



A STUDY ON ROLE OF BANK DURING COVID-19

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ABSTRACT

COVID-19 outbreak has hampered the Indian Banking operations and overall banking sector. Not only banking sector but it has severely affected every industry across the globe. As industries are attempting to recover, there is need of some solid measures and strategic initiatives. India's coronavirus outbreak threatens a years-long clean-up of its financial system, according to the Indian bank. Banks sit at the heart of the economy and provide funding to corporate and individuals. The primary Data of this research collected from 107 Bank user customers who situated in Mumbai. Secondary data is gathered from various articles Published by various authors. A questionnaire was designed consisting three statement based on 4 likert scale. Statement fell into three categories, viz. Bank customer's satisfaction while using online banking during Covid Pandemic, Problem faced by peoples while doing banking during covid pandemic and analysis of e-payment during covid. To explore internet banking to analysis how banks were useful during covid -19 for making payments. To understand problem faced by customers while making online payment during covid pandemic.

KEY WORDS: banks during covid-19, impacts on banks, covid-19

INTRODUCTION

A bank is a financial institution that accepts deposits and lends money to individuals, corporations, and governments in need. Banks are regarded as reliable all around the world. When a person deposits money in the bank, regardless of the quantity, the person understands that the investment will be safe in the bank as opposed to elsewhere. Aside from that, banks offer a variety of services such as loans, fixed deposit schemes, debit and credit card services, and so on. There are currently 34 banks in India, 12 of which are public sector banks and 22 of which are private sector banks. Coronavirus first appeared in India in January 2020, affecting millions of people worldwide and resulting in thousands of deaths. To resist COVID-19, the Indian government declared a complete lockdown of the country on March 24, 2020, which was later extended till May 3, 2020. Many nations throughout the world have taken similar steps. However, the Indian government's efforts to contain the development of the covid-19 pandemic had a negative influence on the country's GDP. The banking sector is one of the most significant sectors of the Indian economy, as it is responsible for all financial activities in the country and serves as a support system for all businesses in terms of financing, credit, transactions, collection, and payment, among other things. Covid-19 has had a huge impact on the Indian banking sector's performance in terms of profitability, advances, and so on. During the pandemic, Indian banks encountered difficulties, which impacted their profits. They've faced numerous obstacles, and the measures they've implemented have had an influence on their financial accounts. One of the most significant effects was the rise in non-performing assets (NPAs), non-repayment of loans, and credit demand. As a result of these factors, banks' profitability is expected to decline starting in 2019. The Reserve Bank of India and the Indian government took several policy measures at the national and state levels to mitigate the impact of COVID-19 on Indian banks. The banks have dominant position in India's economy and it is major contributor towards employment in India. Unfortunately, many of the performance indicators of India's banks have faced negative situation since last five years. Banks are the lifeblood of the economy; they keep the system going and execute the majority of the tasks required to keep the country's economy running efficiently. Banks play a key role in providing capital to companies looking to develop and invest. For economic growth, loans and company investments are critical. The century's black swan event, Covid-19, has had a tremendous impact on India's economy. The Indian economy was in poor health before to the emergence of Covid-19, and it has had a significant influence on the country's financial system. According to a Hindustan Times, Covid 19 has an impact on 70% of the banking sector's debt. It has touched 19 sectors with a total debt of 15.5 lakh corers that were not in distress prior to the pandemic.

OBJECTIVES

Following are the objectives of the research:

- To explore internet banking
- To analyses how banks were useful during covid -19 for making payments.
- To understand problem faced by customers while making online payment during covid pandemic.

• Review of Literature

- Following are the literature review for the present role of bank during covid-19
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- Literature Review
- **Dr. Priyanka Bobade AND Prof. Anu Alex (2020)¹** Aims to study the effect of covid-19 on Indian banking sector and to study the Change in RBI policy due to COVID-19. To find out solution for Indian Banking system to face COVID-19 Pandemic. The Research is based on the secondary data. For the Research paper data is collected from Reserve Bank of India Website, Reserve Bank of India Manual, Guideline provided by RBI in their manuscript, Books, Internet, Magazines and Newspaper As situation change due to COVID-19 pandemic government encouraging people to design innovative business model for the new industry environment. Focusing on build robust digital ecosystem leveraging latest technology.
- **Vikas Kumar and Sanjeev Kumar (2021)²** has done a critical analysis of Impact of Covid-19 on Indian Economy with Special Reference to Banking Sector. To find out the policy measures taken by govt of India and RBI to improve the economic crisis. As stated earlier current research is entirely based on secondary data to assess the impact of COVID-19 on Indian Banking Sector & other financial Institutions. This secondary data has been collected from the reputed English newspapers, magazines the current article gives an overview of the impact of COVID-19 situation on Indian economy and its banking sector.
- **Marcu, M. R. (2021)³** has revealed the Impact of the COVID-19 Pandemic on the Banking Sector. The aim is to understand how the banking industry can cope with complex crises and to identify how complex crises challenge managerial practices in the banking industry The COVID-19 pandemic has accelerated digitalization in the banking system although, the need for innovation and digital strategies have been an important factor in banking even before the pandemic had started The literature regarding the COVID-19 pandemic and its implications for the banking system is still developing since the pandemic is an unfolding new experience for the world.

- **Raphael Auer, Giulio Cornelli and Jon Frost (2020)⁴** purpose of study Covid-19, cash, and the future of payments. The Covid-19 pandemic has fanned public concerns that the coronavirus could be transmitted by cash. In past crises, demand for cash has often increased, as consumers have sought a stable store of value and medium of exchange.³ At the current juncture, data do not yet paint a uniform picture. The Covid-19 pandemic has led to unprecedented public concerns about viral transmission via cash. Central banks report a large increase in queries from the media on the safety of using cash.
- **Claudia Ruiz-Ortega, Asli Demirguc-Kunt, Alvaro Pedraza (2020)⁵** has highlighted Banking Sector Performance During the COVID-19 Crisis. The data set includes information on the daily stock prices, quarterly financial statements, and state ownership. We choose only stocks traded on major exchanges. The results suggest that the crisis and the countercyclical lending role that banks are expected to play have put banking systems under significant stress.
- **Mayank Jindal (2020)⁶** aims to analyze Usability of Online Banking in India during Covid-19 Pandemic. The purpose of this study is to assess the contribution of online banking to stop the pandemic of Covid-19. . A survey has been conducted within the Bulandshahr District of Uttar Pradesh state. Primary data have been collected from the city area of Bulandshahr by using questionnaires. As per the sampling and response, people feel 89.12% safe in using online banking. People felt completely safe from the COVID 19 virus in the online payment of bills and recharge of prepaid mobiles & dish TV and Transfer of Cash for other works.
- **Ashish Bagewadi, Devang Dhingra (2020)⁷** purpose of study is to Analysis of Banking Sector in India: Post Covid-19 to understand the financial impact of Covid-19 on the banking sector by taking select banks into consideration. The data has been collected by administering a self-structured questionnaire to them. This helped to improve the questionnaire and gave an indication about the responses that would be seen. Customers banking practices and ways have also changed a lot, their trust in the online banking services has increased and have started using that more than going to the bank personally to get things done.
- **Dr. K. Sunitha (2020)⁸** the objective of study is to investigate the role of internet banking during pandemic period to investigate customer awareness of internet banking. To determine the level of trust that customers have in these services. A survey was done in Hyderabad district of Telangana state. Questionnaire were used to obtain primary data from the respondents. The majority of people have begin to use internet banking and avoiding physical currency to purchase any goods any financial transactions.

- **Dr. Asif Perwej(2020)⁹** aim to analyze THE IMPACT OF PANDEMIC COVID-19 ON THE INDIAN BANKING SYSTEM The COVID-19 aimed to demonstrate an impact of Pandemic covid-19 on the banking and financial sector. India's coronavirus outbreak threatens a years-long clean-up of its financial system, according to the Indian bank. Banks sit at the heart of the economy and provide funding to corporate and individuals. Their stability is crucial to keep the system up and running. To managing the direct economic impact of the coronavirus, banks need to have a plan in place to protect employees and customers from its spread. Many banks are already starting to encourage Remote working of some employees. The operational and technical challenges for both the customers and employees highlighted a deficiency and the general lack of agility in our bank systems when faced with an emergency situation.
- **Dr. Shubhangee Ramaswamy, Dr. Rajeshree Khande, Dr. Yashwant S. Patil and Dr. Parag Kalkar(2021)¹⁰** the purpose of the study on ADAPTING DIGITAL BANKING SERVICES DURING COVID-19 PANDEMIC: A STUDY ON CUSTOMER EXPERIENCES IN SELECTED DISTRICT OF MAHARASHTRA STATE, INDIA To study the effect of covid-19 pandemic on Digital Banking Services To conduct customer experience survey regarding usage of Digital Banking Services during Pandemic in the selected rural and urban region on Maharashtra State, India In the present study efforts were made to understand the growth of digital banking services and related customer experience by means of collecting firsthand information from customers. The customer experience is studied on the basis of selected parameters like: trust on digital banking services (DBS), Preference towards nationalized, cooperative and private banks, widely used transaction type Banks need to implement an event-driven technology architecture to make every interaction smart and contextual. Focusing on the customer experience is the winning strategy during and post crisis.
- **REASERCH METHODOLOGY**
The primary Data of this research collected from 107 Bank user customers who situated in Mumbai. Secondary data is gathered from various articles Published by various authors. A questionnaire was designed consisting three statement based on 4 likert scale. Statement fell into three categories, viz. Bank customer's satisfaction while using online banking during Covid Pandemic, Problem faced by peoples while doing banking during covid pandemic and analysis of e-payment during covid.

5. DATA ANALYSIS AND INTERPRETATION

Data analysis was done with the help of frequency distribution method and following are results:

5.1. Profile of the respondents

- Out of 107 respondent, majority of the respondent were male i.e. 54 respondents. And age of majority of the respondent lies between 18-29 years. Many of the respondent were graduated. Out of 107, majority of the respondents were students i.e. 64 respondents. And their income is less than 10000.
- Majority respondents i.e. 57 respondent (53.3%) have account in public bank, 49 (45.8%) respondents have account in private bank, 14(13.1%) per cent have account in co-operative bank. Majority of the respondents have accounts in state bank of India, hdfc, bank of Baroda, icici, kotak Mahindra bank. Out of 107 respondents (90.7%) have an saving account (11.2%) per cent have an current account (11.2%) per cent have salary account and (1.9%) per cent have fixed deposit account
- 84(78.5%) respondents are using net banking services 23(21.5%) respondents are not using net banking services. Out of 107 50(46.7%) were using NEFT SERVICES, 41(38.3%) were using IMPS SERVICES, 10(9.3%) were using ECS SERVICES, 6 (5.6%) were using RTGS SERVICES during covid-19.
- Out of 107 respondents 82(76.6%) security, 22(20.6%) poor internet connection, 10(9.3%) merchant acceptance, 6(5.6%) cost, 14(13.1%) lack of knowledge have biggest concern about online payments. Out of 107 respondents 57(53.3%) net banking, 13(12.1%) credit card, 33(30.8%) debit card, 26(24.3%) cash, 16(15%) e-wallet, 50(46.7%) mobile apps, 5(4.7%) cheque has been preferred mode of payment since March 2020.

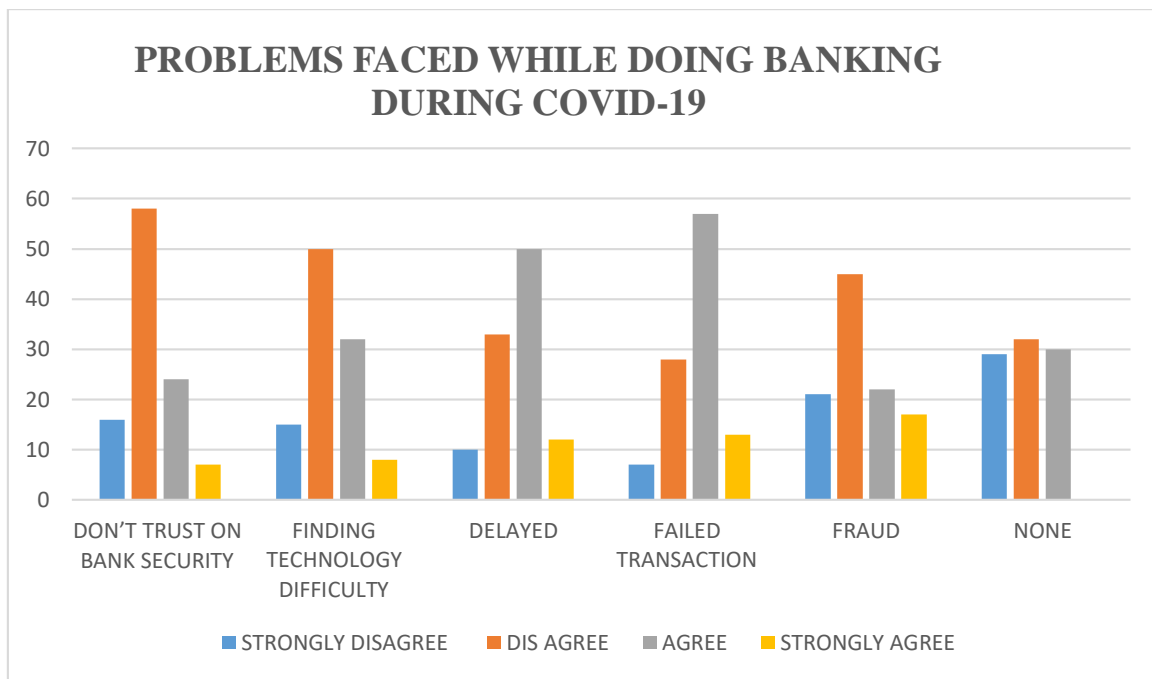


CHART 1 PROBLEMS FACED WHILE DOING BANKING DURING COVID-19

THE ABOVE STUDY REVEALS THAT

- (16%) strongly disagree, (58%) disagree, (24%) agree, (7%) strongly agree that don't trust on bank security.
- (15%) strongly disagree, (50%) disagree, (32%) agree, (8%) strongly agree that they are finding technology difficulty.
- (10%) strongly disagree, (33%) disagree, (50%) agree, (12%) strongly agree that transaction got delayed.
- (7%) strongly disagree, (28%) disagree, (57%) agree, (13%) strongly agree that got failed transaction.
- (21%) strongly disagree, (45%) disagree, (22%) agree, (17%) strongly agree that fraud Happens.
- (29%) strongly disagree, (32%) disagree, (32%) agree, (0%) strongly agree that they don't faced any problem.