

Factors of Online Banking Customer Service



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ABSTRACT:

Internet banking or online banking has revolutionized an integral activity of our modern twenty first century lives – ‘banking’. Internet banking is conducted through a PC, PDA, a hand-held communication gadget or any mobile device offering Internet connectivity but with the development of Hi-Tech asynchronous technologies and secured electronic transaction technologies, however, more banks have come forward to use Internet banking both as a transactional as well as an informational medium. Even after having so many advantages, still some factors are there, which affects its usage. There are some of the psychological and behavioral factors which affect the adoption of any new innovation such as Internet banking include consumer awareness, ease of use, security, accessibility, techno phobia or simply reluctance to change, preference for personalized services and cost of adopting the innovation. This research paper was focused on to identify the factors that are the barriers for the usage of internet banking services and also to study the perception of customer about internet banking.

Keywords:

Online Banking, E-banking, Banking service.

Introduction:

Online banking helps millions of Americans manage their money, with 2012 Federal Reserve figures showing that 68 per cent of those able to had banked online in the previous 12 months. Using an online banking service requires you to put a lot of trust in your financial institution, especially if it is used to manage business accounts. Learning what to consider before signing up can help you feel confident you're not putting your business's money at risk.

Security:

Check your institution's terms to ensure that its online banking site uses encryption when transferring data to your computer. In addition, sites should ideally use two-factor authentication to log customers in. This involves setting up a separate form of identification to your regular password, for example a PIN number or security question. Two-factor authentication means that your accounts still have some protection even if your password is discovered. You should also run regular virus checks on the device you use to access your online banking.

Institution:

It is worth researching your chosen bank to ensure that it is reputable and not liable to fold. Try to find out if it is insured by the Federal Deposit Insurance Corporation (FDIC), a Government-run scheme that provides protection to customers whose bank experience financial difficulties. It is also good practice to find out how long the bank has been running, how large its asset base is, and what its stock is trading at, as these factors can all be indicators of financial health.

Rates and Fees:

The online banking market is highly competitive, making it worth shopping around for the best deals. Online-only banks are sometimes able to offer higher interest rates than those which also have physical branches, as they do not have to deal with the overhead costs that running those branches incurs. Often, the easiest way to compare rates and fees is through a comparison website. These sites display the products of competing banks side-by-side, allowing you to quickly see which ones have better terms.



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Customer Service:

Even though banking sites are largely self-service, good customer support is still an important consideration when looking at online banking services. If you experience technical difficulties or need to discuss your accounts, it's good to know that you can contact your bank and get assistance when you need it. Check the bank's terms to see if it offers 24 hour customer service, and try calling their customer care line to see how quickly you get through. You could also see if the bank offers Web chat or email services. Banking online is a time-saving convenience, a key advantage of which is that you can do your banking anytime. In fact, automated banking transactions are becoming more common, with most banks and credit unions offering a full range of customer services online. Still, there are factors you should consider before opting to use this method of banking.

Factors considering for online banking Interest Rates/Bank Fees:

Online-only banks often offer better interest rates for savings accounts than traditional banks. Since these bank sites have lower overhead costs than traditional banking institutions, they can usually offer customers a higher return on their savings. Internet banking also allows you to save on bank fees. Again, because of lower operating expenses, online-only banks generally charge lower monthly service fees and other lower bank fees. However, traditional banks that also offer customers banking services online generally charge their usual bank fees for online services that you can get at the physical banking location.

Transaction Processes:

While online bank sites generally process transactions quickly and efficiently, some consumers worry if transactions actually go through. To avoid problems, print a receipt each time you process a transaction. When you receive your bank statement, check your receipts against your balances. Whether you make a withdrawal, deposit cash or checks or make payments, having the paper on file as a backup can help resolve the issue if you notice a discrepancy on your statement. Another factor to consider is that not all online banks offer all services, so look for one that offers the account transactions and services you need.

Account Security:

For security reasons, online banking services require you to create a user I.D. and password that will allow you to access your accounts. Make up a password that is long and a combination of both uppercase and lowercase letters, numbers and symbols. Avoid using a password that would be easy for someone to guess. For instance, don't use names, locations or birth dates that someone who has access to your personal information might be able to use to get into your account. Also, don't use letters or numbers in sequence. Change your password frequently and check your account balances regularly to make certain that no one has tampered with your account.

Customer Service:

Before opening an online bank account, find out the hours customer support services are available. It makes a difference whether help is on hand 24/7 or only during traditional business hours Monday through Friday. Find out whether the bank site offers customer support via telephone, email and/or instant messaging. Choose an online banking site that allows you quick and easy access to customer support representatives who can provide immediate assistance.

Online Bill Pay:

Internet banking makes it easy to manage your bills. You have the convenience of checking your account balances and paying your bills whenever you want from any location where you have computer access. To make paying your bills even simpler, you have the option of setting up automatic payments so that your bills are paid at the same time every month. Your bills will always be paid on time, and you don't have to do anything more once you set up the accounts and authorize the payments.

For all payments made through online bill pay, the bank transfers the funds electronically so you no longer have to deal with printed bills and checks or a concern that your check got lost in the mail. Online banking (OLB) is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society.

Online banking is also referred as Internet banking, e-banking, virtual banking and by other terms.

E – BANKING:

E – Banking is the modern topic in the era of Science & Technology. Though e – banking started in 80's but the revolution has taken place in 20th century. Since then E – banking concept is flourished with populous model, theory and practical concept (like innovation technology acceptance, affluence in internet business). So, before going to discuss any core content of E – banking, it is good to memorize the fundamental concept of E-banking which helps to realize basic concepts of E – banking. And this chapter is going to discuss these fundamental topics of E-banking.

E – BANKING CLASSIFICATION:

In the viewpoint of use and access media, E-Banking can be classified into three narrow (sometimes broad) sections:

1. Telephone Banking (The Oldest & Poorest one)
2. Internet Banking (or Online Banking)
3. Mobile Banking (Including SMS Banking)

A. TELEPHONE BANKING:

Telephone banking is a service provided by a financial institution, that enables customers of the financial institution to perform financial transactions over the telephone, without the need to visit a bank branch or automated teller machine. Telephone banking times can be longer than branch opening times, and some financial institutions offer the service on a 24 hour basis. From the bank's point of view, telephone banking reduces the cost of handling transactions by reducing the need for customers to visit a bank branch for non-cash withdrawal and deposit transactions.

Condition & Regulation for telephone banking:

To use or take the benefits of telephone banking the common condition & Regulation are:

- Customer must first register with the institution for the service
- Set up some password for customer verification.

Process of Servicing:

To access telephone banking,

- » The customer would call the special phone number set up by the financial institution
- » Enter on the keypad the customer number and password.
- » There could be more steps for security and or automated systems to secure customer accounts or specific question to answer pre-determined by customer.

B. INTERNET BANKING:

Online banking (or Internet banking) allows customers of a financial institution to conduct financial transactions on a secure website operated by the institution, which can be a retail or virtual bank, credit union or society. It may include of any transactions related to online usage.

Condition & Regulation:

To access a financial institution's online banking facility:

- » Personal Computer or Online Banking Services Compatible Handset
- » Personal Internet access
- » Registration with the institution for the service,
- » Set up some password for customer verification.
- » Process: To access online banking,
- » Enter financial institution's website,
- » Enter the online banking facility using the customer number and password.
- » There may be additional security steps for access.

C. MOBILE BANKING:

Mobile banking (also known as M-Banking, mbanking) is a term used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone or Personal Digital Assistant (PDA).

- SMS banking is a type of mobile banking, a technology-enabled service offering from banks to its customers, permitting them to operate selected banking services over their mobile phones using SMS messaging.

Benefits of Mobile Banking :

To see the benefits based on time these benefits can be classified into two categories:

1. Short term benefits: Reduce extra time; Increase productivity and efficiency; Eliminate duplication and wastage; Cut down maintenance, and shortage cost; Curtail security cost.
2. Long-term benefits: Create new opportunities of jobs for jobless; participate in the country's economic health; proper planning and monitoring; Proper use resources.

Potential benefits are:

- More choice
- Greater competition and better value for money;
- More information;
- Better tools to manage and compare information;
- Faster service.

BANKS' POINT OF VIEW:

• From the banks' view point, banks are getting some specific benefits or advantages after starting the e-banking services. These advantages are:

•Branding:

Banks offering e-banking services was better branding and better responsiveness to the market. DBBL and BRAC are two market leader at present in mobile banking services in Bangladesh, is the result of positive branding of the banks.

•Profit Maximization:

The main goal of every company was to maximize profits for its owners and banks were not any exception. Banks are increasing its profit by reducing the cost of paper, time etc. by using e-banking. Thus, automated e-banking services offered a perfect opportunity for maximizing profits.

•Increased Services Quality:

Features of E-banking services include less time, complete transaction, no human conflict and presence etc. thus the quality of services of bank is increasing day by day.

•**Increased Customer Rate:** It is the most noticeable change in bank after starting e-banking services. Customers are accepting this medium beside a traditional account. Ultimately, the profit of bank is increasing.

- Better, more flexible, user friendly information for consumers and others on our own web-site;
- Better, almost indestructible audit trails;
- Potential to monitor advertising and advice activity more easily;
- More cost effective and efficient use of regulatory tools (for example the use of our extranet over the Y2K period).

CUSTOMERS' POINT OF VIEW:

•The main benefit from the bank customers' point of view was significant saving of time by the automation of banking services processing and introduction of an easy maintenance tools for managing customer's money. The main benefits of e-banking were as follows:

- Increased comfort and timesaving-transactions made 24h a day, without requiring the physical interaction with the bank. Quick and continuous access to information.
- Corporations had easier access to information as, they checked on multiple accounts at the click of a button.

• Better cash management:

E-banking facilities speed up cash cycle and increases efficiency of business processes as large variety of cash management instruments is available on Internet sites of banks.

- Private customers looked for slightly different kind of benefits from e-banking.

• Reduced costs:

This was in terms of the cost of availing and using the various banking products and services.

• Convenience:

All the banking transactions performed from the comfort of the home or office or from the place a customer wants to.

• Speed:

The response of the medium was very fast; therefore customers actually waited till the last minute before concluding a fund transfer.



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• Fund's management:

Customers downloaded their history of different accounts and do a "what-if" analysis on their own PC before affecting any transaction on the web.

So a majority of transactions settled through paperless channels., about 69% of daily transactions happen through alternative channels, including internet, and mobile banking. We see it rising every year with more young people becoming customers, "A majority of the transactions will turn paperless in the next five-10 years although it cannot be fully paperless in India. Online transactions will gain traction once people use more smart phones with better connectivity".

ECONOMIC BENEFITS:

E-banking served so many benefits not only to the bank itself, but also to the society as a whole.

• E-banking made finance economically possible: (i) Lower operational costs of banks (ii) Automated process (iii) Accelerated credit decisions (iv) Lowered minimum loan size to be profitable.

• **Potentially lower margins:** (i) Lower cost of entry (ii) Expanded financing reach (iii) Increased transparency.

• Expand reached through self-service: (i) Lower transaction cost (ii) Make some corporate services economically feasible for society (iii) Make anytime access to accounts and loan information possible.

The transactions are:

1. Transfers

- » Transfer fund
- » Imps
- » Fund transfer abroad
- » Receive fund
- » Send money order
- » Donate online

» 2. Payments

- » Pay bills
- » Quick pay
- » Quick shopping

- » Recharge prepaid mobile
- » Recharge DTH connection
- » Data card recharge
- » Ticketing
- » Pay visa credit card

3. Invest& insure:

- » Buy gold on- line
- » Invest ease
- » Online tax
- » Buy forex
- » Online pension
- » Insure online
- » I-wish

4. Unique features:

- » Shop
- » My money
- » E-locker
- » Mobile connectivity
- » May saving rewards

Conclusions:

o So inter banking is having many advantages, but some disadvantages like unawareness related operating transaction, server problems, internet signals, and hackers. So these disadvantages are reduced through authentication, short time password, one time password (OTP), sms msg.

o In villages no of people not having any awareness about internet banking. In case of town, people aware about these facilities, but some people felt difficulty to operations.

o If banks provide any demo for how to operate internet banking that is also very help to customers.

o So many people are thinking high service charges.

o Young and old people are less awareness about online transactions.