

PROBLEMS FACED BY CUSTOMERS OF ONLINE BANKING IN PUBLIC AND PRIVATE SECTOR BANKS

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ABSTRACT

Most of banking is focused on the customer. To acquire a competitive advantage, banks should provide both qualitative and quantitative client satisfaction. Modern consumers are extremely intelligent and challenging to win over. Various issues arise for the customers as well when dealing with the banks. Banks should never ignore client complaints in order to maintain their customer base. "Put the customers first" and "Customer is king" should be the banks' guiding principles. The behavior of consumers and the issues they encounter when doing business with their banks must be thoroughly researched by the banks. The bank management will find it challenging to develop methods to increase customer loyalty if they neglect to analyze the aforementioned information. The current study focuses on the issues that clients of internet banking in Kolhapur district's public and private sector banks encounter.

KEYWORDS : ONLINE BANKING, PUBLIC AND PRIVATE SECTOR BANKS

1. INTRODUCTION

The term "internet bank" can also be used to describe an online bank account. The term "online banking" refers to the practise of providing bank account and service information to those who have access to computers or mobile devices. People can access their money in a variety of ways through online banking. Online banking makes it possible for bank customers to save time and money by eliminating the need for paper-based transactions. It is possible for consumers to access their accounts at any time through online banking. It's not just money transfers, loan account management, and mini statements that banks can help you with; they can also help you with money transfers. To use online banking, bank customers must visit the bank's website and submit a user name and password that are both genuine.

Internet is a network of networks. It is not a single network, but a international interconnected network of networks imparting free exchange of information. At the primary level, net banking can imply the putting in of an internet-web page by a bank to give statistics approximately its merchandise and facility. At an advance degree, it includes provision of services consisting of getting access to money owed, fund switch, and buying financial products. This is known as "Transactional Online Banking".

The Online Banking carrier permits customers to manipulate their cash from any kind of browser tool such as cell phones, internet enabled T.V or even digital organizers. Using a PC to get admission to is account, transfer

finances, pay creditor and take a look at if charge has been made and so forth is called on online banking. It lets in bank customer to have consistent get admission to debts at any time of day or night time.

1.1 PUBLIC SECTOR BANKS

A Public Sector bank is one in which, the Government of India holds a majority stake. Since the public decide on who runs the government, these banks that are fully owned by the government are called public sector banks.

1.2 PRIVATE SECTOR BANKS

The private-sector banks are banks where greater parts of stake or equity are held by the private shareholders and not by government.

2. REVIEW OF RESEARCH LITERATURE

Vidhya Jolly (2016) The Impact of Internet Banking on Bank Customers' Efficiency and Cost Savings is examined in her paper. This article discusses how Indian banks utilise the internet and how it has transformed the banking industry. The test will take place exclusively in Kochi. Internet banking has a number of advantages, one of which is that it is frequently cost-effective. Net banking customers can conduct the vast majority of their financial institution transactions online; practically all transactions are possible. Apart from the benefits, these transactions necessitate the use of a laptop and an internet connection. Puneet Bafna and Shubham Nahar (2017) examined E-banking - Challenges and Opportunities in his article. This study examines the challenges and opportunities associated with e-banking for the Indian banking sector in the e-commerce era, as well as the ways in which it may assist. The primary conclusion is that in order to remain competitive, you should expand your e-banking services. When you do electronic banking transactions, the prices decrease, allowing you to earn more money and keep up with the times. Indians' interest in e-banking has increased in the aftermath of the rupee's demonetization.

Rashidah F. Olanrewaju, Asifa Mehraj Baba and Shahul Assad (2017) In his essay, he examined A Comprehensive Study of Online Payment Systems: Historical Developments, Current Impact, and Future Considerations. Together with the expansion of the Internet, the emergence of e-commerce assisted the digitization of the pricing process by permitting the use of a range of online payment methods such as electronic currency, debit cards, credit cards, contactless payment, and mobile wallets. Additionally, the services offered by cell charge are gaining popularity on a regular basis and reflecting a shift toward a wealthy future filled with speculative possibilities and technological developments. Abha Wankhede and Kavita Laghate (2017) In his article A Study of Customers' Internet Banking Channel Usage in Mumbai, This study reveals how banks may segment their existing customer base thoroughly and design a customised approach to reach and influence them to join the Internet Banking channel. The customer tends to favour the traditional banking channel and supplier of Personal Banking over the distant internet banking option. The empirical findings indicate that more work remains to be done before Internet Banking becomes the principal channel of communication, distribution, and service between the Bank and its customers. Lekshmi Bhai. P. S (2018) Researcher examined E-Banking in India: Issues and Prospects in her article. E-banking is a colloquial phrase that refers to internet banking, mobile banking, and other comparable services. Through E-Banking, the bank intends to introduce the fundamental concept of IT-based services. Consumers receive e-banking services in the simplest feasible manner, and these

e-banking services may be fully integrated with the existing core banking solution. Banks face various obstacles, but they also have tremendous opportunities.

3. OBJECTIVE OF THE STUDY

To study the problems faced by customers of online banking in public and private sector banks of Kolhapur district.

4. RESEARCH METHODOLOGY

I) PRIMARY DATA

For the present research work, necessary primary data has been obtained by referring to the sources Bank customers; interview method, personal observation and questionnaire method.

II) SECONDARY DATA

Secondary data and other reviews come from books, journals, newspapers, government publications, yearly reports, bulletins, and a variety of websites.

III) SAMPLE DESIGN

The researcher has selected overall 500 bank customers of selected bank units in Kolhapur city as a sample size for its study. Researcher has adopted following criteria to select the banks from the universe.

Table No. 1.1

Sample size

Sr. No.	Bank	Bank Branches	Each bank branches 50 Respondents
1	Public Sector Bank	5	250
2	Private Sector Bank	5	250
	Total	10	500

Table No. 1.2

Sample size of Public Sector Bank

Sr. No.	Bank	Bank Branch	Respondents
1	Bank of Baroda	Ruikar Colony	50
2	Bank of India	Rajarampuri	50
3	Bank of Maharashtra	Laxmipuri	50
4	State Bank of India	Timber Market	50
5	Union Bank of India	Kasaba Bawada	50
	Total		250

Table No. 1.3

Sample size of Private Sector Bank

Sr. No.	Bank	Bank Branch	Respondents
1	AXIS Bank	Rajaram Road	50
2	Federal Bank	Takala	50
3	H.D.F.C	Kondaol	50
4	I.C.I.C.I Bank	Mahadwar Road	50

5	RBL Bank	Sane Guruji	50
	Total		250

5. PROBLEMS FACED BY CUSTOMERS OF ONLINE BANKING IN PUBLIC AND PRIVATE SECTOR BANKS

The following table shows the various problems of online banking, shopping transactions:

Table No.5.1

Various problems of online banking shopping transactions

Sr. No.	Problems	Public sector bank			Private sector bank		
		Frequency	Percent	Total	Frequency	Percent	Total
1	Technical problem of online banking machinery	0	0	250	0	0	250
2	Low network / server down	38	15.2	250	29	11.6	250
3	Inconvenience ATM location	112	44.8	250	131	52.4	250
4	Many times queue and waiting for ATM	94	37.6	250	101	40.4	250
5	Abuse of the Card	0	0	250	0	0	250
6	ATM not working properly	105	42	250	89	35.6	250
7	No cash in ATM	73	29.2	250	62	24.8	250
8	Problem of depositing money / cheque	0	0	250	0	0	250
9	Bank employees not responding to complaints	0	0	250	0	0	250
10	Delay to provide service	0	0	250	0	0	250
11	Waiting for passbook updating at print center of the bank	0	0	250	0	0	250
12	No knowledge about hidden charges	22	8.8	250	29	11.6	250
13	Limited scope for availing personal advice	29	11.6	250	13	5.2	250
14	Cannot interact directly with the bank	34	13.6	250	23	9.2	250

Source: Field Survey

According to the data presented in the table above, the majority of the issues that arise during online banking and shopping transactions are related to the automated teller machine (ATM). These issues include the following: an inconvenient location for the ATM; having to wait in line for the ATM; the ATM not functioning properly; there being insufficient cash in the ATM; and a low network or server being down, among other things. The responders from both the public sector and the private sector in the banking industry are experiencing these challenges.

5.1 Ways to register any complaints to bank:

From any kind of inconvenience or disturbed matters or disappointment towards some banking operations people can register complaints to bank. These complaints can be registered on telephone, mobile, website or in person by approaching concerned banks.

Table No.5.2
Ways to register any complaints to bank

Sr. No.	Way to register complaints	Public sector bank		Private sector bank	
		Frequency	Percent	Frequency	Percent
1	Through Individual contact	112	44.8	91	36.6
2	Through website	37	14.8	36	14.4
3	Through landline telephone	11	4.4	10	4.0
4	Through mobile	90	36.0	113	45.2
5	If any other please specify	-	-	-	-
	Total	250	100	250	100

Source: Field Survey

It can be seen from the preceding table that the vast majority of respondents from public sector banks (44.8%) and from private sector banks (36.6%), register any kind of complaints through individual contact. On the other hand, 36.0% of the respondents from public sector banks and 45.2% of the respondents from private sector banks register their complaints through mobile communication.

In addition to this, it has been shown that a very small percentage of respondents, less than twenty percent, from both the public sector and the private sector of the banking industry lodge their complaints via the banks' websites or via telephone communication.

5.2 Fake call, messages referring to bank of account holders:

In general the possibility of receiving fake call messages etc. cannot be denied following table indicates fake call received by respondents.

Table No.5.3
Fake call, messages referring to bank of account holders

Sr. No.	Fake call	Public sector bank		Private sector bank	
		Frequency	Percent	Frequency	Percent
1	Yes	31	12.4	26	10.4
2	No	219	87.6	224	89.6
	Total	250	100	250	100

Source: Field Survey

From the above table it is seen that 12.4% respondents and 10.4% respondents of public sector banks and private sector banks received fake calls.

5.3 Information asked on Fake call:

Generally information asked for on fake calls may relate to the bank account number or password of the account holders etc.

Table No.5.4
Information asked on Fake call

Sr. No.	What information asked	Public sector bank		Private sector bank	
		Frequency	Percent	Frequency	Percent
1	About account	16	51.6	20	76.9
2	About password	5	16.1	5	19.2
3	If any other please specify	10	32.3	1	3.8
	Total	31	100	26	100

Source: Field Survey

The data presented in the table above makes it abundantly evident that, of the total respondents who have received a fake call, 51.6% of those who deal with public sector banks and 76.9% of those who deal with private sector banks have reported that the fake call they got concerned their bank account information. In the same vein, 16.1% of respondents from public sector banks and 19.2% of respondents from private sector banks said that the bogus call they got was concerning their password.

As a result, it can be shown that the respondents of private sector banks received a greater number of false calls as compared to those of public sector banks.

5.4 Language of fake call message received:

The following table displays the language of fake call. Many times language matters more to identify the identity of the persons. This may help to identify other side persons who made fake calls.

Table No.5.5
Language of fake call message received

Sr. No.	language	Public sector bank		Private sector bank	
		Frequency	Percent	Frequency	Percent
1	Marathi	0	0	0	0
2	Hindi	27	87.1	21	80.8
3	English	4	12.9	5	19.2
4	English-Marathi	-	-	-	-
5	English-Hindi	-	-	-	-
6	Marathi-Hindi	-	-	-	-
	Total	31	100	26	100

Source: Field Survey

It can be seen from the above table that 87.1% of respondents from public sector banks stated that the Marathi language was used by the other side talking person when they received a fake call, whereas about 80.8% of respondents from private sector banks stated that the Marathi language was used by the other side talking person when they received a fake call. When it comes to private sector banks, 19.2% of respondents indicated that the other side talking person used English language. In a similar vein, 12.9% of respondents stated that the other side talking folks used English language when they received a telephonic call.

5.5 Reporting to bank about fake call message:

From the point of view of safety in future it is quite necessary both on the part of account holder and banks if they receive any kind of fake call asking for account number password etc. Bank should take cognizance of such fake call, message.

Table No.5.6
Reporting to bank about fake call message

Sr. No.	report to bank	Public sector bank		Private sector bank	
		Frequency	Percent	Frequency	Percent
1	Yes	5	16.1	4	15.4
2	No	26	83.9	22	84.6
	Total	31	100	26	100

Source: Field Survey

The following table shows that only 16.1% of public sector bank customers and 15.4% of private sector bank customers report receiving a phony call. Over eighty percent of people surveyed did not notify their bank about receiving fraudulent calls; this included 84.6% of private sector bank customers and 83.9% of public sector bank customers.

6. FINDINGS

According to the research, the most common problems with online banking purchasing transactions are ATM-related problems, such as awkward ATM location, waiting in line for ATM, ATM malfunction, insufficient currency in ATM, and low network / server downtime, among others. Respondents from both the public and private banking sectors encounter these issues. (See Table 5.1)

According to the data, the majority of respondents from public sector banks (44.8%) and the majority of respondents from private sector banks (45.6%) register any type of complaint through personal contact, followed by 36.0% of respondents from public sector banks and 45.2% of respondents from private sector banks who register their complaints via mobile communication, respectively. Fewer than 20% of respondents from both the public and private banking sectors have registered their complaints via the website and landline communication channels, respectively. (See Table 5.2)

According to the data, 12.4% of public sector bank respondents and 10.4% of private sector bank respondents received fraudulent calls. (See Table 5.3 for additional details.)

It is evident, based on the data, that of the total number of respondents who receive a fake contact, a large percentage are telemarketers. 51.6 percent of respondents from public sector institutions and 74.9 percent of respondents from the private sector received fading calls, respectively. 16.1% of public sector bank customers and 19.2% of private sector bank customers reported receiving bogus password-related phone calls. As a consequence, respondents from private sector banks reported receiving a significantly greater number of fraudulent phone calls than those from public sector banks. (See Table 5.4 for details)

7. CONCLUSION

The population is aware of internet banking, according to the survey's results. Because they are unfamiliar with the process, people are afraid to use internet banking. Some people are unaware that online banking experience and basic computer operating knowledge are required. As a result, some people still do business the old way. The existing financial system is unlikely to be used for any transactions in the future. In a nutshell, internet banking is a novel concept in the banking business. Its development cycle is now at the growth stage. While the outcomes of recent advances and trials in online banking are still unknown, one thing is certain: once it has established itself as a crucial component of banking success, internet banking will no longer be considered a value-added instrument.

According to the findings, internet banking offers consumers a variety of options that allow them to execute banking operations more quickly than they could with traditional banking. Simply by connecting into an internet banking account, banks and customers can obtain access to a range of fantastic services.

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