

# Analysis of Electronic Banking Services & Its Issues in Pakistan

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## Abstract

Technology is making a tremendous impact upon financial services sector is no exception. Today, banks take special attention to customers' perspective by providing quality of services. Loyalty is a very important issue for customers and for the sake of organizational benefits, the banks need to obtain customer satisfaction due to competitive market. In the areas of services the concept of service quality plays a central role in understanding customer satisfaction and retention. To improve the efficiency and enhance pace of working information technology is playing a fundamental role in any business. This becoming a critical success factor to gain competitive edge than competitors. Electronic banking includes phone or mobile banking, Internet or online banking and email banking and ATM. banking Sector or industry, bringing up new product called online banking or e-banking. Customer needs and requirements are changing day by day. Customer wants instant response, access, convenience and security. There are several issues in electronic banking which customer face; including Non availability of sufficient cash in ATM in particular occasion and time, Link down, customer account debited but receiver's account is not debited, pin generation process and card blocking process and any cash transaction related problems. The Banks now use different mobile applications app, MAC ID system and code generation to double verify the PIN and customer verification tactics in online banking to secure the customers transactions. The technology brings easiness, reliability and competence. The rate of success of these new products will depend on the suitability of the technology selected for the customers in banks. A well-defined security system and audit plan will ensure the long term success of IT plans of banks. Security is the most critical factor for banks now a days.

**Keywords:** Customer perspective, Service quality, Electronic banking, ATM, MAC ID, Information technology.

## 1. Introduction

Electronic or Online banking was first appear in 1980 when it was understood as a terminal, keyboard and TV to access the banking system by using a phone line. Chase Manhattan, Chemical, Citibank, and Manufacturers Hanover were the four big banks that provided home banking service by a Videotext system. Even though that it did not take long time to adopt this system because of the commercial failure of Videotex all this went off. In France the use of Videotext or (Minitel) was given by the telecom provider, whereas in the UK, with the use of Prestel system. But the first home service online banking was implemented by Bank of Scotland for customers of the Nottingham Building Society (NBS) in 1983. They used the same system as UK Prestel with a computer, as the BBC Micro, keyboard (TANDATA Td1 400) that connected to a telephone system and television set the system named "HOMELINK". Customers were allowed to take a look at their statements, bank transfers and bill payments. This is just a brief history where all started, and not to forget that this was three decades before, and now Online Banking became very popular, important and mostly a substitute for customers everyday life (Halili, 2014).

Technology is making a tremendous impact upon service companies in general and the financial services sector is no exception (Al-Hwari et al., 2009). Today, banks assign special attention to customers' perspective and the escalate and urging their loyalty is a very important issue for them for the sake of organizational benefit-making, the banks just like other financial organizations need to obtain customer satisfaction due to competitive market ((Mohammadi & M, 2015). The foremost accomplishment for the organizations' success and as their core competencies technology is now considered. In the areas of services and relationships, the concept of service quality plays a central role in understanding customer satisfaction and retention. To improve the efficiency and enhance pace of working information technology is playing a fundamental role in any business. This becoming a critical success factor to gain competitive edge than competitors (Muhammadi & M, 2015).

The bank Sector or industry, bringing up new product called online banking or e-banking (Khams & Moradi, 2013). The Extension of e-banking started from the use of Automatic Teller Machine (ATM). So the banks whether it National or foreign are investing more on providing on the customers with the new technologies through e banking. PC banking, mobile banking, ATM, electronic funds transfer, account to account transfer,

paying bills online, online statements and credit cards etc. are the services provided by banks (Beigi, Jorfi, Tajarrood & Beigi, 2016). What an online banking offers is an opportunity to perform different bank operations, where a customer can access his or her bank account via the Internet. Customers / Business Clients can check current account, saving account, transfer money and make their payments (Muhammadi & M, 2015). Usage of online banking becoming very common due to usage of Mobiles and Computers, E- Banking initiated different way of banking and less expensive it meant less time to spend for the customer perspectives. The majority of costumers at the beginning were confronted with some difficulties but after a period it was very productive; whereas from the banks point of view at the beginning they had some expense and feared for a big loss. Organization objective is to consider and maintain the satisfaction level of clients (Muhammadi & M, 2015).

It is not easier for customers and people to monitor closely and to regulate their money here are the few fundamental attributes to success is to persuade competitive and constantly improve the efficiency and quality of services to better meet customer needs and to provide superior services (Khams & Moradi, 2013). In some specification of customer's contentment include numerous of clicks needed to find what they want, amount of information they need, response time and speed of webpage. With the rise of the Internet the way that monetary establishment conduct their business has been transformed (Muhammadi & M, 2015). . New era, global competition and expand knowledgeable customer base are all presenting serious challenges for monetary institution. In response to these challenges banks are embracing the use of emerging technology in order to build a powerful e: commerce strategy. The Internet can offer to the banking industry new markets and new customers that will enable them the opportunity to gain target competitive advantage over their competitors. (Hynes, 2001).

The information technology growths, especially internet, banking processes have changed from person to person transactions in services into transaction with technology and traditional banking has been replaced by technology-based banking including ATM machine, e-banking and telephone banking (Khams & Moradi, 2013). As a result, customers' transaction has changed from face to face transaction into technology transaction. (Beigi, Jorfi, Tajarrood & Beigi, 2016). The esteem importance of customer's view is an essential to find great significance techniques of service. Earlier studies signify that quality of e-service is usually related with customer preservation results such as e-loyalty, customer satisfaction, and e-trust. (Mohammadi & M, 2015). Across the border to meet the changing needs of customers fast technology use to restructuring, competitive services and variety of benefits offered by banks. The more competitive and rapidly changing environment in which banks are forced to work leads them to revise their attitude toward customer satisfaction and optimizing service quality. The bank's management to retain customers will be more effective by clarifying the factors influencing commitment (Khams & Moradi, 2013).

In general, particularly the internet banking has been discovered and used as a method to bring improvements in providing the services, in banking industry as well as in other service sectors. Customer's needs and requirements are changing day by day so it is important for the banks to establish the latest information technology system to compete more effectively in this global world. (Saeed, Azim, Choudhary & Humyon, 2015). The past two decade the nature of service organization has changed, the development of storage and speed of data transfer this change has been influenced, particularly in E- Funds transfer. Receptiveness has been extended through technological developments as well as the introduction of new service delivery methods that allow consumers to do business with service firms from the home and office. (Joseph, McClure & Joseph, 1999). Most successful innovation technology in the world, internet had great opportunities and as well as threat for the organizations in various service sectors and business sectors. Using the Internet as distribution channel delivering their services and support their product "Online" (Ghaith, Sanzogni & Sandhu, 2010). Internet banking is different from other services offered by bank as in other services there is interaction with client while internet banking services provide through website where customer do not interact face to face with bank official. Client use financial services using portal (Al-Hwari et al., 2009).

Internet banking is not much common in Pakistan as user is still not equipped with necessary knowledge to operate internet banking; many studies have been done to evaluate service quality in tradition banking services but gap present in evaluation of internet banking service quality measurement (Zeithmal et al., 2002). Primary in this service industry new technology always attract clientage because it provide better service then old method and reduce lags. Banking is also a service based industry where customers always demand effective financial and faster service (Abbas, 2015). In order to facilitate customers by providing efficient services, internet and IT applications plays significant role. Financial institutes are developing their own web portals to provide internet banking services to their customers which save time and reduce cost of paper working. The quality of service is very crucial to any institute to gain competitive advantage. (Abbas, 2015).

Electronic banking has become an unavoidable tool in banking business over the past 5 years. In the service sector technology has been used to standardize services by reducing the employee or customer interface. E-banking was adopted by banks to improve their quality of services by providing the solution to the customers regarding information of funds availability, bills payments, funds transfer, balance recharge, instant cash withdrawal (John & Rotini, 2014). Nowadays, understanding customer need is become an important factor for

banking industry. Most of the Banks turn to seek differentiation in services (Wang& Wang, 2006). The most of the customers are now more preferring to opt technology based service delivery. Regardless the effort of banks to ensure the customers obtain the benefits of e-banking, Now the bank is met with complaints from customers as regards, malfunctioning, security, fraud, network downtime, online theft, payment of hidden cost of electronic banking, non-acceptability of local banks cards for international transaction amongst others. This study is aimed at finding out the reason why these problems occur and in most cases persist, and then to make recommendations based on the outcome of the study (John& Rotini, 2014).

The aim of this study is to investigate the impact of E-banking on customers' satisfaction. The specific objective of this research is to:

1. Find out the reason for persistent complaints from customers as regards e-banking in Karachi.
2. Find out the best possible solutions to the identified & unidentified complaints of electronic banking in Karachi

The finding of this study will be useful to the decision makers & R&D departments of the banking industry to identify the complaints by users of E-banking in Pakistan specially Karachi. . They also find the core reasons behind the persistent complaints from customer. By using the results & findings of this study, they can satisfy or retain their customers by providing best & rapid solutions to the complaints regarding electronic banking. Furthermore, this study is also helpful for the different university students who want to work on it & explore more knowledge about this topic. They can use this study as base research to further explore the behavior of the banking customers.

## **2. Literature Review**

Due to extreme competition between banks for attracting customers, contradistinction in offering services is a determining factor that would influence customer's attraction. Now the fast development of communication and information technology, and deployment of proper infrastructures can compete to attract and preserve customers (Samra, Manzoor, Sumra & Abbas, 2011). In recent Era, E-banking provides technologies which give variety to services such services as Automatic Teller Machine (ATM), Automatic Bill Payment (ABP), and Electronic Transfer of Funds (EFT). Furthermore, Organizations, to achieve competitive benefits, should opt information technology for gathering information about market demands, to improve quality of service (Muhammadi & M, 2015; John & Rotimi, 2014).

### **2.1 Electronic Banking**

E-banking is using as delivery mode for the delivery of services like cash withdrawal, electronic bill payments, recharges and online transfers. These services can be provided by the banks through physical offices, website and through a virtual bank as well. Internet is used as a distinctive channel to offer high value financial services products in high quality at lower costs without physical existence (Quyet, Vinh & Chang, 2015). The developing countries can take advantages from the technologies offered by today's world during building the financial intermediaries. These technologies are provided through E-banking. Internet banking has positive effect on the performance of the banking system (Samra, Manzoor, Sumra & Abbas, 2011). The majority of banks are providing services by internet and websites. It also shows that the attention is more achieving satisfying and fulfilling customers' needs by using E-Banking. The usage of E-banking increases many risk factors to bank overall risk profile. The Basel committee has issued Risk Management Principles for Electronic Banking in July 2003, it recognized the risk factors and its purpose to amplify and encourage safety of services offered by banking while maintaining its technologies due to enterprising environment (Samra, Manzoor, Sumra & Abbas, 2011).

The types of Electronic or online banking which are mostly use are ATM, PC Banking, Phone Banking, and Email Banking (Halili, 2014). ATM (Automated teller machine) is the basic type of non-branch banking in which customer's access ATM with their card and pin to check their balances, withdraw money and make payment. It is a small machine banking that can be found in any banks. It is true to say that in 2014 for people the ATM is simply presumed as a box machine that you withdraw money and finish the procedure (Quyet, Vinh & Chang, 2015). It took almost thirty years of hard working and promotion to make it functional and very usable through the time. ATM nowadays is also available everywhere and usage is still present, but mostly in rural area, where the costumer withdraws money during the night, even that the risk of withdrawing money during the night is too high and people try to avoid it but some feel secure and use the ATM. PC Banking is the second most important type used one after ATM (Samra, Manzoor, Sumra & Abbas, 2011). By increasing number of laptop and PC users, online banking represents an easy way to access by passwords and user names. Banks websites are the most prominent way to use this facility by putting the user name and password to continue the banking operations (Halili, 2014).

Phone Banking is the first type of banking, in which customers call the banks and with some preliminary question of making sure that the caller was the owner of the account, they could ask for the current balance, make payment, and transfer (Muhammadi & M, 2015; John & Rotimi, 2014). While In this Era the mobile phone is a

more effective, because it is the customer himself that makes the operations. It is getting very usable and applicable everywhere nowadays also costumers seem to feel more secure with this type. It is a 24/7 operation through which the customer can pay, transfer and check balances everywhere and every time. E-mail banking can be work through sending and receiving emails (Quy et, Vinh & Chang, 2015). By sending email to the bank, the customer informs about the operations. The final part is concluded by the confirmation of payments and other specified operations by email between the parties. Email banking could include the use of the customer's PC or Mobile, where in both cases the conclusion of the operation is accompanied by a confirmation (Halili, 2014).

## **2.2 Bank Service Quality**

In today's competitive banking environment, delivering quality services to customers is a must for success and survival in banking industry. The determinants of quality banking services to build a quality of Bank Service Quality (BSQ) to better understand the elements of quality. They showed the determinants of quality banking services to include assurance/empathy, efficiency, reliability, and confidence, reflecting a combination of BSQ scales. High-quality services increases the rate of customer retention, helps to attract new customers through word-of-mouth communication, increases productivity, increase the market share, operating costs, and improves employee morale, financial performance, and profitability. They focused mainly on bank customer elements and maintain close relationships based on the service quality of banks in Pakistan (Quy et, Vinh & Chang, 2015). E-banking refers to the security and customization in the service quality, user satisfaction, no error, on time, ease of use, accuracy and fast performance, on time and exact accountability. Quality of services is an important element for the customization and productivity can be increased and influenced by customers' satisfaction and loyalty (Beigi, Jorfi, Tajarrud & Beiji, 2016). Customer satisfaction is like a mediator that has been mediated between the effects of perceived quality on commitment. The perceived quality of services has various features such as ease of use, designing, security, secrecy, data, saving time and interaction (Khams & Moradi, 2013; Wang & Wang, 2006). Satisfaction is a customer's attitude and evaluation formed by the customer through making a differentiation in pre-purchase expectation to the subjective perceptions of actual action. Satisfaction can be established by the gap between expected performance and cognitive standards like between wishes and expectations. Service quality is the prime factor by professionals lies in the principle that this has a significant impact on the firm's performance. It is very important to identify the factors of service quality (Zafar, Zaheer, Rahman & Rehman, 2011).

## **2.3 SERVQUAL**

Service quality is the difference between the customer's expectations and their perceptions for services (Beigi, Jorfi, Tajarrud & Beiji, 2016). Service quality can be extended in ten dimensions i.e. reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding, tangibles. SERVQUAL refers to the commitment given by the Manager of bank or its staff. If the staff cannot keep or breaks the promises, it dissatisfies customers and results in negative word-of-mouth. In contrast, when the company is able to keep its promises, it increases customer confidence on the staff and creates customer satisfaction Samra, Manzoor, Sumra & Abbas, 2011). It is very important factor of service in conventional sectors. Banks introduce different methods to secure the information of customers while doing financial transaction with banks. Reliability means that the firms performs the service right the first time and the firm honors its promises. Responsiveness concerns the willingness or readiness of employees to provide service. Competence means that possession of the required skills and knowledge to perform the services. Access involves approachability and ease of contact (Halili, 2014). Courtesy involves politeness, respect, consideration and friendliness of contact personnel. Communication means keeping customers informed in language they can understand and listening to them. Credibility involves trustworthiness, believability, honesty (Wang & Wang, 2007). Security is a freedom from danger, risk or doubt. Understanding means knowing the customers involves making efforts to understand the customer's needs. Tangibles includes physical evidence of the services (Wang & Wang, 2007). It can be helpful to satisfy customer needs and create trust. It is all about entertaining the customers in term of place, communication and time. It focuses on customer's importance and also types of services are offering to the customers. SERVQUAL plays an important role to improve the market segments, economics and service (Ankrah, 2012; Joseph, McClure & Joseph, 1999). In Pakistan, E-Banking is mostly less used technology as compare to the other development countries because people do not trust, they do not have the reliability that their transaction can be done by the internet banking, most of the customers want to go bank physically to make the transaction. Refer to the arguments, reliability is the first condition for Bank to create customer satisfaction, every customers want that their transaction should be keep secret by the bank. Service quality can be recognize by having the ability to deliver the strategic benefits, like improved customer retention rates, while enhancing the efficiency of operational and profitability. E-service quality is among the firm's competitive abilities that lead to business performance effectively and efficiently (Saeed, Azam & Chaudhry, 2015; Furrer, Liu & Sudharshan, 2000).

## 2.4 Role of Information Technology in Electronic Banking

In recent time, all transactions can be done from the customer's home and they don't need to visit the bank branch. Now, Technology is become a driver (Samra, Manzoor, Sumra & Abbas, 2011). The growth of the internet, mobiles and communication technology has created a different dimension to banking. The information technology (IT) is available today for customer acquisition by creating automation in banking process by providing and delivering ease and efficiency to the bank's customers. Technology in banking becomes in the form of computer based application. The technology is not visible to the customers who are able only to press numbers on their telephone keypad, it assumes that there is less control by the customer during transaction (Beigi, Jorfi, Tajarrod & Beiji, 2016). IT in commercial banking comes in the shape of Electronic Funds Transfer Systems (EFTs), Automated Teller Machines (ATM), Point of Sale (POS) and Automated Clearing Houses (ACHs). The service delivery by implementation of technology has become the successful and acquisition of telephonic services which require the customer to use the telephone keypad to interact with an IVR (Ankrah, 2012; Joseph, McClure & Joseph, 1999).

## 3. Methodology

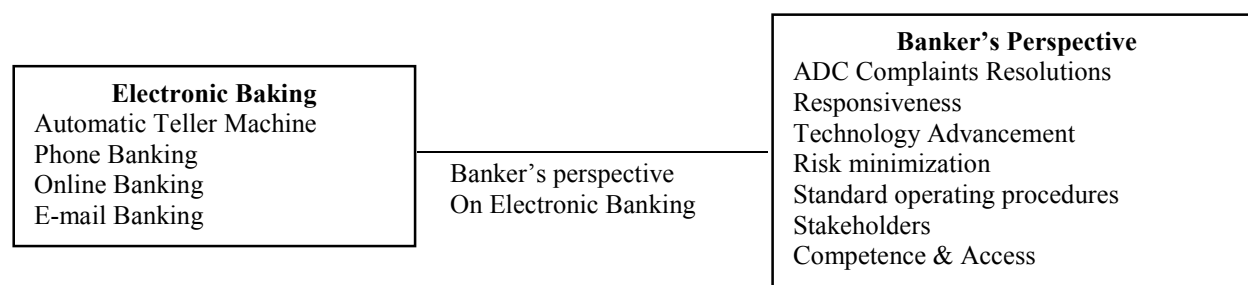
This study used the retail banking services because it is a type of service in which the SERVQUAL dimensions have been identified. Secondly, these services can take place through traditional branch banks or through such channels i.e. E-mail, telephone, and Internet (Samra, Manzoor, Sumra & Abbas, 2011). The most important factor to use retail banking service that, in this two-way interactions are common between customers and bankers. The researcher used exploratory research because exploratory studies mean of finding of what is happening, to seek new insight, to ask question and to access phenomena in a new light. These are three ways to conduct an exploratory research are a search of literature, talking to expert in the subject & conducting an interviews (Wang & Wang, 2007). The qualitative approach was used in this study to accompanying the research questions. This approach use to deep description of facts & to take in depth knowledge about the research problem. Qualitative research approach is the most appropriate for this study to gain better understanding. Five Face to face Interviews were conducted by using open ended questions to identify the major themes in electronic banking, including ATM, telephone and Internet banking. This provided the in-depth knowledge or information required to achieve the purpose of this study. This study used information which are exist in literature & researches to explore this study in detail (Ankrah, 2012; Joseph, McClure & Joseph, 1999).

## 4. Results

In this chapter, empirical data from banking perspective will be presented. Face to face interview were conducted.

### 4.1 Bankers Perspective

The data for this study was collected through face to face interview with banking professional who has worked for the bank for more than 6 years in the service department.



### 4.2 Alternative Delivery Channel complaints resolutions

Regarding to the ADC complaints resolutions, the respondent highlighted the some major & persistent issues which are customers face by using Electronic banking. The respondent said

*"ADC sub channel are Internet banking, Mobile banking, and ATM and there overall facilities increased day by day. Customer face a lot problem in billing payment making queue outside the bank, today you can easily pay through mobile easy paisa, ATM top up, 9 to 5 banking concept is finished but day by day new technology introduced and risk and issue are also involved. Service problems are cash, ATM link down, out of cash difference channel involved in banks includes IBFT your account debited but in customer account no amount credited".*

Complaints resolution is the most important factor, the banks should resolve the customer issues related cash transactions, Automatic Teller Machine & Pin Generation within 15 to 20 working days.

### 4.3 Responsiveness

Refer to the responsiveness, the respondent said *"responsiveness is the second name of service quality"*. In service

quality day by day improvement, bank to bank vary infrastructure, those banks who are large in infrastructure there services are good, easiness is stable 24/7 concept in bank, service related in call center customer should be educated majority customer not towards E-banking although young generation prefer but for an old generation itself use or self-activation is an issue for them bank should educate customer and provide services. He explained that *“the loss would be covered if the problem happened”* The respondent also added *“the bank paid more attention on improving service efficiency”*. For example, in order to reduce time for waiting, the bank added more front line employees for services. He further explained that the *“responses for electronic banking are more efficient than employees working in bank. Moreover, if the problem happens, customers prefer employees and the customer should give sooner response to solve the customer queries and problems”*.

#### **4.4 Technology Advancement & Risk Minimization**

Concerning about the Technology Advancement, the respondent said *“Time to time technology covering and research working is going on, now with ATM bio matrix system introduced, they can easily make thumb impression and PIN fraud chance is less”*. Firstly you have to operate manually but now you can see touch ATM system is available, but not in usage, slightly benefit should give to customers through bank. If I faces any issue repeatedly visit or following banks, or calling call center service and to wait for the complaint log Banks should take initiative for the complaint launch so it can improve. Banks have used Information Technology to achieve an ability to handle large volumes of business and provide easiness to customer with the desired level of efficiency, Maximizing profitability of operations and Exercising a strict vigil on costs. Now they are engaged to get complaints resolve and secure pin less transactions through IT and technology advancement. Computer and IT technologies enable banks and financial institutions to expand their reach and to offer technology based products to a wide spectrum of clientele.

Referring the minimization of Risk, the respondent said *“currently we see different mechanism used in different places if you use Internet Banking device MAC id store, mobile app use, or computer use multiple transaction two times authentication MAC checkup concept first you login then pin code generate on your mobile via email means on both channels before on each transaction you receive verification code, Risk can be less but cannot 100 % liquidate”*

But still work on this risk is going on in some places Bio matrix device given to customer but not possible to treat each customer in a same way but advance technology introduced so you can easily make transaction through bio matrix, currently if you leave credit card other channel security already build.

New technology facilities the banks to introduction of new products in banking and helps bankers in the number crunching work involved in consolidations of returns, reconciliation etc. However, the rate of success of these new products will depend on the suitability of the technology selected for introduction in banks. Besides, well trained in house manpower, proper succession planning of staff and planned implementation strategy supported by adequate marketing thrust will facilitate the success of these products. In a network environment involving computer security issues assume a more critical dimension. A well-defined computer security and audit plan will ensure the long term success of IT plans of Banks.

#### **4.5 Standard operating procedures and Stakeholders**

The respondent said, *“Every employee of bank should follow the SOP of Banks”*. He further said, *“We know Customer perceive instant response and matter resolve but there are limitations”* but technology work on it various improvement in some scenario your transaction account debited but customer account not credited so they reach you instantly it takes normally 7 to 15 days to resolve customer is always right but being a banker there is certain limitations and we try to improve service. Normally customer think only his problem is on list but we have a certain queue issue lock but didn't resolve but that query go through different department it take 2 to 3 days to reach the concern department. It doesn't means we relaxing, if there is no customer how bank runs.

There are mostly two type of things for suppose the customer complain his account debited and not credited to another account if it's internally then followed instantly if it's one link then we have a reconciliation department we follow up from them the actual amount is settled or not. If it's settled, sometime customer think that his own bank issues but exactly it is not on the other hand receiving side has the issues then we correspondence with one link, then one link with them if its take time them if an issue related to IBFT one link from other bank this the channel if any complain we have a group of complain amendment all stakeholder involve in it we generally resolve in this way.

The banker or complain resolution department send the complaint to the concern department & then pertain department get stakeholder in loop to solve the problem sooner. This process takes time normally 7 to 15 days to get complaints resolve by following banking standard operating procedures.

#### **4.6 Competence**

Competency is also important factor in banking industry. Responded said, *“Competence means that possession of*

*the required skills and knowledge to perform the services*". The banks should be Technology oriented, secure and competent. For that purpose we are working on it, mostly problem occur in Complaint resolution bank should see there call centers compliant tact normally IBFT 15 days it should be less days, if my huge amount stuck it's not my mistake why should I wait for 15 days bank should pay to customer, in different bank if its small amount they are giving profit to customers, if customer have a complaint or pin issues. To increase competency in banking industry bank should conduct some awareness programs for customers and give knowledge about the required skills to perform the services, especially if we see our major cities Karachi Islamabad Lahore or rural and urban areas. Mobile banking might be used in retailer shop or bill payments, if we take out all these big cities the ratio for this industry have a charm and work can be done bank should consider it. Timely resolve, or give profit to customer, ultimately at that time bank directly not doing payment after settlement it still in their account if transaction justifiable they should increase infrastructure to resolve complain SBP should consider it and customer can avail any benefits.

#### 4.7 Access

When asked about the factor of access, the respondent said "*access is an important factor for banking services*". Bank XYZ has paid more attention to it. In order to make our bank easier to reach, the branches network is well designed. In addition, more opportunities are designed for Internet and telephone banking services. He also added, "*After providing electronic services, customers can reach the bank the whole day*". They can do business anywhere instead of going to bank so often. Moreover, they use the business in the evening or at night and don't need to be worried about the security.

### 5. Discussion & Conclusion

The core objective of this research is to identify the persistent issues by using electronic banking and its best possible solutions in Pakistan. The researcher took banking perspective to achieve research questions by conducting face to face interview. Electronic banking includes phone or mobile banking, Internet or online banking and email banking. After realizing the interview, the researcher can conclude that the banking Sector or industry, bringing up new product called online banking or e-banking. Customer needs and requirements are changing day by day so it is an important for the banks to establish the latest information technology system to compete more effectively in this global world. Customer wants instant response, access, convenience and security. The respondent highlighted the some main issues of electronic banking which customer face; including Non availability of sufficient cash in ATM in particular occasion and time, Link down, customer account debited but receiver's account is not debited, pin generation process and card blocking process and any cash transaction related problems. The ideal time for resolving any issues related to Alternative delivery channels are 7 to 15 days. According to the respondent, In Pakistan only 3 to 4 percent using electronic banking, 96 to 97 percent population are still not using Electronic banking. Further analyze that, only metropolitan citizens are mostly use the electronic banking for their convenience. The people of rural areas are still prefer 9 to 5 banking and dealing in hard cash instead of plastic money. As far as solution concern, The Banks now use different mobile applications app, MAC ID system and code generation to double verify the PIN in online banking to secure the customers transactions. Like, in phone banking, the phone banker requires some personal information to verify the customer on call. The respondent's bank introduce the new concept to keep in touch with customer. For service improvement in respondent's they took initiative if in call center line are busy so customer receive message to enter CINC and we will call back, in this way customer complain are resolving soon. If we leave call and provide portal to customers and login complains and timely feedback update this initiative is good for service quality in banking sector. Security in the most important threat in electronic banking in Pakistan. The process of complaints solving is not just in phone banking officer, this process also include the stakeholders and departments in which complaints are pertain. Information technology plays an important role in electronic banking. New technology facilities the banks to introduction of new products in banking and helps bankers in the number crunching work involved in consolidations of returns, reconciliation etc. However, the technology brings easiness, reliability and competence. The rate of success of these new products will depend on the suitability of the technology selected for the customers in banks. A well-defined security system and audit plan will ensure the long term success of IT plans of banks. During the process in present research, some other interesting opportunities and recommendations are identified for banking industry,

- The banking industry should implement the whole Service quality factors in Electronic banking.
- The whole banking industry should adopt a Call Back services in Phone banking.
- The banks should conduct an informative seminar before installing or implementing new technology, which guides about the required skills for using new technology.
- The complaints resolution time should be minimize as customers wants instant response.
- Identify the reasons behind why 96 to 97 percent populations are not using the Electronic banking.
- The bio matrix system should be install in metropolitan or urban and rural area for customer easiness.

Secondly, due to the time constraints to conduct this study the researcher further suggest some other important areas for future researchers. These are,

- Barriers for Electronic banking to conduct excellent services.
- Service quality and the importance of customer role in banking sector.
- Service quality and customer satisfaction in electronic banking.

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