

## Scaling Up Skills for Increasing E-Banking Usage

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**Abstract :** E-Banking has ushered in the era of virtual banking for customers. It is an electronic payments system that enables customers to conduct financial transactions from their home or office using internet. It not only obviates the need to go to bank branches but also facilitates doing banking transactions anytime from anywhere. All banks in India have introduced internet banking services. In recent times they have added many added functionalities and features and are pushing the customers to use internet banking with a view to reducing their operational costs and enhancing customer convenience. Customers are evincing interest in the same but its usage is currently sub-optimal.

This research paper gives us an overview of banks attempt to shift its customers from traditional banking to virtual banking. It examines the challenges for the banks in shifting their customers to electronic banking and the role of skill sets in accelerating the same.

The paper concludes that there has to be dual pronged strategy of enhancing the skill sets of bank staff for promoting e-banking simultaneously educating bank customers in using the same. Banks can attract customers towards e-banking services by proper training programs initiated for employees at different managerial levels from top to bottom. They should also focus on obtaining feedback from customers as well as bank staff so as to make e-banking services efficient and user friendly. This will result in win-win situation for the banks and their customers inasmuch as the deliverables are optimally used by customers.

**Keywords:** Customer Education, Training and Development, E-banking, Internet. Banking

### INTRODUCTION

Internet Banking is quick and easy way of accessing a wide range of functionalities for doing banking transactions online such as utility bill payments, fund transfers, viewing and downloading e-statements, etc. To access online banking, the customers would have go to the bank's website, and enter the online banking facility using the customer identification and password. Reserve Bank of India has now mandated two-factor authentication for improving security.

Private and foreign banks are aggressive in pushing internet banking. Due to competition, public sector banks are also enhancing their internet banking services and features.

Rapid technological changes in recent years have revolutionized the way banking services and products are delivered to retail customers, small businesses and corporate alike. Internet, Mobile-phone, Smartcards, etc. have revolutionized banking services. These new innovations hold great promise for banks as well as customers. E-Banking has changed the way banking operations are carried out.

Online banking initially provided basic information based functions such as balance enquiry, account information, mini-statement, etc. Later transaction based functionalities were added such as funds transfer within and between banks, utility bill payment, tax payments, account statement print / download, mobile recharge / top-up, cheque book issue, mutual funds investments, etc.

On the positive side these changes present huge business opportunities for banks besides enhancing customer service while on the flipside they have dramatically modified and in some cases increased many of the traditional risks associated with banking activities.

## **2. RATIONALE OF THE STUDY**

Innovative technology based products and services have enhanced service deliverables. But there are many challenges banks face in making customers adopt these. Internet banking services are still being used by customers largely as information medium and not for financial transactions. The study examines the challenges and role of training in augmenting its use.

## **3. OBJECTIVE OF THE STUDY**

- i. To study the problems and challenges faced by customers in using e-banking services
- ii. To examine the role of training to banks staff and customers in promoting e-banking
- iii. To identify the deficit areas in training for employees and customers with respect to e-banking and the training needs to address them.

## **4. RESEARCH METHODOLOGY**

The study is exploratory in nature and based on secondary data collected from books, annual reports, websites, public libraries, project reports, journals, newspapers, etc. Findings are on the basis of the secondary data analysis.

## **5. FINDINGS OF THE STUDY**

### **5.1 Problems and Challenges of Customer Migration to E-Banking**

- a. Lack of computer proficiency: While the younger population is tech-savvy, there are major sections of society who lack computer proficiency. Therefore they are hesitant to do online banking.
- b. Fear of phishing: Another problem faced by customers is the problem of phishing. Instances of hacking of password, transferring money without customer knowledge are on the increase which is inhibiting customers from using e-banking facilities.
- c. Problem in filling online forms: Customers find filling online forms difficult as they get confused what data to input. They need assistance to fill in.
- d. Error in online Transaction: During financial transactions customer fear that there will be deduction from their balance even when the transaction is not completed or in case of any error
- e. Fear and Lack of Trust: Many customers use e-banking for basic information purposes only. They do not use other facilities and payment suits for making payments of utility bills, tax payments, mobile refills, insurance premia, etc. due to fear of online frauds and lack of trust due to lack of knowledge / awareness. Safety and security of online transactions worries them. They read about loss suffered by customers due to frauds in e-banking through account hacking, proxy websites, pharming, etc.
- f. Connectivity Problems: Internet connectivity problems, speed, frequent drops, low bandwidth, etc. put off customers.

### **5.2 Training programs**

Online transactions minimize the need to physically visit the bank and avoid long queues. To encourage customers to switch over banks must aggressively persuade them to use all functions in e-banking. Banks should adopt two pronged strategy of training banks staff and educating customers as well to promote e-banking in a big way. Proper training and skill development programs to bank staff would make them fully conversant with the e-banking functionalities and features so that they can in turn properly guide customers. Following are some suggestions for banks for training their staff and educating customers.

### a) Training to Bank Staff

**Internet Banking Training:** Online banking involves transactions undertaken through net. Proper training in internet banking need to be given to bank staff. This should include product and functionality features as well as security aspects. Staff should be asked to use e-banking for all their personal banking transactions.

**Enhancements to Existing functions and Introduction of new functions in e-banking:** Continuous innovation is sine-qua non for staying in competition. However proper training should be given for employees as and when enhancements are made to internet banking through emails, dashboard, onsite / offsite training. Whenever major releases are made or new functionalities / features are added, there has to be wide publicity for the same to draw the attention of every employee to go to the bank's intranet based e-learning portal.

**Helpdesk Training:** Helpdesk staff should be thoroughly trained in e-banking so that they can provide proper online support to customers. All helpdesk staff should have firsthand knowledge of e-banking.

**Training staff to give product demo to customers:** This is a very important part of e-banking service wherein customers are given demo of online banking. Whenever customer visits branch for a banking transaction that can be done through internet banking, staff should inform the customer and educate and encourage him / her to use internet banking the next time for similar transaction. Employees have to showcase that e-banking is user friendly and very easy to operate.

**Customer Retention Skills:** Nowadays no customer is loyal to any bank. If the customers can be judiciously trained to use e-banking services then it will increase their stickiness with the bank. Bank staff should therefore be imparted the customer retention skills.

**Attracting New customer:** Young customers can be attracted only by showcasing them the banks' technology-based products and services. While opening their accounts they should be given the full e-banking kit and briefed about them. The faster they become conversant with the bank's e-banking services, the greater are the chances of them remaining loyal to the bank. The front-end staff should therefore be suitably trained in such a way that they can attract new customers by providing them customized services that are reliable and quick.

**Product Knowledge:** Customer Relations Executives should be fully conversant with all technology-based products and services offered by the bank so as to retain existing customers and acquire new ones.

### b) Customer Education

**Advertising:** Public Relations Department of banks should not only concentrate on promoting e-banking services but also educate customers on dos and donts.

**Communicating new functionalities:** As and when banks introduce new functionalities in e-banking, they should immediately advise through email, banners in their portals to bring the attention of customers to the new functionalities and the benefits that accrue to them. It should also educate them how to use the new functionality.

**Cyber Frauds and Safety and Security of e-banking:** Fear of cyber frauds can be addressed by educating customers on proper use of e-banking in a safe and secure manner. They should sensitize customers to take care of their user id and password. Customers should be advised not to share user id and password to anyone including bank staff. Periodic SMSs / emails should be sent to customers on exercising due caution while using e-banking. Banks should also advise them the steps taken to improve the safety and security of e-banking.

**Effective use of CRM:** CRM should be effectively used to study customers' e-banking habits so as to enhance its usage.

**Online tutorials:** Banks should provide on-line banking tutorials on e-banking.

**Product Demo:** E-banking is still a new concept to many customers. Banks should therefore provide training to customers in their branch premises and show 'demo' of how to operate each function.

## 6. SUGGESTIONS

Every bank provides similar services to their customers. What makes them unique from others is their extended customised service with individual guidance and assistance. Customers get connected with the bank through their employees. Therefore motivational programs besides re-skilling will help employees to improve their efficiency in work and make them empathise with customers providing them necessary assistance as and when required. Obtaining periodic feedback from customers and bank staff would help make e-banking services more efficient and user friendly.

## 7. CONCLUSION

E-banking helps customers to access their accounts and put through transactions in the comfort of their home or office at any point in time. Even then it is sub-optimally used by customers. There is a case for stepping up its usage. While customers have apprehensions on the safety and security of online transactions besides, lack of familiarity with the system, bank staffs too do not actively encourage customers to use e-banking. Re-skilling bank staff and educating customers emerge as important ingredients for the success of e-banking. Banks should train and sensitize their staff on e-banking services so that they in turn can train their customers. E-banking improves customer service inasmuch as it is a self-service tool for customers which they can access on their desktop or palmtop empowering them simultaneously enabling efficient and productive utilization of bank resources. If banks at apex level and its staff at branches can help and guide customers in better use of e-banking services it would usher in seamless banking to customers in real-time. This will result in optimal use of deliverables by customers and win-win situation for the banks and their customers.

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