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STUDY ON CUSTOMER PROBLEMS FACED BY E-BANKING WITH SPECIAL REFERENCE IN AXIS BANK COIMBATORE

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ABSTRACT

With the advancement of information technology, e-banking has revolutionized the way banking operations are performed. While offering convenience and efficiency, e-banking services are often accompanied by several customer-related problems such as technical errors, security concerns, and lack of user-friendly interfaces. This study investigates the major challenges faced by customers using e-banking services of Axis Bank in Coimbatore. Through a survey-based methodology, insights were gathered on issues such as service accessibility, customer support, security, and technological glitches. The findings provide valuable input for improving e-banking service delivery.

Keywords: E-Banking, Customer Problems, Axis Bank, Digital Banking, Cybersecurity, Customer Satisfaction, Coimbatore.

INTRODUCTION OF THE STUDY

E-BANKING

Electronic banking has existed for decades, starting with automatic teller machines (ATM) in the late 1960s. Over time, more and more concerns are associated with electronic banking, as the industry branched out to phone and on line banking. Regardless of what type of electronic banking you choose to use, there are issues with security, accuracy and customer service.

What is E-Banking?

Electronic banking has been around for some time in the form of automatic teller machines and telephone transactions. More recently, it has been transformed by the Internet, a new delivery channel for banking services that benefits both customers and banks. Access is fast, convenient, and available around the clock, whatever the customer's location (see illustration above). Plus, banks can provide services more efficiently and at substantially lower costs.

Electronic banking also makes it easier for customers to compare banks' services and products, can increase competition among banks, and allows banks to penetrate new markets and thus expand their geographical reach. Some even see electronic banking as an opportunity for countries with underdeveloped financial systems to leapfrog developmental stages. Customers

in such countries can access services more easily from banks abroad and through wireless communication systems, which are developing more rapidly than traditional "wired" communication networks.

The flip side of this technological boom is that electronic banking is not only susceptible to, but may exacerbate, some of the same risks—particularly governance, legal, operational, and reputational—inherent in traditional banking. In addition, it poses new challenges. In response, many national regulators have already modified their regulations to achieve their main objectives: ensuring the safety and soundness of the domestic banking system, promoting market discipline, and protecting customer rights and the public trust in the banking system. Policymakers are also becoming increasingly aware of the greater potential impact of macroeconomic policy on capital movements.

Objectives of the Study

1. To identify the major problems faced by customers using e-banking services in Axis Bank.
2. To understand the impact of these problems on customer satisfaction.
3. To provide suggestions to enhance the quality of e-banking services.


SCOPE OF THE STUDY

The traditional mode of banking is manual. It is paper based. It is now no longer acceptable in the changing global economy. With the widespread internet technology the business is also all electronic - electronic commerce, electronic import and export, electronic procurement of goods, electronic trade, mobile banking, etc. The banking sector, if it is to survive in the 21st century, shall have to change its entire banking structure. It shall have to provide better, economical and quick monetary services through the use of advanced electronic technology. The customers of the banking are fast becoming computer literate. They are now able to interact more fluently with the provision of basic electronic services. The needs of the customers have also changed. They require the services of banks at home, in office, 24 hours a day, seven days a week, anywhere, anytime and anyhow.

This study focuses on e-banking users of Axis Bank located in Coimbatore. It covers issues related to mobile banking, internet banking, ATM services, and customer service channels associated with e-banking.

REVIEW OF LITERATURE

Numerous studies have pointed out common e-banking challenges such as transaction failures, poor user interface, login issues, lack of personalization, and weak customer support. A study by Kumbhar (2011) indicated that customer satisfaction in e-banking is heavily influenced by service quality and security perceptions.

	
Name Of The Bank	Axis Bank
Type	Private
Industry	Banking , Financial Services
Founded	1994 (AsUTI Bank)
Key People	Dr. Sanjiv Misra (Chairman) Shikha Sharma (MD&CEO)

Products	Credit Card, ConsumerBank , Corporate Banking, Finance And Insurance, Investment Banking, Mortgage Loan, Private Banking, Private Equity, Wealth
Management	
Revenue	340 billion (US \$5.4 billion)(2012)
Operating income	94 billion (US \$1.5 billion)(2012)
Net Income	52 billion (US \$830 million)(2012)
Total Assets	3.4 trillion (US \$54 billion)(2012)
Employees	40,239(on 30 September 2013)
Website	www.axisbank.com

RESEARCH METHODOLOGY

RESEARCH DESIGN:

“A research design is the arrangement of conditions for the collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure”. In this study descriptive type of the research design has been used.

DESCRIPTIVE RESEARCH DESIGN:

Descriptive research design studies are those studies, which are concerned with describing the character of a group.

DATA COLLECTION:

There are two types of data collection;

1. Primary data
2. Secondary data

PRIMARY DATA

The primary data are those, which are collected a fresh and for the first time happen to be original in character. It has been collected through a questionnaire.

SECONDARY DATA

Secondary data are that which has been collected by someone else and which has been passed through the stratified process. It has collected through the books and internet.

RESEARCH INSTRUMENT

Questionnaire containing both closed and open ended questions.

SAMPLE UNIT:

Sample unit is the customer in AXIS BANK.

SAMPLE SIZE:

The researcher selected only 100 samples from the AXIS BANK .

SCALING TECHNIQUES:

Questionnaire was framed on attitude scale having 5-point scales.

PERIOD STUDY:

The study was conducted for the period of 6 months.

TOOLS USED FOR ANALYSIS:

- Simple Percentage Analysis
- Chi-square test
- Garrette Ranking method

SIMPLE PERCENTAGE ANALYSIS:

It is simple analysis tool. In this method, based on the opinion of the respondents, percentage is calculated for the respective scales of each other.

$$\text{Simple percentage analysis} = \frac{\text{No of respondents}}{\text{Sample size}} * 100$$

CHI-SQUARE TEST:

It is the important test developed by statisticians. It can be used to make comparison between theoretical population and actual data when categories are used. The following are some of the conditions to be satisfied.

$$\text{Chi-square test} = \frac{E (o-e)^2}{E}$$

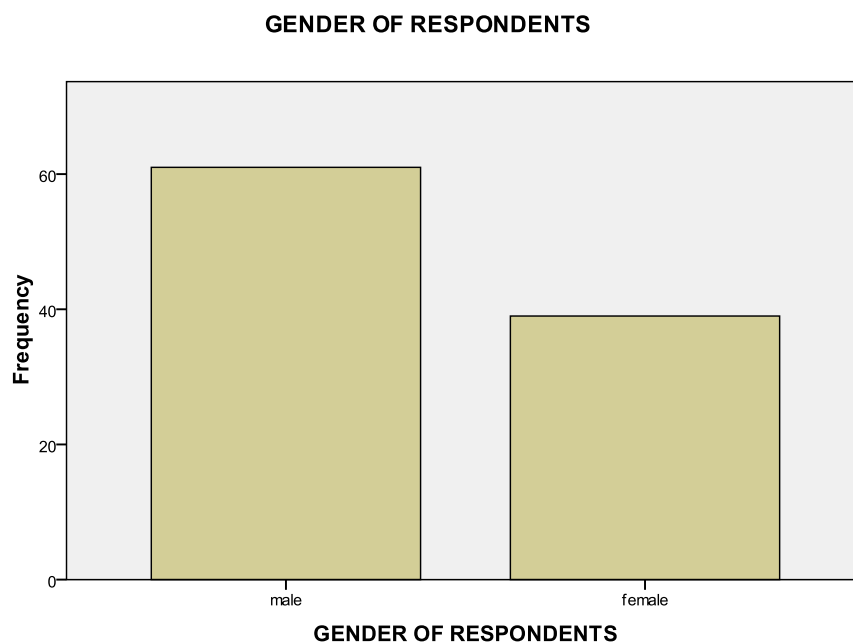
Where, O = observed frequency

E = Expected frequency.

N = Number of respondents

DATA ANALYSIS AND INTERPRETATION**Table 4.1: considering the gender of respondents**

GENDER OF RESPONDENTS					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	61	61.0	61.0	61.0
	female	39	39.0	39.0	100.0
	Total	100	100.0	100.0	



The above table reveals that out of total respondents taken for the study, 63% of the respondents are male, 37% of the respondents are female. Therefore it is inferred that the majority (63%) of the respondents are male .

Problems Faced by E-Banking Users in Axis Bank

Problem	% Affected	Rank
Slow transaction processing	68%	1
Login/authentication issues	55%	2
Technical/server errors	50%	3
Lack of proper customer support	45%	4
Security concerns	42%	5
Poor mobile app usability	35%	6
Inadequate transaction alerts	28%	7

Chi-Square Test Result

A chi-square test was performed to assess the relationship between age and frequency of technical issues. The result indicated a **significant association**, suggesting younger users experience more technical challenges possibly due to frequent usage.

Findings

- A majority of users experience slow processing during peak hours.
- Login issues like forgotten passwords and OTP delays are frequent.
- There is inadequate customer support for resolving online transaction issues.
- Many users feel the mobile app interface is not intuitive.
- Security concerns persist among users unfamiliar with cyber safety.

Suggestions

- Implement 24/7 live chat support to address real-time concerns.
- Optimize server capacity to handle high traffic efficiently.
- Introduce biometric login and two-factor authentication for improved security.
- Upgrade user interface design for better navigation and accessibility.
- Conduct regular customer awareness programs on cyber hygiene.

Conclusion

E-banking in Axis Bank has brought convenience and speed to customers in Coimbatore. However, unresolved issues such as technical glitches, login difficulties, and lack of responsive support systems hamper user satisfaction. Addressing these concerns is vital for improving digital banking trust and adoption rates. Proactive technological upgrades and customer-centric strategies will drive long-term success in the e-banking ecosystem.

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