

## A STUDY ON PROBLEMS OF CUSTOMERS ON TECHNOLOGY SERVICES OF PUBLIC AND PRIVATE SECTOR COMMERCIAL BANKS IN VIRUDHUNAGAR DISTRICT

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### Abstract

*A sound and effective banking system is the back bone of an economy. The economy of a country can function smoothly and without many hassles the banking system is not only flexible but also capable of meeting the new challenges posed by the technology and the other external as well as internal factors. The importance and role of information technology for achieving this objective cannot be undermined. The information technology has transformed the function of business across the world even it has a problems to customer like ATM, Internet Banking and Mobile Banking services. The researcher has taken 200 respondents as sample for the study. This research paper intends to analyze the problems of customers on technology services of public and private sector commercial banks in virudhunagar district.*

**Keywords:** *Customer, ATM, Internet Banking, Mobile Banking, virtual banking.*

### Introduction

Today's banking is virtual banking. Virtual banking denotes the provisions of banking and other related services, through the extensive usage of IT without direct resources to the bank by customers. The salient features of technology banking are the over whelming reliance on IT and the absence of physical bank branches to deliver banking services to customers. The principle types of technological banking services include Automated Teller Machine (ATMs), Mobile banking, Internet banking and so on.

### Statement of the Problem

Banking offers ease of access, secure transactions, 24-hour banking options and convenience for managing one's finance even from one's bedroom through technological devices. The banking services through electronic channels function either through Automatic Teller Machines (ATMs), Mobile devices or online mode. With these developments, customers are able to enjoy the many conveniences and lower costs that are offered by the said innovations. However, it seems that there have been several problems faced by the bank customers.

The present study analyses the problems of customers about technological banking services of public sector and private sector commercial banks in Virudhunagar District. It also analyzed the problems of ATM services, Mobile banking and Internet banking, such as cards which get blocked, machine out of cash, and long waiting time in queues, not

providing information, not being able to maintain security and leaving the operation unfinished, and login / sign off is not easy due to lack of security transaction.

### **Objectives of the Study**

1. To analyze the problem faced by the customers on ATM services of Public and Private sector commercial banks
2. To analyze the problem faced by the customers on Internet Banking services of Public and Private sector commercial bank
3. To analyze the problem faced by the customers on Mobile Banking services of Public and Private sector commercial bank
4. To compare the problem faced by customers of public and private sector banks on technological services.
5. To offer suitable suggestions based on the findings of the study.

### **Hypotheses of the Study**

1. There is no significant difference between the problems faced by customer about ATM services provided by public and private sector commercial banks in Virudhunagar district.
2. There is no significant difference between problems faced by customer with related to Internet banking services of public and private sector commercial banks in Virudhunagar district.
3. There is no association between problem faced by customer about Mobile banking services of public and private sector commercial banks in Virudhunagar district.

### **Methodology of the Study**

The primary data needed for the study were collected from the customers of public and private sector commercial banks in Virudhunagar District through a well-designed interview schedule constructed for the purpose of the study. The study also utilized the secondary data from various journals, books, thesis and websites.

### **Analysis and Interpretation of the Study**

#### **Automated Teller Machine (ATM)**

An automated teller machine (ATM) is an electronic telecommunication device that enables the clients of a financial institution to perform financial transactions without the need for a cashier, human clerk or bank teller. On most modern ATMs, the customer was identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date. Authentication was provided by the customer by entering a personal identification number (PIN).

#### **Problems on ATM Services of Public and Private Sector Commercial Banks**

The analysis of various elements of ATM problems and the observations with respect

to the customers of Public sector Bank and Private sector Bank are presented in Table 1. A card getting blocked in Private sector seems to be an often occurring problem with 43% but in Public sector this is 24%. As far as public sector is concerned “machine out of cash” seems to be a frequent problem (36.5%) whereas in private sector it is 30.5%. The dominant problem faced in both Public and Private sector is the rare occurrence percentage. Long waiting time in queues and Machine out-of-order seems to be more influencing than other problems with F value 1.1977\*\* and 1.1221\*\* respectively. These two problems need attention in Private and Public sectors as they play a major role in ATM service perspective. Cards get blocked has less F value (0.7133\*\*) and least influential as this happens in rare case compared to other elements

Table .1 ATM Problems

(Figures in No's)

Problems	Name of the Bank	Often	Rarely	Never	F
Cards get blocked	Public 200	48 (24.0)	115 (57.5)	37 (18.5)	0.71333**
	Private 200	86 (43.0)	72 (36.0)	42 (21.0)	
Machine out of cash	Public 200	73 (36.5)	102 (51.0)	25 (12.5)	0.9600**
	Private 200	61 (30.5)	106 (53.0)	33 (16.5)	
Non printing of statement	Public 200	36 (18.0)	123 (61.5)	41 (20.5)	0.9357**
	Private 200	48 (24.0)	117 (58.5)	35 (17.5)	
Machine out of order	Public 200	59 (29.5)	114 (57.0)	27 (13.5)	1.1221**
	Private 200	52 (26.0)	124 (62.0)	24 (12.0)	
Long waiting time in queues	Public 200	62 (31.0)	104 (52.0)	34 (18.0)	1.1977**
	Private 200	57 (28.5)	118 (59.0)	25 (12.5)	
Reduction in balance without cash payment	Public 200	56 (28.0)	111 (55.5)	33 (16.5)	0.9351**
	Private 200	59 (29.5)	105 (52.5)	36 (18.0)	

\*\*P< .05. Source: Primary data

Figures in brackets indicates percentage to total parenthesis

### Internet Banking

Internet banking enables a customer to do banking transactions through the bank's website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in their office or home. This is also called virtual banking. It is more or less bringing the bank to your computer. In traditional banking one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts etc. but internet banking has changed the way of banking. Now one can operate all these type of transactions on his computer through the website of the bank. All such transactions are encrypted; using sophisticated multilayered security architecture, including firewalls and filters. One can be rest assured that one's transactions are secure and confidential.

### Problems on Internet Banking Services of Public and Private Sector Commercial Banks

The analysis of various elements of Internet banking problems and the Observations with respect to the customers of Public sector Bank and Private sector Bank are presented in Table 2.

Not providing information in Private sector has a high percentage of 30.0 whereas in Public sector too many steps in processing transactions have high percentage of 29.5. Both the sector has problem in different elements like the rare occurrence in Public sector is high for Not providing information (64%) and Internet banking can be tampered by others (64%) while in Private bank Internet can be tampered by others is high (61.5%) followed by leaving the operation unfinished (60.5%). Private sector seems to be better in the area giving fast response as the Not giving response occurrence has less percentage. Public sector looks good in conducting of Transactions as the waiting time for the same has less problem occurrence percentage.

**Table 2: Internet Banking Problems (Figures in No's)**

Internet Banking	Name of the Bank	Often	Rarely	Never	F
Not providing Information	Public Sector 200	46 (23.0)	128 (64.0)	26 (13.0)	0.6665**
	Private Sector 200	60 (30.0)	94 (47.0)	46 (23.0)	
Not being able to maintain security	Public Sector 200	37 (18.5)	118 (59.0)	45 (22.5)	0.9307**
	Private Sector 200	42 (21.0)	106 (53.0)	52 (26.0)	
Not giving fast response	Public Sector 200	51 (25.5)	112 (56.0)	37 (18.5)	0.9422**
	Private Sector 200	36 (18.0)	105 (52.5)	59 (29.5)	
	Public Sector 200	47 (23.5)	109 (54.5)	44 (22.0)	
Leaving the operation Unfinished	Private Sector 200	38 (19.0)	121 (60.5)	41 (20.5)	1.1152**
Internet banking can be tampered with by others	Public Sector 200	39 (19.5)	128 (64.0)	33 (16.5)	0.9512**

		29	123	48	
	Private Sector 200	(14.5)	(61.5)	(24.0)	
	Public Sector	45	98	57	
waiting for long time for					1.1125**
conducting of	Private Sector 200	(22.5)	(49.0)	(28.5)	
Transactions		(25.5)	(57.5)	(17.0)	
	Public Sector 200	59	110	31	0.8795**
Too many steps in processing transactions		(29.5)	(55.0)	(15.5)	
	Private Sector 200	42	101	57	
		(21.0)	(50.5)	(28.5)	

\*\*P< .05, Source: Primary data Note: Figures in brackets indicates percentage to total parenthesis Leaving the operation Unfinished and Waiting for long time for conducting of Transactions seems to be more influencing than other problems with F value 1.1152\*\* and 1.1125\*\* respectively. Not providing information is less influential as the F value is 0.6665\*\*.

### Mobile Banking

Mobile banking facility is an extension of internet banking. Mobile banking is a service provided by a bank that allows its customers to conduct financial transactions remotely using a mobile device such as a mobile phone or tablet. It uses software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. The bank is in association with the cellular service providers which offers this service. For this service, mobile phone should either be SMS or WAP enabled.

### Problems on Mobile Banking Services of Public and Private Sector Commercial Banks

The analysis of various elements of mobile banking problems and the observations with respect to the customers of Public sector Bank and Private sector Bank are presented in Table 3. Often occurring percentage of Mobile Banking Problems are less than 20% in public and private sector other than Lack of appropriate software in Private sector (31%). Public sector seems to perform well in Security in transaction and appropriate software and the lack of these element percentages is less. Private sector needs to work around in all three elements compared to Public sector.

**Table3 Mobile Banking Problems**

(Figures in No's)

Mobile Banking Problems	Name of the bank	Often	Rarely	Never	F
Login / Sign off are not	Public Sector 200	26 (13.0)	134 (67.0)	40 (20.0)	0.9512**
Easy	Private Sector 200	24 (12.0)	129 (64.5)	47 (23.5)	
Lack of security in	Public Sector 200	33 (16.5)	104 (52.0)	63 (31.5)	1.0987**
Transactions	Private Sector 200	36 (18.0)	116 (58.0)	48 (24.0)	
Lack of appropriate	Public Sector 200	37 (18.5)	101 (50.5)	62 (31.0)	1.0559**
Software	Private Sector 200	62 (31.0)	105 (52.5)	33 (16.5)	

\*\*P< .05 Source: Primary data Note: Figures in brackets indicates percentage to total

parenthesis

Almost all the elements looks equally influential in the order of Lack of security (F value = 1.0987\*\*) in transaction (F value = 1.0559\*\*), Lack of appropriate software and Login/signoff not easy (F value = 0.9512\*\*).

#### Comparison of Problems on Technology Services of Public and Private Sector Commercial Banks

The average scores on different problems offered by the bank customers between Public sector Bank and Private sector bank customers is presented in Table 4. Public sector and Private sector have mean values almost equal to each other with minimal deviation. Mean value of ATM Problem is high for Private sector (3.793) than Private sector (3.718) with t value -0.412\*\*.

**Table 4 Customer Problems between Public Sector and Private Sector Banks on Technological Services**

Problems	Name of the Bank	N	Mean	Std. Dev.	t-value
ATM problems	Public Sector	200	12.685	3.718	-0.412**
	Private Sector	200	12.840	3.793	
Internet Banking	Public Sector	200	14.270	4.323	1.059**
Problems	Private Sector	200	13.805	4.459	
Mobile Banking	Public Sector	200	5.655	1.864	-1.719**
Problems	Private Sector	200	5.970	1.799	

\*\*P < .05 Source: Primary data

Mean value for Internet banking problems is high for Private sector which is 4.459 whereas Public sector has a value of 4.323. T value is 1.059\*\*. Public sector has higher mean value for Mobile banking services which is 1.864 whereas Private sector has value of 1.799 with T value is -1.719.

#### Findings of the Study

The findings of the study are as follows:

- The major problems of ATM services faced by customer of public sector commercial banks is Machine out of cash (36.5%) followed by Long waiting time in queues(31.0%).
- The major problems of ATM services faced by customer of private sector bank is card get blocked (43.0%) followed by Machine Out of cash (30.5%).
- Long Waiting time in queues and Machine out of order seems to be more influencing than other problems with F value 1.1977 in ATM services

- The major problems of Internet banking services faced by customer of public sector banks is Too many steps in processing transaction (29.5%) of technology services followed by Not giving fast responses(25.5%).
- The major problems of Internet banking services faced by customer of private sector banks is not providing information (30.0%) followed by Waiting for long time for conducting of transaction (25.5%).
- Leaving the operation Unfinished and Waiting for long time for conducting of Transaction seems to be more influencing than other problems with F value 1.1152 in Internet banking services
- The major problems of Mobile banking services faced by customer of public sector banks is Lack of appropriate software (18.5%) followed by Lack of security in transaction ((16.5%).
- The major problems of Mobile banking services faced by customer of private sector banks is Lack of appropriate software (31.0%) followed by Lack of security in transaction ((18.0%).
- Almost all the elements looks equally influential in the order of Lack of security (F value = 1.0987) in transaction (F value = 1.0559), Lack of appropriate software and Login/signoff not easy (F value = 0.9512).

#### **Suggestion**

The following suggestions are based on the study

- The public and private sector banks should install more number of ATMs where it is necessary.
- Whenever the public sector banks receive a message of Out of cash from the ATM machine the bank must refill the ATM with money to avoid customers' inconvenience.
- The private sector banks should take necessary steps to reactivate the blocked card as soon as possible when the customers make a complaint of it.
- The bank should strengthen its technical aspect and provide adequate number of servers the web page should be easily loaded to the customer system.
- The public sector bank should reduce the steps involved Internet banking transaction so as the customer can quickly make the transaction.
- The private sector bank employee should give response to the customers about Internet banking services.
- The bank must update their mobile banking applications regularly to protect the security futures of the mobile banking accounts.
- Both public and private sector bank should concentrate on the development of application of Mobile banking to maintain high security for the convenience of the customers.

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