**A STUDY ON PROBLEMS OF BANKING SERVICES PRODUCTS IN SIVAKASI**

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**ABSTRACT**

In these present centuries, the e- Banking is getting popular slowly. Out of 100% population 70% of them are using the banks out of 70% population 30% of people using e- banking in their daily activities. The every technology has its own merits and demerits therefore e- banking has also had some barriers while using to identify those barriers the researcher taken this topic. This study is conduct only in sivakasi and it tells what are the difficulties are facing sivakasi people in banking technology. The researcher takes 40 respondents by using judgment method of sampling. The ultimate aim of this research is what sivakasi industry people think about e- banking and to know whether they are satisfied with banking services or not. The data collections are analyzed by the SPSS software. And finally the researcher gives valuable suggestion and conclusion about banking services.

**Keywords: Online Banking, Banking Products, Problem in Banking Products etc.,**

**INTRODUCTIONS**

E-banking is the banking of new era. The term Internet Banking or E-Banking Internet both are used as supplement. Making banking products and other services available to wholesale and retail customers, through an electronic distribution channel is called e-banking. In other words E-Banking refers to the banking operations, which is done over World Wide Web. E-banking is the outcome of technological innovations and competition. In fact, banks have been using electronic and telecommunication networks for delivering a wide range of value added products and services. The devices have been telephone, personal computers including Automated Teller Machines (ATM). The delivery channels have been direct dial up connections, private and public networks. To this newer edition of e-banking are being added e.g. Internet banking and mobile banking. The use of ATM’s lead to the concept of ‘anywhere’ and ‘anytime’ banking. Through the use of ATM cards, one can operate his bank account to withdraw money from any of bank’s ATM installed or available at the nearest site. This had broken down the time and space barriers. The new banks are providing some of the services exclusively through ATM’s.

**DEFINITIONS**

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet.

Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM), kiosk, or Touch Tone telephone. While the risks and controls are similar for the various e-banking access channels, this booklet focuses specifically on Internet-based services due to the Internet's widely accessible public network. Accordingly, this booklet begins with a discussion of the two primary types of Internet websites: informational and transactional.

**STATEMENT OF THE PROBLEM**

In modern era, the e- Banking is getting popular slowly out of 100% population 70% of them are using the banks out of 70% population 30% of people using e- banking in their daily activities. The every technology has its own merits and demerits therefore e- banking has also had some barriers while using to identify those barriers the researcher taken this topic. This study is conduct only in sivakasi and it tells what are the difficulties are facing sivakasi people in banking technology.

**OBJECTIVES OF THE STUDY**

* To find out socio economic culture of the banking customer
* To analyze the factors influencing the customer’s adoption/usage of technology in banking services in sivakasi city.
* To find out the problem and barriers which are facing by the customer in banking services
* To provide valuable suggestion to improve the banking services.

**SCOPE OF THE STUDY**

The present study confines in sivakasi. And sivakasi is well known as town in India and foreign countries for its industrial business match works, fireworks and printing industries. A majority of people are using the bank services product so the researcher covers only in Sivakasi.

**LIMITATION FOR THE STUDY**

* The study covers only inside the Sivakasi because of time constrain.
* The researcher cover only a few services of bank products like ATM, Internet banking, Telephone Banking, Mobile Banking.
* The researcher mainly covers problems of banking products only.

**METHODOLOGY**

 The survey has based on both primary and secondary data. Both the data were collected and presented in this research report.

**COLLECTION OF DATA**

* **PRIMARY DATA :**

 Primary data have been gathered from various customers in banking sectors. The primary data have been collected through a well-designed, pre-tested questionnaire constructed for the purpose of the study. The questionnaire consists of open ended questions and closed ended questions.

* **SECONDARY DATA :**

 The secondary data needed for the study have been collected from various books, journals, magazines, related research report and web sites.

**SAMPLING DESIGN**

For sampling design the following thing should be considered

* Sampling method – judgment sampling method
* Sampling size – 40 customers

**TOOLS FOR ANALYSIS**

The tools used for the data collection by the researcher are:

* Percentage analysis
* Gratt Ranking
* Weighted Average Method

**DATA ANALYSIS AND INTERPRETATION**

 **TABLE: 1**

|  |
| --- |
| **Gender** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Male | 24 | 60.0 | 60.0 | 60.0 |
| Female | 16 | 40.0 | 40.0 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It reveals that majority of respondent 60% are in Male and 40% of respondent are Female using the Banking products.

**TABLE: 2**

|  |
| --- |
| **Age** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | 18 - 25 years | 3 | 7.5 | 7.5 | 7.5 |
| 26 - 30 years | 13 | 32.5 | 32.5 | 40.0 |
| 31 - 40 years | 22 | 55.0 | 55.0 | 95.0 |
| 41 - 50 years | 2 | 5.0 | 5.0 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It clearly shows that majority of respondent are using banking products in the age group of 55% (Between 31 – 40 years).

**TABLE: 3**

|  |
| --- |
| **EDUCATION** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Illiterate | 2 | 5.0 | 5.0 | 5.0 |
| High School | 4 | 10.0 | 10.0 | 15.0 |
| Intermediate | 3 | 7.5 | 7.5 | 22.5 |
| Degree | 20 | 50.0 | 50.0 | 72.5 |
| Master Degree | 11 | 27.5 | 27.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

 It reveals that majority 50% of respondent using banking products are Degree Holders and 27.5% are Master Degree Holders.

**TABLE: 4**

|  |
| --- |
| **MARITAL STATUS** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Married | 29 | 72.5 | 72.5 | 72.5 |
| Unmarried | 10 | 25.0 | 25.0 | 97.5 |
| Divorced | 1 | 2.5 | 2.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It says that banking products are used by (72.5 percent) Married respondent only.

**TABLE: 5**

|  |
| --- |
| **PROFESSION** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Govt Employee | 5 | 12.5 | 12.5 | 12.5 |
| Pvt Employee | 12 | 30.0 | 30.0 | 42.5 |
| Business | 17 | 42.5 | 42.5 | 85.0 |
| Student | 3 | 7.5 | 7.5 | 92.5 |
| House wife | 3 | 7.5 | 7.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It is found that 42.5% of the respondents are Businessman used the banking products.

**TABLE: 6**

|  |
| --- |
| **MONTHLY INCOME** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Less Than Rs.10,000 | 12 | 30.0 | 30.0 | 30.0 |
| Between Rs.10,000 - Rs. 15,000 | 17 | 42.5 | 42.5 | 72.5 |
| More Than 15,000 | 11 | 27.5 | 27.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It is observed that most of the respondents are earning (Between Rs. 10,000 – Rs. 15,000).

**TABLE: 7**

|  |
| --- |
| **STATUS OF USAGE** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Less than 1 year | 7 | 17.5 | 17.5 | 17.5 |
| 1 - 5 years | 16 | 40.0 | 40.0 | 57.5 |
| 5 - 10 years | 17 | 42.5 | 42.5 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It reveals that 40 percent of respondent are using the banking products in usage level of 1- 5 years only.

**TABLE: 8**

|  |
| --- |
| **MOST TECHNOLOGICALLY ADVANCED BANKS** |
|  | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Public Sector Bank | 14 | 35.0 | 35.0 | 35.0 |
| Private Sector Bank | 26 | 65.0 | 65.0 | 100.0 |
| Total | 40 | 100.0 | 100.0 |  |

**SOURCES: PRIMARY DATA**

**INFERENCES:**

It says that majority of respondent thinks that most technologically advances banks are private banks only.

**TABLE: 9**

**PROBLEM ON USING ATM**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PROBLEMS** | **OFTEN** | **RARELY** | **NEVER** | **TOTAL** |
| Cards get blocked | 10 | 13 | 17 | 40 |
| Machine out of cash | 19 | 9 | 12 | 40 |
| Non Printing Statement | 17 | 6 | 7 | 40 |
| Machine out of order | 6 | 11 | 23 | 40 |
| Long waiting in queues | 8 | 23 | 9 | 40 |

**SOURCES: PRIMARY DATA**

(Often- 3 points; Rarely- 2 Points; Never- 1 points)

**WEIGHTED AVERAGE METHOD**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S. NO** | **PROBLEMS** | **OFTEN** | **RARELY** | **NEVER** | **TOTAL** | **WAM** | **RANK** |
| 1 | Cards get blocked | 30 | 26 | 17 | 73 | 12.16 | III |
| 2 | Machine out of cash | 57 | 18 | 12 | 87 | 14.5 | I |
| 3 | Non Printing Statement | 51 | 12 | 7 | 70 | 11.66 | IV |
| 4 | Machine out of order | 18 | 22 | 23 | 63 | 10.5 | V |
| 5 | Long waiting in queues | 24 | 46 | 9 | 79 | 13.16 | II |

From the above table, it is clear that the most of the respondent says major problem on using ATM is “Machine out of cash”.

**TABLE: 10**

**PROBLEM ON USING INTERNET BANKING**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PROBLEMS** | **OFTEN** | **RARELY** | **NEVER** | **TOTAL** |
| Not Providing Information | 0 | 6 | 34 | 40 |
| Internet Banking can be tampered by others | 0 | 24 | 16 | 40 |
| Waiting for long time | 15 | 14 | 11 | 40 |
| Too many steps | 10 | 16 | 14 | 40 |

 **SOURCE: PRIMARY DATA**

(Often – 3 Points; Rarely- 2 Points; Never- 1Points)

**WEIGHTED AVERAGE METHOD**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S. NO** | **PROBLEMS** | **OFTEN** | **RARELY** | **NEVER** | **TOTAL** | **WAM** | **RANK** |
| 1 | Not Providing Information | 0 | 12 | 34 | 46 | 7.67 | IV |
| 2 | Internet Banking can be tampered by others | 0 | 48 | 16 | 64 | 10.67 | III |
| 3 | Waiting for long time | 45 | 28 | 11 | 84 | 14 | I |
| 4 | Too many steps | 30 | 32 | 14 | 76 | 12.67 | II |

From the above table, it is clear that most of respondent says that major problem on using internet banking is “Waiting for long time”.

**TABLE: 11**

**PROBLEM ON USING TELEPHONE BANKING**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PROBLEMS** | **OFTEN** | **RARELY** | **NEVER** | **TOTAL** |
| Lack of prompt services | 15 | 12 | 13 | 40 |
| Lack of clear guidelines | 14 | 24 | 2 | 40 |

 **SOURCE: PRIMARY DATA**

(Often – 3 Points; Rarely- 2 Points; Never- 1Points)

**WEIGHTED AVERAGE METHOD**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S. NO** | **PROBLEMS** | **OFTEN** | **RARELY** | **NEVER** | **TOTAL** | **WAM** | **RANK** |
| 1 | Lack of prompt services | 45 | 24 | 13 | 82 | 13.67 | II |
| 2 | Lack of clear guidelines | 42 | 48 | 2 | 92 | 15.33 | I |

From the above table, it is clear that most of respondent says that major problem on using telephone banking is “Lack of clear guidelines”.

**TABLE: 12**

**PROBLEM ON USING MOBILE BANKING**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **PROBLEMS** | **OFTEN**  | **RARELY** | **NEVER** | **TOTAL** |
| Lack of securities Transaction | 0 | 7 | 33 | 40 |
| Lack of appropriate software | 3 | 9 | 28 | 40 |

 **SOURCE: PRIMARY DATA**

**(**Often – 3 Points; Rarely- 2 Points; Never- 1Points)

**WEIGHTED AVERAGE METHOD**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **S. NO** | **PROBLEMS** | **OFTEN**  | **RARELY** | **NEVER** | **TOTAL** | **WAM** | **RANK** |
| 1 | Lack of securities Transaction | 0 | 14 | 33 | 47 | 7.83 | II |
| 2 | Lack of appropriate software | 9 | 18 | 28 | 54 | 9 | I |

From the above table, it is clear that most of respondent says that major problem on using Mobile banking is “Lack of appropriate software”.

**FINDINGS**

* It reveals that majority of respondent 60% are in Male and 40% of respondent are Female using the Banking products.
* It clearly shows that majority of respondent are using banking products in the age group of 55% (Between 31 – 40 years).
* It reveals that majority 50% of respondent using banking products are Degree Holders and 27.5% are Master Degree Holders.
* It says that banking products are used by (72.5 percent) Married respondent only.
* It is found that 42.5% of the respondents are Businessman used the banking products.
* It is observed that most of the respondents are earning (Between Rs. 10,000 – Rs. 15,000).
* It reveals that 40 percent of respondent are using the banking products in usage level of 1- 5 years only.
* It says that majority of respondent thinks that most technologically advances banks are private banks only.
* It is clear that the most of the respondent says major problem on using ATM is “Machine out of cash”.
* It is clear that most of respondent says that major problem on using internet banking is “Waiting for long time”.
* It is clear that most of respondent says that major problem on using telephone banking is “Lack of clear guidelines”.
* It is clear that most of respondent says that major problem on using Mobile banking is “Lack of appropriate software”.

**SUGESSTION**

* In order to create and rebuilt the trust of customer banks should take further strong security measures from every aspect in Banking services.
* Bank should reduce ATM services problem they should maintain every ATM at least once in a day.
* The government banks also should improve more banking services products to maintain the customer with the banks.
* Mostly customers in Pakistan are still unaware from IB services. So banks should take reasonable steps, for example, advertising campaign, seminars etc in order to get aware the society from the uses and benefits of Banking services products
* Government / State Bank should reduce service charges on the transactions.
* He should introduce new policies which assist the commercial banks to promote IB business.
* The both banks should improve the services of mobile and telephone banking.

**CONCLUSION**

 The use of online banking in Sivakasi banking services provides the probabilities to banks to operate consumers’ zeal to assume the services having much planned benefit. In Banking Industry the Internet Banking is a new era which explores the new horizons of success and development to facilitate and for the betterment of society and open the door of development for banking industry to enhance businesses operations.

 This study reveals that the major issues in the Banking services are security, safety and the lack of trust especially on ATM machines. Fraudulent transactions, robbery, bad and unreliable ATM services (e.g. stuck-up the ATM card, incorrect Dr or Cr amount in the account etc) are the reasons which playing a vital role in reducing the trust of consumers on banking Services. The results also show that reliability, convenience, speed, safety and security have the major contribution to retain and attract the customers. Finally, the both Public and private Banks should improves their services in mobile and telephone banking Service, and Payment of utility bills through internet etc are the most desirable services by the customers.

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