

## Chapter Case Study

### Challenges of On-line Banking \*\*

The fundamental function of a bank is to provide services to its clients. To meet the requirements of customers' needs and expectations, online banking has been launched in with the replacement of offline banking.

Day by day, online banking is becoming more popular, as it offers higher level of services to the customers for managing finances. Online banks can be divided into two types: traditional banks, which also offer online banking, and online-only banks.

Through online banking software the clients of the bank can perform all routine transactions, account transfer, balance inquiries, bill payment, any branch banking and many others such as internet banking, web banking, phone banking, ATM facilities. The disadvantage of resorting to online banking is that it takes a long time to set-up the online banking software and get used to the employees with the banking solution.

In Bangladesh, a few local private banks like Eastern Bank, Dhaka Bank, Dutch Bangla Bank, The City Bank are offering truly centralized online banking facilities and the clients of these banks have access to their online account through internet web sites. It is a tremendously challenging task for any bank to install truly centralized online banking software successfully.

The challenges are manifold, such as:

Some users (employees, especially the senior level employees) in the banks are not equipped to handle basic computer operations. Those executives generally assume that computer related works are outside the scope of general banking tasks and responsibilities of data input lies with the computer operators. They also feel comfortable working manually.

There is also a section of employees who are computer literate but with time have become too

comfortable with whatever system is in place and will resist any kind of change as this will require adopting to new practices, ideas and skills. So, setting up of online banking software does not comprise only technology challenges, but also a lot of human challenges. The people who will be the actual users of the software must have their perceptions changed and moulded as well as trained.

In the 21st century, not only in Bangladesh, but also all over the world, online banking is no longer a fashion. It is eagerly sought in the highly competitive market especially in the financial sectors.

**\*\* Source: Internet**

#### Questions for Discussion:

1. Do you think this type of new services will match with the environment of Bangladeshi customers?
2. What may be the prospects of online banking in Bangladesh? Explain.
3. Do you think online banking will add competitive advantage to the banks implementing this new service? How?
4. Which stage of product life cycle the online banking service belongs to?
5. What are your suggestions for employees and customers to get the better results from this new service?