

**Problems and Prospects of E-Banking Services: A Study with reference to
Selected Private Sector banks in Mangaluru City**

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ABSTRACT

The advent of electronic banking has ushered in a transformative era in the financial services landscape, offering unprecedented convenience and accessibility. However, this paradigm shift is not without its challenges. This research investigates into the challenges faced by customers in the banks and explore potential opportunities for improvement. the purpose of the study is to examine the problems and prospects of banking services, focusing on selected private sector banks in mangaluru. The problems identified range from security concerns and technical glitches to issues of usability and customer service, emerge as significant problems affecting customer satisfaction. Improved interface, and enhanced customer support stand out as prospects that can reshape the perception of E-Banking services.

Keywords: E-Banking services, problems, prospects, challenges, opportunities.

1 INTRODUCTION

Information and computer technology has turned the world into a global village and revolutionized the service industry. ICT is a means to improve service quality in the banking sector. Bank customers are increasingly aware and sophisticated and it is the extensive use of technology that enables bank to better respond to their customer needs. Banks provide their customers with ICT based electronic service known as internet or online banking.

The banking sector stands as the corner stone of any robust economy, serving as the lifeblood that facilitates financial transactions, drives economic growth and foster individual and corporate prosperity. The rise of cyber threats poses a significant challenge to e-banking with the potential for unauthorized access, data breaches and financial fraud. Disparities in technological infrastructure especially in developing regions limit the widespread adoption of

e-banking services. A segment of the population remains hesitant to fully embrace e-banking, citing concerns about technology, literacy, trust and preference for traditional banking. evolving regulatory frameworks create complexities for e-banking institutions requiring continuous adaption to legal standards and ensuring data protection.

2. LITERATURE REVIEW

Jagannath Bandelu, Anjali Chadak(2018) examined that most of the customers in Nagpur city adopt e-banking services to utilize ATM. Majority of them in this city has not experienced online shopping as they had fear of losing money and also they did not have sufficient knowledge about the utilization of e-banking services.

Francis onuman, Daboug Bright Christopher (2016) analyzed that customer satisfaction and competition from other banks were one of the influencing factors for adoption of e-banking in Ghana region. Some of the challenges faced by the customers were network failure, high bank charges, limit on amount of cash withdrawal and wrong debit. It was found that network failure from internet connection is the major challenges faced by customers of Société general Ghana customer education and promotion of e-banking products is the only way to face challenges and to attract customers.

Mayur Rao, Parthavi Andani, Shubham Singh (2022) analysed the various problems and prospects of e-banking services. financial security and personal privacy were the challenges faced by e-banking customers. Banks should take steps in creating awareness on risk and problems and also precautions for secured online banking experience.

R.K Uppal (2011) opined that majority of the customers of Punjab are shifting from public sector banks to private sector bank to get innovative and attractive services. it was found that public sector banks were not updating with technology. Therefore, they should adopt technology as necessity to cope up with the changing environment of globalization.

Dr. Byatagaiah.T. P (2021) identified the challenges faced by customers in rural areas. It is found that customers preferred traditional banking because of uncertainty and security concerns. Rural customers preferred conventional banking due to lack of trust on internet security. Customers were not aware about latest technologies and benefits in e-banking services. customers feared about identity theft. Therefore, banks and government should take steps in giving awareness on e-banking services as well as educating agricultural customers.

Dr. A. Jayanti and R. Suresh (2023) examined the problems faced by Canara bank customers in relation to e-banking services. some of the problems were security and trust issues, technical glitches and system complexity. Customers suggested that bank should improve the security features, technical support and also in simplifying the system.

3.STATEMENT OF THE PROBLEM

The problem in the realm of e-banking services lies in the potential vulnerabilities to cyber threats, leading to security breaches and unauthorized access to sensitive financial information. challenges include ensuring widespread digital literacy, addressing customer concerns about privacy and adapting to rapidly evolving technology, creating a need to robust regulatory frameworks to safeguard users and foster trust in e-banking. It is necessary for the bank to know the level of awareness, usage patterns and problems faced while using e-banking services in banks so that they can take necessary steps to improve the accessibility and conducting awareness programs on e-banking services and also using these services in right way. The present study is taken up for conducting research on “Problems and prospects of E-banking services”.

4.OBJECTIVES OF THE STUDY

1. To study the problems faced by customers while using E-banking services.
2. To understand the customer perception regarding E-banking services
3. To suggest some improvement in E-banking services.

5. RESEARCH METHODOLOGY

The data required for the present study has been collected from both primary and secondary sources. The primary data was collected from customers of few selected banks from Dakshina kannada district. The secondary data was collected from associated research publications in journals, periodicals, books, dailies, reports and bank websites were used for data collection.

6.SAMPLE DESIGN

Stratified random sampling has been selected. The particular survey was directed only in Dakshina kannada district and customers using E-banking services. The sample size of 90 respondents consisting of selected banking customers from few selected banks who are using various E-banking services.

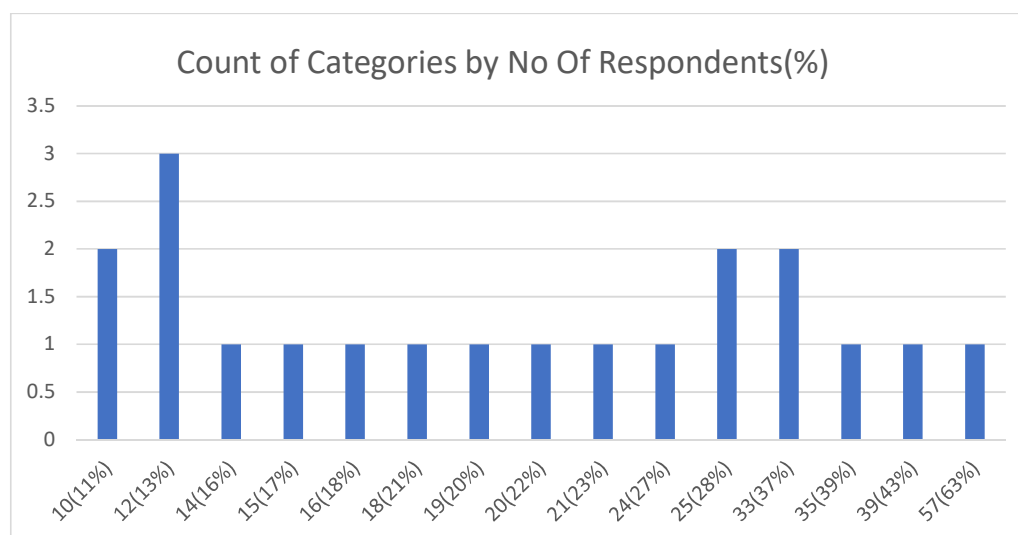
7. DATA ANALYSIS AND INTERPRETATION

Table :1

Demographic Variables	Categories	No Of Respondents (%)
Gender	Male	57(63%)
	Female	33(37%)
Age	Below 30	25(28%)
	30-40	35(39%)
	40-50	20(22%)
	Above 50	10(11%)
Qualification	SSLC	14(16%)
	PUC	18(21%)
	Under graduate	39(43%)
	Post graduate	19(20%)
Occupation	Business	33(37%)
	Employee	12(13%)
	Professional	21(23%)
	Agriculturist	12(13%)
	Student	12(13%)
Monthly Income	>20000	15(17%)
	20000-40000	16(18%)
	40000-60000	24(27%)
	60000-80000	25(28%)
	80000 &above	10(11%)

Source: Survey data

Chart: No 1



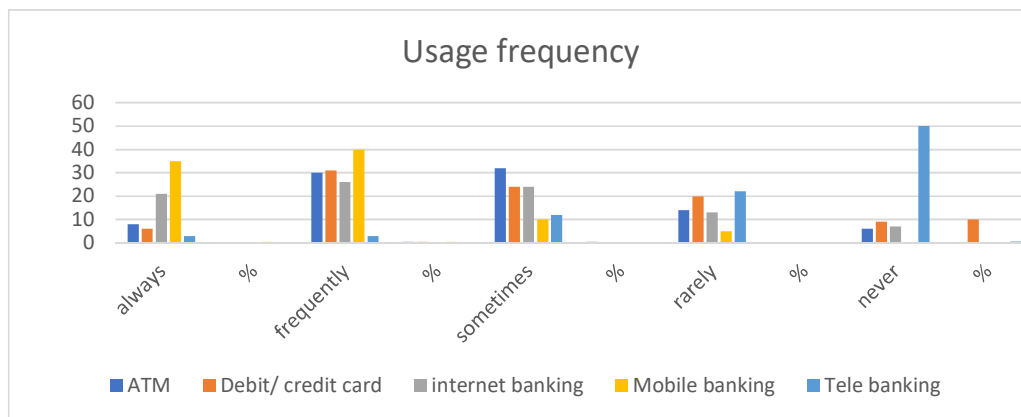
Interpretation: From the above table it is inferred that 63% of the respondents are male and 37% of the respondents are female. It also shows that 39% of the respondent comes under 30-40 years group, 28% of them comes under below 30, 22% of them falls under 40-50 years age group and 11% falls under above 50. Majority of the respondents were UG holders, followed by UG holders that is 19%, followed by 18% PUC, followed by 16% SSLC. It is found that 33% were businessmen followed by 21% professionals, 12% employees, 12% agriculturist

Table: II

Frequency of using E-Banking Services

services	always	%	frequently	%	sometimes	%	rarely	%	never	%
ATM	8	9%	30	33%	32	36%	14	16%	6	7%
Debit/ credit card	6	7%	31	34%	24	27%	20	22%	9	10%
internet banking	21	23%	26	29%	24	27%	13	14%	7	8%
Mobile banking	35	39%	40	44%	10	11%	5	6%	-	-
Tele banking	3	3%	3	3%	12	13%	22	24%	50	56%

Chart: II



Source: Survey data

Interpretation: From the above table it is inferred that majority (36%) of the respondents uses ATM sometimes, 33% of them use ATM frequently, 16% of them use it rarely. 34% of the respondents uses debit card frequently, 27% of them use debit/credit cards sometimes, 22% of them opined it rarely, 10% of them has never used it. 29% of them uses internet banking frequently, 27% of them has used it sometimes, 23% of them use it always, 14% of them uses it rarely, 8% of them has never used it. 44% of the respondents uses mobile banking frequently, 39% of them use it always, 11% of them use it sometimes, 6% use internet banking very rarely. 56% of them has never used telebanking facility, 24% use tele banking

rarely, 13% of them use it sometimes, 3% of them uses it frequently. Majority of the respondents are using mobile banking frequently when compared to other e-banking services.

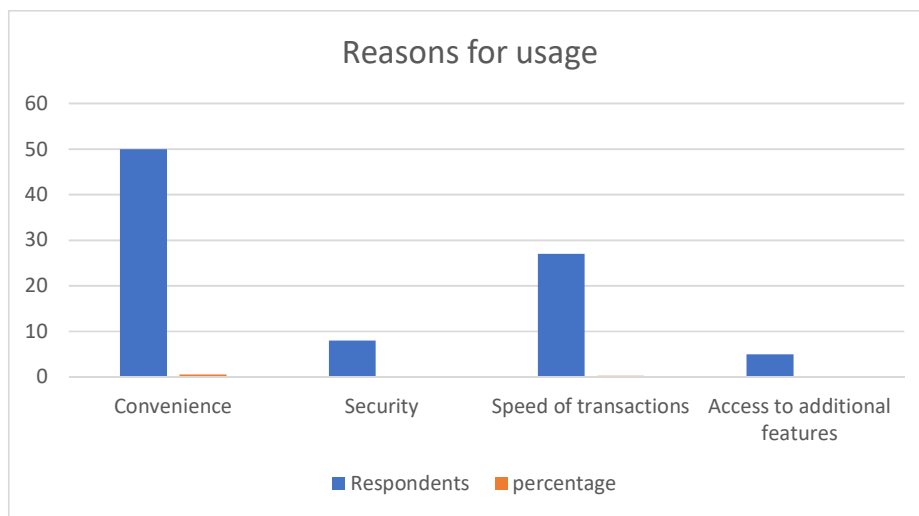
Table: III

Reasons for using E-Banking Services

E-banking services	Respondents	percentage
Convenience	50	56%
Security	8	9%
Speed of transactions	27	30%
Access to additional features	5	5%

Source: Survey data

Chart: III



Interpretation: From the above table it is inferred that majority of the respondents use E-banking services for their convenience, 30% of the respondents use the services as the transactions can be done very fast. 9% of them use it for their security feature. 5% of them use the services as it helps in accessing additional feature.

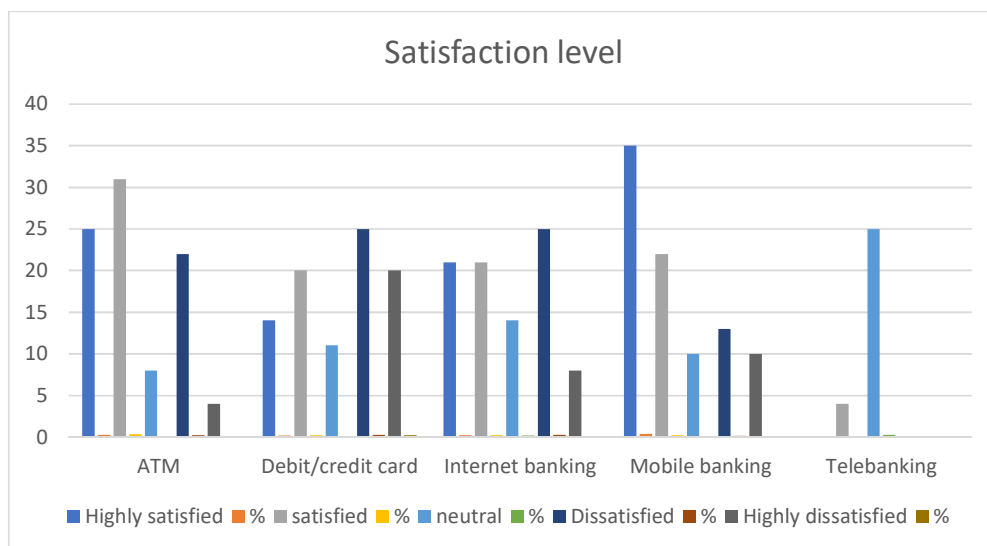
Table:IV

Level of satisfaction on performance of following E-Banking Services

services	Highly satisfied	%	satisfied	%	neutral	%	Dissatisfied	%	Highly dissatisfied	%
ATM	25	28%	31	34%	8	9%	22	24%	4	5%
Debit/credit card	14	16%	20	22%	11	12%	25	28%	20	22%
Internet banking	21	23%	21	23%	14	16%	25	28%	8	9%
Mobile banking	35	39%	22	24%	10	11%	13	15%	10	11%
Telebanking	-		4	5%	25	28%	-		-	

Source: Survey data

Chart: IV



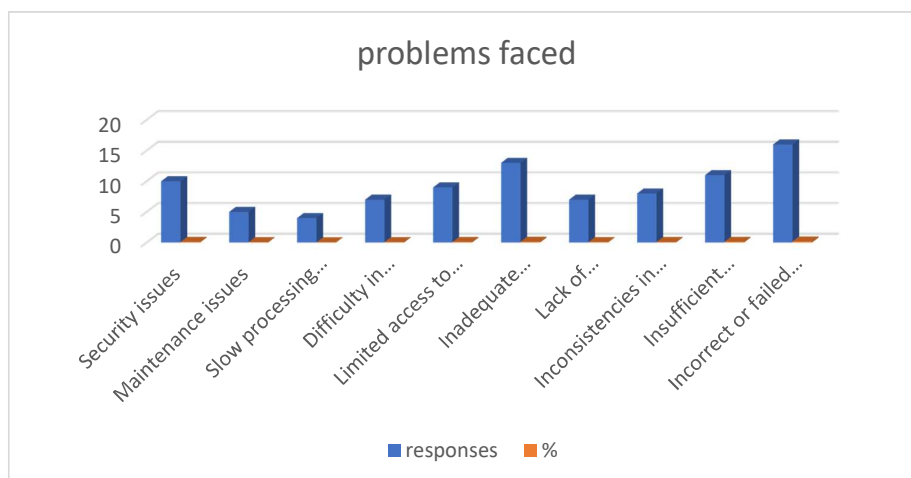
Interpretation: From the above table it is inferred that majority 34% of the respondents are satisfied with the performance of ATM, 28% are highly satisfied with ATM, 9% are neutral in their opinion, 24% are dissatisfied with ATM services, followed by 4% are highly dissatisfied. Majority 28% of the respondents are dissatisfied with debit/credit cards, 22% of them are satisfied and dissatisfied with debit/credit cards, 16% are highly satisfied with debit/credit cards. Majority 28% of the respondents are dissatisfied with Internet banking, 23% of them are highly satisfied and satisfied with internet banking, 16% are neutral in their opinion, 9% are highly dissatisfied with internet banking. Majority 39% of the respondents are highly satisfied with mobile banking, 24% are satisfied with mobile banking, 15% of them are dissatisfied with mobile banking, 11% of them are neutral in their opinion and rest 11% are highly dissatisfied on mobile banking. most of the respondents have no idea about telebanking only 4% are satisfied with telebanking.

Table: IV

Problems faced by customers while using E-Banking services

services	responses	%
Security issues	10	11%
Maintenance issues	5	6%
Slow processing time for transactions	4	4%
Difficulty in navigating through complex e-banking interfaces	7	8%
Limited access to services	9	10%
Inadequate customer support for addressing E-Banking problems	13	14%
Lack of transparency about how customers data is handled	7	8%
Inconsistencies in the performance of E-Banking apps	8	9%
Insufficient guidance on how to use specific features	11	12%
Incorrect or failed transactions	16	18%

Source: Survey data

Chart: V

Interpretation: From the above table it is inferred that majority 18% of the respondents faced with incorrect or failed transactions, 14% of them faced with inadequate customer support for addressing E-Banking problems, 12% of them faced with insufficient guidance on using specific features, 11% of them faced some security issues, 10% of them had limited access to services, 9% of them faced with inconsistencies in the performance of E-banking apps, 8% of them faced with lack of lack of transparency about how customer data is handled and difficulty in navigating through complex E-Banking interfaces, 6% faced with maintenance issues, followed by 4% of them faced with slow processing time for transactions.

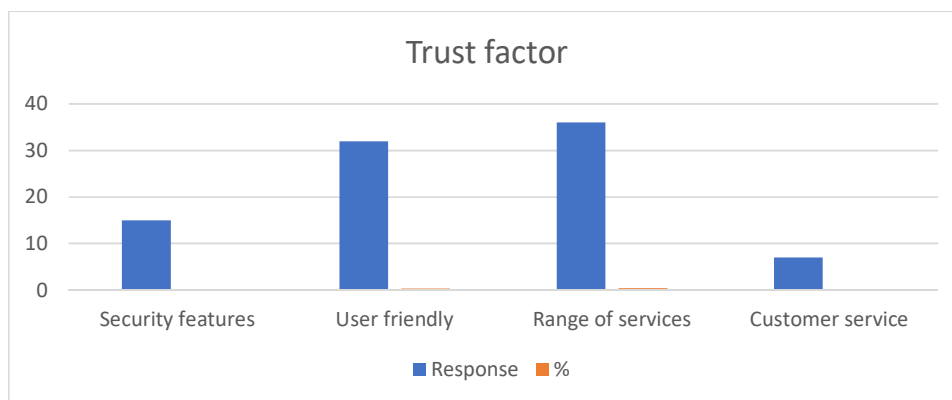
Table: VI

Factors that influence trust in E-banking Services

Services	Response	%
Security features	15	17%
User friendly	32	36%
Range of services	36	40%
Customer service	7	8%

Source: Survey data

Chart: VI



Interpretation: From the above table it is inferred that majority 40% of the respondents were influenced with range of services in E-Banking, 36% of them were influenced with user friendly factor in E-banking services, 17% of them were influenced with security features, followed by 8% of them were influenced by customer service in E-Banking services.

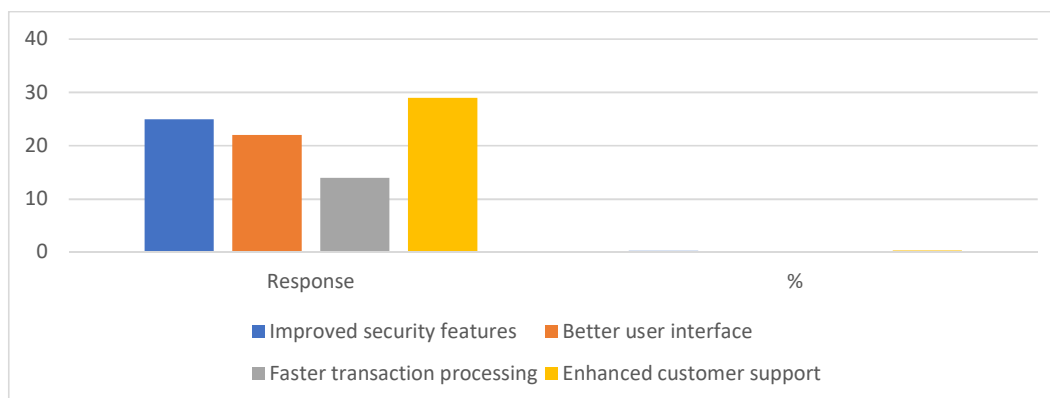
Table: VII

Improvement suggested to have better experience in E-Banking services.

Services	Response	%
Improved security features	25	28%
Better user interface	22	24%
Faster transaction processing	14	16%
Enhanced customer support	29	32%

Source: Survey data

Chart: VII



Interpretation: From the above table it is inferred that 32% of the respondent's suggested improvement on customer support, 28% of them suggested improvement in security features, 24% of them suggested improvement on better user interface, 16% of them suggested improvement on faster transaction processing.

8. Findings

From this study it is found that majority of the respondents using E-banking services are male. Most of the educated people and businessmen are using E-banking services. Most of the respondents are more aware about ATM till covid pandemic. But presently customers are using mobile banking always for their daily transaction by following various apps in E-Banking services followed by debit/credit cards, internet banking, most least used services is telebanking. Most of the respondents use E-banking services as it is very convenient and can be used anywhere anytime. Among various E-Banking services most of the customers are highly satisfied with mobile banking as it is easily accessible. One of the major problems they face is incorrect or failed transactions and network issues which is due to network error and also negligence from the bank and also, they are very reluctant to provide adequate support to problems faced by customers. Customers trust has increased in using E-Banking platforms because of range of services as well as its user-friendly feature. Most of the respondents has suggested for the improvement in customer support and improved security features as lots of online frauds are increasing after covid.

9. CONCLUSION

The problems and prospects of E-Banking services, as perceived by customers, present a dynamic landscape that demands careful consideration. The problems identified range from security concerns and technical glitches to issues of usability and customer service demands the need for continuous improvement in online banking. Customers express their concerns on security of their financial transactions, emphasizing the importance of robust cyber security measures. Technical challenges such as system downtimes and slow processing of transactions makes the user frustrated and therefore highlight the necessity for efficient E-Banking platforms. Advances in technology can address present issues and elevate overall customer experience. Improved interface, and enhanced customer support stand out as prospects that can reshape the perception of E-Banking services. Customer feedback becomes a guiding force for positive change. Identifying and addressing customer concerns fosters trust paving the way for future where E-Banking is not only a convenient option but also a secure and satisfying financial experience for users.

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