



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

“A COMPARISION OF PUBLIC AND PRIVATE SECTOR USE OF THE INTERNET FOR BANKING”

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Abstract

E-banking has a crucial function to play in the current environment. No bank can function without e-banking. In this analysis, we look at how much e-banking is used by banks in the public and private sectors. (With regard to HDFC Bank and SBI) The study's goal is to determine employee perceptions of e-banking use in public and private sector banks as well as consumer satisfaction in regard to e-banking. Both primary and secondary research methods are used in this study. Research revealed client perceptions of employee happiness and service quality in online banking services. Also, this study compares SBI and HDFC bank's working styles with those of public and private sector banks.

Keywords: consumer, internet, and e-banking.

Introduction

Since they are the largest providers of credit and draw the majority of the population's savings, banks play a crucial role in the Indian financial industry. All countries must have a banking system in order for their economies to develop since it contains the key to success and acts as a gauge of a nation's overall health. The banking sector is one of our nation's most prosperous and resilient industries

The banking structure is impacted by an economy's shifting external environment. Two phases of nationalisation, the establishment of RRBs, the entry of private sector banks and foreign banks, and now the advent of e-banking are some significant and significant developments that occasionally alter the structure and operation of the banks in the Indian setting. According to the Reserve Bank of India Act of 1934, Indian banks are divided into two categories: "Schedule Commercial Banks" and "Non-schedule Commercial Banks." State Bank of India, which represents public sector banks, and HDFC Bank were chosen as the study's banks. Represents the private sector; they are the biggest banks in their industry based on number of locations, clientele, and net value.

A dynamic blend of public and private ownership in banks is demonstrated well by the successful restructuring of public sector banks. The expansion of newly licenced private sector banks, some of which have acquired the highest standards in the world in terms of technology, services, and complexity, is a notable aspect of India's banking reforms. These locally promoted banks have outperformed foreign bank branches in India in several performance-related categories, and they could serve as an example for other banks.

Objectives

1. To compare public and private sector banks from an e-banking standpoint.
2. To check how satisfied clients with the current banking services.
3. To identify the primary factor pushing individuals towards e-banking.
- 4 To compare banking services of both public and private sector banks demographically.
5. To determine whether or not e-banking is affordable for both banks and clients.

Review of Literature

Limboore, Nilesh (2014) A STUDY OF BANKING SECTOR IN INDIA AND OVERVIEW OF PERFORMANCE OF INDIAN BANKS WITH REFERENCE TO NET INTEREST MARGIN AND MARKET CAPITALIZATION OF BANKS. Review Of Research. 679. 1-11. Finance and banking is the life blood of trade, commerce and industry. Now-days, banking sector acts as the backbone of modern business. Development of any country mainly depends upon the banking system.

VS Sundram and Ashish Gupta (2015). An empirical examination of a comparative study of Indian banks from the public and private sectors. Both public and private sector banks are major contributors to the expansion of the Indian economy. The current study sought to analyse and contrast the financial results of a few Indian public and private sector banks from 2009–10 to 2013–14. Data for five years has been gathered from the official websites and annual reports of public sector banks (Bank of Baroda, Punjab National Bank, Central Bank of India) and private sector banks (ICICI, HDFC, and Axis). The majority of the secondary data used in this study is based on financial ratios. Several chosen factors, including assets, net profit, interest income, and deposits

Dr. M.Kumarswami ,Jayprasad D (2014),The study was based on Customer Relationship Management in KaveriGrameena Bank, The respondents have shown unfavourable views with respect to banking experience, transaction accuracy and promptness. However, customers share positive views concerning bank trustworthiness and accuracy of banking solutions. Therefore, it can be argued that customers trust their bank. Indeed, trust is seen as a critical construct in a range of discipline areas including CRM. Further, within the realm of relationship marketing, trust has been recognized as an important variable for the success of relationships in the banking sector.

N.Satghiya(2013),A study on customer relationship management practises (with reference to salem district .In the study The total number of Public Sector Banks, 5 Private Sector Banks, in the Salem district has been taken into consideration to decide about the number of banks for the purpose of study in each category. 2. By the above process totally 22 banks were chosen for the purpose of study. From each of the 22 banks 25 customers were selected as respondents. 3. The branches situated in the North, South and Central part of the Salem district were covered for the purpose of study. The findings says that the customers of banking industries strongly believed that advertisements, reports, communication, guidance, may I help you counter, information pamphlets and ombudsman committee role to achieve the customer satisfaction. The customer staff relationships in CRM depend upon employee's personal touch with their customers and employee's performance.

Malhotra (1999) in her study, "Banking Sector Reforms: Experience of PSBs", has analyzed the performance of PSBs as a result of banking sector reforms. The study is divided into two parts. In the first part, a brief review of banking reforms has been made. The major reforms being deregulation of lending/deposit rates deregulation of entry, revamping of branch licensing policy, measures to improve the financial health, measures to improve the operating efficiency and reserve pre-emption. In the second part, the researcher has discussed the impact of banking sector reforms on PSBs, after dividing the reform period of 1992-98 into two phases. Phase-I pertains to the period 1992-93 to 1995-96, and Phase-II to the period thereafter. The profitability of the banks became negative from 0.28 per cent in 1991-92 to -0.99 per cent in 1992-93 and further 1.15 per cent in 1993-94. The situation started improving in 1994-95 but the negative trend continued again in 1995-96 (-0.07 per cent), however, the profitability has improved during 1996-97 and 1997-98. The study brought that there has been a positive effect of reforms on the profitability performance of the banks.

Research Methodology

The term "research" is used to denote a variety of related and frequently overlapping tasks involving a fact-finding effort. Searches for information, as opposed to knowledge or analysis and solutions, are typically answered in a single source. The banks chosen for this study are State Bank of India, which represents the public sector, and HDFC Bank, which represents the private sector. The banks were chosen primarily based on two criteria: the first was convenience during the research, and the second was cost.

The diversity of the banks and their prominence in their respective sectors are the second factors, both of which stem mostly from the same city Ahmedabad literature reviewed that E-banking has emerged to be beneficial for both the financial institutes and the customers. Also, for a bank to survive in this cut-throat competition it is important to offer the best products, with quick service, with complete security features and to be up-to-date with the RBI guidelines, therefore a comparison between public and private sector banks was also necessary to understand the market situation of e-banking better from both customers' and the bank employees' perspective.

This forced the researcher to select this as a topic of her research. This research would help both the e-banking customers and the banks, not only selected for the study, but also for the other banks. To the best of knowledge and belief no research work from this angle has been undertaken by anybody till now.

Sample Concept

50 people made up the study's sample, and the results were gathered using a questionnaire. We spoke with the respondents face-to-face both inside and outside the banks. We evaluate the journals and publications published at various websites on the internet while considering secondary data. We physically visited HDFC and SBI for the most recent information. The data was gathered and analysed in accordance with the socioeconomic background of the respondents, taking into account factors like education, age, income, marital status, etc.

Data Gathering and Analysis

The deregulation and liberalisation of the government's economic policies during the 1980s and 1990s led to significant changes in the Indian financial sector. Different economic strategies are taking shape in India, along with a bold goal for expansion. Additionally, there were changes in the financial and capital markets. To increase client happiness, the banking industry implemented marketing concepts. By fostering competition in the banking industry and the introduction of new financial services, such as Internet banking, Portfolio Management, Venture capital, etc., the policy of privatising banking services strives to meet the requirements of the general public. Modern banking professionals place a high priority on improving operational effectiveness and customer happiness.

Age:

Particulars	%age of respondents
18-25 years	20%
26-30 years	30%
31-40 years	20%
41-50 years	10%
51-60 years	10%
Above 60 years	10%

Analysis & Interpretation:

From the above study we find that nobody is below 18 age and 20% respondents are between 18-25 age group, 30% respondents are between 26-30 age group, 20% respondents are between 31-40 age group, 10% respondents are between 41-50 age group, 10% respondents are between 51-60 age group, 10% respondents are between above 60 age group

Gender

Particulars	No. of Respondent	%age
Male	70	70%
Female	30	30%
Total	100	100%

Analysis & Interpretation:

Based on the results above, we may infer that, out of 100 respondents, 70 are men and 30, or 70% and 30% respectively, are women. We can infer from the data above that most of our respondents are men.

Education

Particulars	No. of Respondents	%age
High school	4	4%
Intermediate	14	14%
Graduate & Professional	46	46%
Master Degree	36	36%
Total	100	100%

Analysis & Interpretation: From this analysis shoes that out of 100 respondents, 4% respondents are high school, 14% respondents are intermediate, 46% respondents are graduate & professional, 36% respondents are master degree. All the respondents our survey are qualified. From the above data we conclude that most of our respondents are Graduate & professional degree holders

Marital Status

Particulars	No. of Respondents	%age
Married	40	40%
Unmarried	30	30%
Widowed	20	20%
Divorced	10	10%
Total	100	100%

Analysis & Conclusions: Based on the aforementioned survey, we may infer that, of the total respondents, 40% are married, 30% are single, 20% are widowed, and 10% are divorced. Marriage accounts for the majority of survey respondents.

Profession

Particulars	No.of respondents	%age
Govt. employee	40	40%
Private employee	30	30%
Businessman	20	20%
Student	5	5%
Homemaker	5	5%

Analysis & Interpretation: According to the aforementioned study, out of a total of 100 respondents, 40% work for the government, 30% for private employers, 20% are entrepreneurs, 5% are students, and 5% are stay-at-home moms. Most of the people who responded to our survey work for the government.

Monthly Income

Particulars	No of respondents	%age
10,000-20,000	25	25%
20,000-30,000	20	20%
30,000-40,000	20	20%
40,000-50,000	15	15%
Above 50,000	20	20%

Analysis & Interpretation: According to the aforementioned study, 25% of respondents earn between \$10,000 and \$20,000 annually, 20% between \$20,000 and \$30,000, 20% between \$30,000 and \$40,000, 15% between \$40,000 and \$50,000, and 20% above \$50,000. The majority of our survey participants earn between \$10,000 and \$20,000 each month.

1. The respondents were asked about which category of the banks do their consider as most technologically advance

Bank sectors	No. of respondents	%age
Public banks	24	48%
Private banks	26	52%

Interpretation: It was discovered that the majority of respondents utilised private banks' most cutting-edge technology services, whereas public sector banks' usage was less prevalent.

INTERPRETATION: we can infer that the majority of individuals are impacted by the technology being utilised, the trust that the bank offers, and the quality of service, which is given less weight than other factors.

2 The respondents were asked about how familiar are they with computer usage level of their bank.

Reasons	No. of respondents	%age
No knowledge of computer	15	4%
Beginner	14	28%
Average knowledge	11	22%
Advance computer knowledge	8	16%
Expert	2	30%

INTERPRETATION: we may infer that the majority of those impacted by the bank's expert are given less preference than others and lack computer literacy.

3. The respondents were asked about customer level of usage of technology.

Reasons	No. of respondents	%age
Connected to the internet at home or work to do their financial transaction	4	8%
Uses E-mail	19	38%
ATM/Debit card service	18	36%
Credit card service	7	14%
Online banking service	2	4%
E- payments	0	0%
EFT/NEFT/RTGS	0	0%

INTERPRETATION: The aforementioned graph revealed that 38% of respondents, or the majority of the population, utilise email. It is obvious that neither e-payments nor NEFT/RTGS received any responses.

4. The respondents were asked about how frequently do they use the following banking services per month.

Reasons	No. of respondents	%age
Branch banking	2	4%
ATM	15	30%
Internet banking	16	32%
Tele phone banking	12	24%
Mobile banking	5	10%

INTERPRETATION: It can be seen from the graph above that 32% of respondents use internet banking, which is available to the majority of people. It is obvious that branch banking accounts for 4% of respondents overall. Due to ATM services, telephone banking, mobile banking, and internet banking, all of which were very pleasant, branch banking was not available.

Findings and Study's Conclusion

- More individuals have accounts with private banks.
- Public sector banks have a higher than average number of customer problems.
- The public wants the employees of public sector banks to behave differently.
- The majority of respondents said they did not wish to change banks.
 - It is abundantly obvious from the aforementioned study that private banks offer superior services to nationalised banks. 90% of respondents agreed that private banks offer superior services to nationalised banks, while only 10% disagreed.
- 40% of those surveyed claimed that bank workers never pay them any attention, and 10%

Respondents stated that bank officials do not offer solutions to their difficulties. the rest of 50% of respondents respond favourably to the bank's favours. 20% of respondents stated bank executives greet them with a smile while 30% of respondents preferred that bank executives fix their problems. Thus, the answer is varied.
- It is evident from the report above that banks do not have any client gatherings. 100% of respondents responded that their bank does not host client meetings to address their issues. In order to match the current demand for customer satisfaction, the bank should arrange customer meetings.
- According to the aforementioned study, 60% of respondents claimed their bank informs them periodically about the newest capabilities, while 40% indicated their bank does not.

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