking in India has been explored using various concepts like E-banking continuum, and gap analysis related to the various services and the security features offered. In order to have a clear and focussed insight about the perceptions of users (and non-users) about Internet banking a survey was conducted. The findings of the survey provide valuable insights into concern for security, reasons for lower penetration, and likeliness of adoption, which have been used to make useful recommendations.

## 5. Research Methodology

A Study is considered only a perception towards Problems &

Prospects of E-Banking. The study has been used primary data. Primary data has been collected from selected respondents who is using E-Banking services by administering a questionnaire. The sample size has been collected 100 Respondents of E-Banking a/c Holder. The convenient sampling method adopted to select the respondents of E-Banking. The statistical tools were used in this study is ANNOVA.

## 6. Limitation of the Study

- As the survey was circulated through google survey forms, which require internet connection. So, this study is limited to the internet users only.
- A small sample size of 100 respondents are taken to primary data analysis. So, I cannot proper reference about respondents from the sample size.
- Respondents may give biased answers for the required data and some respondents doubted the confidentiality about the personal data.
- This study is based on the prevailing respondent satisfaction. But their satisfaction may change according to time, fashion, need etc.

## 7. Data Analysis

- The data collection through primary data sources (Questionnaire survey Method) were tabulated and calculated in percentage form.
- The further analysis of data was done through SPSS.
- The Method used to analysis the data was One - way ANNOVA Test.
- The analysis is to find the age & perception of respondents towards problems in E-Banking and other is significant difference in Occupation & Perception of respondents towards reasons on usage of E-Banking.

### A. Hypothesis Framework

#### 1) Age and Problems

H0: There is no significant difference in age & perception of respondents towards problems in E-Banking.

H1: There is a significant difference in age & perception of respondents towards problems in E-Banking.

In the one-way ANOVA test, the researcher find that the calculated (P) value is (0.348) higher than the 0.05. Therefore, the null hypothesis is rejected. So, there is a significant difference in Age and Perception of respondents towards Problems in E-Banking.

Table 1  
Annova test

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.114	2	2.557	1.068	.348
Within Groups	229.795	96	2.394		
Total	234.909	98			

Table 2  
Annova test

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.115	5	.623	.336	.890
Within Groups	172.541	93	1.855		
Total	175.657	98			

## 2) Occupation and Reasons

H0: There is no significant difference in occupation & perception of respondents towards reasons in usage of E-Banking.

H1: there is a significant difference in Occupation & Perception of respondents towards reasons on usage of E-Banking.

In the one-way ANOVA test, the researcher find that the calculated (P) value is (0.348) higher than the 0.05. Therefore, the null hypothesis is rejected. So, there is a significant difference in Occupation & Perception of respondents towards reasons on usage of E-Banking.

## 8. Findings

- It is very interesting to see that major people using E-Banking to do online payments & purchase, transfer Money/Fund, account information/balance inquiry.
- From the occupation criteria, it is found that the people who are student are more likely to use the E-banking services.
- Most of the respondents who lies under 21 – 30 users E-Banking services.
- Most of the respondents are either post graduate or Graduate.
- This study revealed that most of the users claim that they aware of E-Banking services but somewhere they face poor networks, Unsuitable location of ATM Centres, not enough knowledge this factor are affects.
- In the one-way ANOVA test, the researcher find that the calculated (P) value is (0.348) higher than the 0.05. Therefore, the null hypothesis is rejected.
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- Both the null hypothesis is rejected.

## 9. Conclusion

E-banking offers a higher level of convenience for managing one's finances even from one's bedroom. However, it continues to present challenges to the financial security and personal privacy. Many people have had their account details compromised, as a result of online banking. Thus, if one is

going to use it for financial transactions, he should be aware of the risks involved. Awareness of the risks and problems enables him to take precautions for a more secured online banking experience. Evidence also indicates that there are greater promotional efforts on the part of banks to create greater awareness of E-banking and its benefits is important for the success of E-banking services patronage. The future of E-Banking is bright because the peoples are more understand the value of education, time and money. Most important aspect is that people need to be technically sound so that they can use E-Banking facility properly. Bank should also generate trust in the minds of customers that E-Banking is safe.

## 10. Limitations of the Study

- A small sample size of 100 respondents are taken to primary data analysis. So, I cannot proper reference about respondents from the sample size.
- Respondents may give biased answers for the required data And Some respondents doubted the confidentiality about the personal data.
- This study is based on the prevailing respondent satisfaction. But their satisfaction may change according to time, fashion, need etc.

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