

## **PROBLEMS IN DIGITALISED BANKING – AN EMPIRICAL INVESTIGATION IN COIMBATORE DISTRICT**

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### **Abstract**

Banking is undergoing a transformation from conventional transaction methods to digitalised approaches. The digitalised banking service has a great impact on economy. By embracing digitalised banking services, banks may render convenient services to their customers. The purpose of this study is to examine the Problems in digitalised banking services faced by the customers. The primary data is collected from 531 digital banking users of Coimbatore district of Tamilnadu through well- structured questionnaire. The SPSS tool is used for the data analysis. The weighted average analysis found 'cash out' (1.96), 'Card is expired' (1.35), 'Money stuck in Cash Deposit Machine' (1.56), 'Server Busy' (1.73), 'Slow in transaction' (1.22), 'Lack of Accessibility' (1.39) and 'Problem of network' (1.68) are the results of problems from ATM/Debit card, credit card, CDM, Internet banking, SMS banking, Missed call banking and Mobile banking services. The banks have to take necessary steps to avoid the technical issues and to protect the customers information and money.

**Keywords:** Digitalised Banking Services, Debit Card, Credit Card, Mobile Banking, Problems.

### **I. Introduction**

The Indian banking sector has transforming its functions into digital due to the development of Information and Communication Technology. New entry of digitalised banking services are invited by the private banks followed by the public banks and others. The banks have able to increase productivity, efficiency and profitability in the adoption of digitalisation. However, it creates numerous issues like security issues, regulatory issues and issues in technology. Every digitalised banking service has separate problems faced by the customers while using digitalised banking services. Gurmeet Singh Saini (2014)<sup>1</sup> found that majority of the customers feel that uncomfortable with the mobile banking and other banking services. So, the customers' belief that digitalised banking services is less safe than traditional banking for financial transaction due to the unawareness. Vimala (2016)<sup>2</sup> observed that the banks should enhanced new and improved hi-tech security measures in the Internet banking services. Thus, the elevate can provide comfort to the Internet banking customers for further use. Umadevi and Saravana Kumar (2017)<sup>3</sup> observed that the majority of the customers suffered by lack of security and lack of appropriate mobile banking software. Moreover, the security and privacy need to be improved. Therefore, the technical and security issues are restraining for the further use of the digitalised services. Razia Fathima and Damodaran (2018)<sup>4</sup> found that the bank customers have perceived the risk of getting wrong information about e-banking services. So, this issue make them afraid and less confidence to use the services. Chellasamy et al. (2020)<sup>5</sup> observed that the technical barriers, security reasons and knowledge gap of various services are major problems faced by the banking customers. Therefore, the banks need to improve their services and educate the e-banking services.

### **II. Review of Literature**

**Praiselinejeba and Mahamayi (2017)<sup>6</sup>** reveals that the language problem, low internet penetration and network problem were most problems faced by the respondents. Moreover, found that the positive on e-banking and its effect on their lives. **Nagarathinam and Subramanian (2018)<sup>7</sup>** found that the 4.53 per cent of the respondents opinion the problem of network disruption. The study exposes that the compensation, recovery, access, personalisation and assurance are the variables play a significant role in online banking service quality and also customer satisfaction leads to customer

loyalty. **Ankit Jain (2020)<sup>8</sup>** devoted to exploring that the customers awareness of digital banking products and problems faced by the customers while adopting digital banking products. The data collected through survey from 166 respondents. The research reveals that the RTGS, NEFT and Internet banking services were most popular among the customers. The customers were not much aware of Mobile banking. The lack of knowledge and high fees are the main reason for non-adoption of digital banking services.

### III. Objective of the Study

The main objective of study is to identify the problems in digitalised banking services faced by the customers.

### IV. Research Methodology

The research used convenient sampling method to collect the primary data. It gathered primary data from 531 digitalised banking customers of Coimbatore District through well-structured questionnaire. The secondary data collected from books, articles, bank websites, published reports etc.

### V. Data Analysis

The research used the Statistical Package for Social Science (SPSS) for the data analysis. The Weighted Average Method has been applied to rank the problems on digitalised banking services.

### VI. Results and Discussion

#### Weighted Average Method

It has been rank the Problems in digitalised banking services faced by the customers.

#### Problems in Digitalised Banking Services

The customers faced numerous problems while using various digitalised banking services. The digitalised banking services are categorised into (i) ATM/Debit card Services, (ii) Credit card services (iii) Cash Deposit Machine Services, (iv) Internet Banking Services, (v) SMS Banking Services, (vi) Missed Call Banking Services and (vii) Mobile Banking Services.

**Table 1 Problems in ATM/ Debit Card Services**

Problems in ATM/ Debit Card Services	Often	Rarely	Never	Total Score	Mean	Rank
Cash out	121	268	142			
	363	536	142	1041	1.96	1
Daily limit exceed	97	274	160			
	291	548	160	999	1.88	2
Dispensary failure	73	262	196			
	219	524	196	939	1.77	3
Pin tries to exceed	66	267	198			
	198	534	198	930	1.75	4
Account blocked	67	259	205			
	201	518	205	924	1.74	5

#### Source: Primary Data

**Interpretation:** From the above table, it inferred that the Problems in ATM/Debit card services. Such as 'cash out' (1.96) which is ranked as first followed by 'Daily limit exceed' (1.88), 'Dispensary failure' (1.77), 'Pin tries to exceed' (1.75) and 'Account blocked' (1.74) are ranked as second, third, fourth and fifth respectively.

**Table 2 Problems in Credit Card Services**

Problems in Credit card Services	Often	Rarely	Never	Total Score	Mean	Rank
Card is expired	11	25	100			

	33	50	100	183	1.35	1
Exceeded Credit limit	6	14	116			
	18	28	116	162	1.19	2

**Source: Primary Data**

**Interpretation:** From the above table, it showed that the Problems in credit card services. ‘Card is expired’ (1.35) ranked as first and ‘Exceeded Credit limit’ (1.19) ranked as second.

**Table 3 Problems in Cash Deposit Machine Services**

Problems in Cash Deposit Machine Services	Often	Rarely	Never	Total Score	Mean	Rank
Money stuck in CDM	38	101	175			
	114	202	175	491	1.56	1
CDM displayed invalid transaction or account	37	100	177			
	111	200	177	488	1.55	2
Deposit amount not credited in the account	28	105	181			
	84	210	181	475	1.51	3

**Source: Primary Data**

**Interpretation:** From the above table, the Problems in Cash deposit machine were ‘Money stuck in CDM’ (1.56) ranked as first, ‘CDM displayed invalid transaction or account’ (1.55) ranked as second and ‘Deposit amount not credited in the account’ (1.51) ranked as third.

**Table 4 Problems in Internet Banking Services**

Problems in Internet Banking Services	Often	Rarely	Never	Total Score	Mean	Rank
Server Busy	59	136	150			
	177	272	150	599	1.73	1
Delay in OTP	53	131	161			
	159	262	161	582	1.68	2
Security Issues	54	118	173			
	162	236	173	571	1.66	3
Number of steps for a transaction	49	117	179			
	147	234	179	560	1.62	4
Leaving the operation unfinished	44	127	174			
	129	254	174	557	1.61	5

**Source: Primary Data**

**Interpretation:** From the above table, ‘Server Busy’ (1.73) ranked as first, ‘Delay in OTP’ (1.68) second, ‘Security Issues’ (1.66) ranked as third, ‘Number of steps for a transaction’ (1.62) as fourth, ‘Leaving the operation unfinished’ (1.61) ranked as fifth which were the Problems in Internet banking services.

**Table 5 Problems in SMS Banking Services**

Problems in SMS Banking Services	Often	Rarely	Never	Total Score	Mean	Rank
Slow in transaction	6	11	87			
	18	22	87	127	1.22	1
Limited amount transfer	5	12	87			
	15	24	87	126	1.21	2
Error occurred	5	11	88			
	15	22	88	125	1.20	3

**Source: Primary Data**

**Interpretation:** From the above table, the Problems in SMS Banking Services were ranked. ‘Slow in transaction’ (1.22) ranked as first, ‘Limited amount transfer’ (1.21) ranked as second and ‘Error occurred’ (1.20) ranked as third.

**Table 6 Problems in Missed Call Banking Services**

Problems in Missed Call Banking Services	Often	Rarely	Never	Total Score	Mean	Rank
Lack of Accessibility	19	44	147			
	57	88	147	292	1.39	1
No immediate response	16	42	152			
	48	84	152	284	1.35	2

**Source: Primary Data**

**Interpretation:** From the above table, the Problems in Missed Call Banking Services were assigned some ranks, ‘Lack of Accessibility’ (1.39) ranked as first and ‘No immediate response’ (1.35) ranked as second.

**Table 7 Problems in Mobile Banking Services**

Problems in Mobile Banking Services	Often	Rarely	Never	Total Score	Mean	Rank
Problem of network	49	145	164			
	147	290	164	601	1.68	1
Lack of security in transactions	54	131	173			
	162	262	173	597	1.67	2
Lack of appropriate software	47	138	173			
	141	276	173	590	1.65	3

**Source: Primary Data**

**Interpretation:** From the above table, ‘Problem of network’ (1.68) ranked as first, ‘Lack of security in transactions’ (1.67) ranked as second and ‘Lack of appropriate software’ (1.65) ranked as third were assigned. These are the Problems in Mobile banking services.

## VII. Findings

- It inferred that the ‘cash out’ (1.96) which is ranked as first. The main problem on ATM/Debit card services.
- It found that ‘Card is expired’ (1.35) that problem on credit card services.
- The customers are facing ‘Money stuck in cash deposit machine’ (1.56) problems in CDM services.
- It revealed that the ‘Server Busy’ (1.73) problem on Internet banking services and ‘Slow in transaction’ (1.22) problem on SMS banking services.
- It discovered that the ‘Lack of Accessibility’ (1.39) and ‘Problem of network’ (1.68) faced by the customers in Missed call banking and Mobile banking services.
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## VIII. Suggestions

The study elucidates that the Problems in digitalised banking services in terms of customer utilisation. The customers are facing hurdles and issues in each digitalised banking service. In case of ATM/Debit card services the problems such as ‘cash out’ (1.96), ‘Daily limit exceed’ (1.88), ‘Dispensary failure’ (1.77), ‘Pin tries to exceed’ (1.75) and ‘Account blocked’ (1.74) are ranked in weighted average score. Based on the analysis, it is evident that, the customers still hesitate to move towards digital banking services due to lack of reliability. So the banks have to bring innovative solution to address these problems.

## **IX. Conclusion**

Through digitalised banking, it is possible to do the financial transactions anywhere in the world. Besides this, here are numerous Problems in digitalised banking services. The problems related to the digitalised banking services have become one of the major concerns for the banks. The following Weighted Average Score ‘cash out’(1.96), ‘Card is expired’(1.35), ‘Money stuck in Cash Deposit Machine’(1.56), ‘Server Busy’(1.73), ‘Slow in transaction’(1.22), ‘Lack of Accessibility’(1.39) and ‘Network problem’(1.68) tells that ‘cash out’ is the major concern to be noticed. These issues are common and frequently encountered by the customers. It affects the smooth functions of the banking transactions. Thus, the banks have to take necessary steps to avoid the technical issues and to protect the customers information and money.

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