

A Comparative Study Of E- Banking on Private and Public Bank

Ms. Riddhi Gurunath Patil

Student, M. Com, Advanced Accountancy

SIES (Nerul) College of Arts, Science and Commerce (Autonomous), Navi Mumbai, India

simramp@itm.edu

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Abstract—The paper presents the comparative study between the private banks and public banks in electronic banking in different cities. E –banking is the provision of banking service through electronic channels and the customer can access the data without any time and geographical limitation. This paper identified the how much electronic banking adoption in different Banks in Nerul city. Also, comparative study of banks in different region to analyze ATM, Net banking, Mobile banking services used by user in that bank. the Paper is basically concerned with the customer aspect of electronic banking searching for customer satisfaction level and adoptions of banks. This is a comparative study of public banks and Private bank.

Index Terms—Mobile banking, ATM, Internet banking.

I. INTRODUCTION

In Today's scenario role of e-Banking is very valuable. Without e-Banking no banks can work. In this study we analyse, how e-banking used in Public and Private sector banks? Objective of study is to find the customer satisfaction in respect of e-banking and the perception of employees for using e-banking in Public and Private sector banks. The method of the study is Primary and Secondary both. Study showed perception of customer regarding service quality and satisfaction of employee in internet banking services. As well as this study analyse the working style as a comparison between Public and Private sector banks.

Banks plays a very important role in the Indian Financial Market as they are the biggest purveyors of credit and attract most of the savings from the population. Banking is necessary for the economic development of all the nations of the world because a developed banking system holds the key as well as a barometer for the economic health of a country. Banking Industry is one of the most successful and strong industry of our country. Banking structure is affected by the changing

environment of an economy. In Indian context, there were two phases of nationalization, introduction of RRBs, entry of private sector banks and foreign banks and now e-banking are some important and major changes that affect the structure as well as functioning of the banks from time to time. E-banking facilities typically have many features and capabilities in common, but also have some that are application specific.

II. LITERATURE REVIEW

1. “Internet Banking as a tool for Customer Relationship Management

A Study on Customer Perspective”, Krishnamurthy, V. and R. Srinivasan (2013) This study intends to throw light on customer perception on internet banking which serves as a tool for Customer Relationship Management (CRM). Data was collected from 154 respondents who are exposed to Internet Banking. This study clearly indicates that banks are facing difficulty in retaining their existing customers, for which either they need to come up with innovative, customized products or they need to develop trust with their customers and maintain the relation with them.

2. “Customer Perspective on E-Business Value

Case Study on Internet Banking”, Safeena, Rehmath (2010) In this research paper she has determined the consumer’s perspective on internet banking adoption. Though customer acceptance is a key driver determining the rate of change in the financial sector. This study aims at examining the impact of perceived usefulness, perceived ease of use, consumer awareness on internet banking and perceived risk on the acceptance of internet banking by the consumers. The result of this study concludes that majority of customers are accepting online banking because of many favorable factors. Analysis concluded that usefulness, ease of use of the system awareness about online banking and risks related to it are main perusing factors to accept online banking system. These factors have a strong and positive effect on customers to accept online banking system.

3. “User Friendly E-Banking”, Rourke, Chris (2004)

This article discusses the importance of usability within the e-banking sector and identifies common usability problems and ways to resolve them. Research shows 50% of perspective customers registering for online banking bail out before signing up, mostly due to problems navigating the site, completing online form, security fears, and understanding content and feedback. It is widely recognized that online banking provides more revenue per customer and costs less per transaction than any other channel, including phone banking. Banks aiming to profit the most from the increase in online banking volumes should consider the usability and accessibility of all aspects of their site to welcome them.

III. RESEARCH METHODOLOGY

Research is an art of scientific investigation. In other word research is a scientific and systematic search for relevant information on a specific topic. The logic behind taking research methodology into consideration is that one can have knowledge about the method and procedure adopted for achievement of objectives of the project. Its main aim is to keep the researchers on the right track.

Scope of study

1. The study will be able to prevail the preferences, need, perception, of the customer regarding the E - Banking services of public sector and Private sector bank.
2. It also helps the Banks to know whether the E - Banking services can really satisfy the customer needs.

Objective of Study

1. To study public sector banks v/s Private sector banks from the E-Banking perspective.
2. To find the bank sector that are largely availed by the customer.
3. To find and compare the satisfaction level of customers in public sector as well as Private sector bank.
4. To study the factors influencing the choice of a bank for availing service.
5. To study the awareness of internet banking among the customer of Public and Private Bank.
6. To find the most important factor that is inducing people towards e-banking.
7. To investing whether e-banking is cost effective for both the banks and the customers or not.

Hypothesis Research

Hypothesis Testing 1

H1: There is no significant difference in the effectiveness of the e-banking services provided by the selected public and private sector banks.

H0: There is no significant difference between the responses of the customers of the selected public and private sector banks on various parameters for comparison of e-banking with traditional banking.

Hypothesis Testing 2

H1: There is no significant difference between the responses of the customers of the selected public and private sector banks on various parameters for comparison of e-banking with traditional banking.

H0: There is a significant difference between the responses of the customers of the selected public and private sector banks on various parameters for comparison of e banking with traditional banking.

Data Collection Methods -

Survey Method: - Online

Survey Instrument: - Questionnaire

Method of Survey: - Through the personal interaction with the help of questionnaire.

Collection of primary data

Primary data is the first hand data which is collected from the number of respondents. Here structured questionnaire was used to collect primary data through surveys.

Collection of secondary data

Secondary data has been collected for other for other useful resources & information essential required in order to successfully complete the project report & company figures from the internet, books, magazines as well as newspaper.

Limitation of study

1. This study is based on the prevailing respondent's satisfaction. But their satisfaction may change according to time, fashion, need etc.
2. Both Public sector and Private sector bank are providing different E- Banking services and acceptance to their current holders.

IV. FINDING AND DATA ANALYSIS

4.1. Data analysis and Interpretation:

4.1.1. Gender

Table No.1

Gender	No.of respondent	Percentage
Male	46	46%
Female	54	54%
Total	100	100%

Source: Primary data

INTERPRETATION

From the above result we came to know that out of 100, 46 respondents are males and 54 respondents are females which is 46% and 54% respectively. From this it is understood that female usage of internet banking is more as compared to male.

4.1.2.Age

Table no: 2

Age	No of respondent	Percentage
Below 20	20	20%
21- 30	40	40%
31- 40	20	20%
41-50	10	10%

More than 50	10	10%
Total	100	100%

Source: Primary data

INTERPRETATION

below 20 21-30 31-40 41-50 above 50 The above diagram represents the aged group of the people who are using the Internet banking. The age group between 21-30 is the highest percentage in aged person using the Internet Banking. The age group 41-50 and more than 50 are the age group having lowest percentage in the diagram. The people in the aged group below 20 for using Internet banking is 20%. The people in the aged group 21-30 is 40%. The people in the aged group 31-40 is 20%. The people in the aged group 41-50 is 10% and more than 50 is also 10%.

4.1.3 Which category of the banks do you consider as most technologically advanced?

Table No. 3

Banks	No.of respondent	Percentage
Public bank	53	53%
Private bank	33	33%
Both	14	14%
Total	100	100%

Source : primary data

INTERPRETATION

The above diagram shows the no. of customer using Public and Private Bank in the EBanking sector. The no. of customers using Public bank is 53% and the no. of customers using Private bank is 33% and the no. of customers using other bank is 14% respectively. It was found that most of the respondents were availing services of Public sector banks while those of the Private sector banks.

4.1.4 Which attributes of the bank do you value the most?

Table No: 4

Sources	No. of respondent	Percentage
Quality of service	32	32%
Technology used	34	34%
Trust Location	25	25%
Technology used	2	2%
Type of bank	7	7%
Total	100	100%

Source: Primary data

INTERPRETATION

By analysing this graph, we can conclude that most of the people is influenced by the technology used and quality of services provided by the bank and location is given less preference than others.

4.1.5 What is your opinion about public bank?

Table no: 5

Sources	No of respondent	Percentage
Service is good	26	26%
They provide security	46	46%
Cheaper service	18	18%
Other	10	10%
Total	100	100%

Source: primary data

INTERPRETATION

The diagram indicates the reason behind choosing a public bank by the customer. There are several reasons for selecting a public bank. The no. of customer is 26% who think that public bank provides good service. The no. of customer is 46% who think that public bank provides proper security. The no. of customer is 18% who think that public bank offered a cheaper service fee. The no. of customer is 10% whose reason selecting the public bank is other.

4.1.6. Is public bank being more convenient than private bank?

Table no: 6

Sources	No. of respondent	Percentage
Strongly agree	25	25%
Agree	40	40%
Neutral	27	27%
Disagree	8	8%
Strongly disagree	0	0%
Total	100	100%

Source: primary data

INTERPRETATION:

In the above diagram we get to know about the customer view related to the public bank & Private bank. The customer response related to it is different, the no. of customer who strongly agree with the point is 25%. The no. of customer who agree with the point is 40%. The no. of customer who is in between situation (Neutral) with the point is 27%. The no. of customer who disagree with the point is 8% & there are no customer who is strongly disagreeing to this point.

4.1.7 State the degree of confidence of public bank?

Table no:7

Options	No. of respondent	Percentage
Less	9	9%
Some	44	44%
Not at all	12	12%
High	31	31%
Very high	4	4%
Total	100	100%

Sources: primary data

INTERPRETATION:

The above diagram represents the degree of confidence of customer on public sector bank. As shown on the above customer have some of the degree of confidence on public sector bank. The no. of customer has different option, confidence public sector bank. There are 9% of customer who are having a less degree of confidence on public bank. There are 44% of customer who are having some of degree of confidence on public bank. There are 12% of customer who doesn't have not at all a degree of confidence on public bank. There are 31% of customer who is having a high degree of confidence on public bank. There are 4% of customer who is having a very high degree of confidence on public bank.

V. HYPOTHESIS TESTING

5.1 Hypothesis testing 1

H1: There is no significant difference in the effectiveness of the e-banking services provided by the selected public and private sector banks.

H0: There is no significant difference between the responses of the customers of the selected public and private sector banks on various parameters for comparison of e-banking with traditional banking.

Table no. 8 Hypothesis testing

Row levels	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Grand total
Always	12	4	6	11	1	34
Sometimes	15		5	2	2	24
Never	20	4	11	6	1	42
Grand total	47	8	22	19	4	100

Table no 9 Anova test

Anova: Single Factor

SUMMARY

Groups	Count	Sum	Average	Variance

Column 1	3	47	15.67	16.33
Column 2	3	8	2.67	5.33
Column 3	3	22	7.33	10.33
Column 4	3	19	6.33	20.33
Column 5	3	4	1.33	0.33

ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	378	4	94.5	8.97	0.0024	3.48
Within Groups	105.33	10	10.53			
Total	483.33	14				

The ANOVA test result shows a p-value of 0.0024, which is less than the 0.05 level of significance. Hence, the null hypothesis is accepted and the alternative hypothesis is rejected.

VI. CONCLUSION

The customer nowadays is not exposed of what type of service is being provided by banks in India but in the world as a whole. They expect much more than what is actually being provided. So, the new coming banking sector has to provide and cater to all the needs of the customers otherwise it is difficult to survive in the competition coming up.

They not only expect the safety of money but also best ways to invest that money which needs to be fulfilled. Banks need to have a better outlook towards to actually what customers are requiring. Entries of the private sector banks have made the competition tougher. If the bank is not functioning properly, it is being closed. So, it is difficult to face these types of conditions. Here a simple philosophy can work that customers are God are need to follow this to survive and serve better.

In a country like India, there is a need for providing better & customized services to customer. Bank must be concerned about the attitudes of customers with regards to acceptance of internet banking. The importance of security and privacy for acceptance of internet banking has been noted in many earlier studies and it was found that people claim that they have knowledge about security issues but they have no clear idea about all kinds of frauds. The present study shows that customers are more reluctant to accept new technologies or methods that might contain very little risk. Hence, banks should design a secure website to address security and trust issues.

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