Ivan Ashley F. Jaminal IT4B

**5 issues of E-banking**

**1. Traditional Banking Habits**

Despite the benefits of online banking, 49 percent of American adults do not participate in it at all. This happens mainly because traditional banking is what many people are used to and it can take time for them to break habits. So, online banking marketers should focus on ways to convince traditional banking users to start using online banking services.

These marketing efforts should specifically highlight the numerous benefits of online banking. They need to show people how online banking can solve traditional banking problems more efficiently(having to actually go to bank branches, higher fees, etc.)

**2. Security**

Security is one of the most significant challenges for online banking marketers. This is because, in the past, if a robber was going to steal a person’s bank savings, he or she would have to break into the bank vault, and make a daring escape with the money. This was an extremely difficult prospect and involved a lot of danger and risk.

With online banking, cyber criminals simply need to ascertain certain personal information to break into a person’s account and steal their money. It can be done anonymously, and involves significantly less physical danger than in the past.

In fact, in the U.K. in 2015, roughly 130 million British pounds were stolen from online bank accounts through fraud. So, security is still a major issue for online banks, and their customers.

Marketing professionals in the online banking sector need to focus on demonstrating and explaining the security of online banks to overcome this challenge.

**3. Transaction Difficulty**

It can be significantly more difficult and time consuming to deposit or withdraw money from an online bank. Not only do online banks often have fewer ATM’s than their traditional counterparts, but it also can simply take longer amounts of time for deposits to be processed and put into a bank account.

For example, it takes roughly 3-5 days for deposits to show up in accounts for PayPal, one of the largest online banks. This is an issue that online banking marketers will most likely struggle with, until online banks speed up their transaction times.

**4. Technical Issues**

Because online banks rely so heavily on their online platforms, this means that they can generate substantial losses if their systems crash or if there are bugs in their code. A single technical issue that causes a bank to be down for a day could cost the bank millions in losses.

It can also wreak havoc for the bank customers who may not be able to make payments or conduct transactions during the time that the site is down. 54 percent of consumers now use a mobile banking app. So, it is key not just for banks to have their online platforms running smoothly, but also, their mobile apps.

A loss of funds or data due to a crash is something that can be very worrisome for bank customers. So, marketers should prioritize alleviating this worry by explaining how account funds will not be lost if technical issues occur.

**5. Small Budgets**

Many startups have to operate on shoestring marketing budgets before they grow to a larger size. Obviously this can be a major challenge. If your marketing budget is small, then you need to focus on the priority expenses.

The inbound marketing strategies of creating a search engine optimized website, making accounts for all of the biggest social media networks (Facebook, LinkedIn, Twitter, etc) and starting a blog should all be prioritized.

**Summary**

Online banking is one of the most significant developments for the banking industry in its long history. However, despite the many benefits that online banking provides to customers, there are also a number of major concerns and challenges for marketers in the online banking sector.

Traditional banking habits, security, technical issues, transaction difficulties, and small marketing budgets are all major challenges that online banking marketers will have to reconcile if they are to succeed in this field. However, demand for this industry continues to be very strong. So it is likely that online banks will only grow more advanced and successful as they strive to resolve their marketing challenges.

**Involvement**

Using Credit Card for Paying Bills in Electricity bill, Water bill, Governement Services, Telco, Broadband, Cable. 