

**“A COMPARATIVE STUDY ON E-BANKING SERVICES OF PUBLIC
SECTOR AND PRIVATE SECTOR BANK WITH SPECIAL
REFERENCE TO SBI AND HDFC BANK”**

Dissertation

Submitted by

**ROSHNI THOMAS
(REG NO.SM20C0M021)**

Under the guidance of

Smt. Maya P

**In partial fulfillment of the requirement for the Degree of
MASTER’S IN COMMERCE**



ST.TERESAS’S COLLEGE ESTD 1925

ST.TERESA’S COLLEGE (AUTONOMOUS), ERNAKULAM

COLLEGE WITH POTENTIAL FOR EXCELLENCE

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March -2022

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CERTIFICATE

This is to certify that the project titled “A COMPARATIVE STUDY ON E-BANKING SERVICES OF PUBLIC SECTOR AND PRIVATE SECTOR BANK WITH SPECIAL REFERENCE TO SBI AND HDFC BANK” submitted to Mahatma Gandhi University in partial fulfillment of the requirement for the award of Degree of Master of Commerce is a record of the original work done by Roshni Thomas, under my supervision and guidance during the academic year 2021-22.

Project Guide

Smt. Maya P

Assistant Professor

Department of Commerce (SF)

Head of the Department

Smt. Jini Justin D’Costa

Assistant Professor

Department of Commerce (SF)

Viva Voce Examination held on.....

External Examiner(s)

DECLARATION

I, Roshni Thomas, final year M.com student, Department of Commerce(SF), St. Teresa's college (Autonomous) do hereby declare that the project report entitled "A COMPARATIVE STUDY ON E-BANKING SERVICES OF PUBLIC SECTOR AND PRIVATE SECTOR BANK WITH SPECIAL REFERENCE TO SBI AND HDFC BANK" submitted to Mahatma Gandhi University is a bonafide record of the work done under the supervision and guidance of Smt. Maya.P Assistant Professor of Department of Commerce (SF) , St. Teresa's College (Autonomous) and this work has not previously formed the basis for the award of any Academic Qualification, Fellowship or similar title of any other University or Board.

PLACE: ERNAKULAM

Roshni Thomas

DATE:

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CHAPTER 1
INTRODUCTION

TITLE OF THE STUDY

“A COMPARATIVE STUDY OF E BANKING SERVICES OF PUBLIC SECTOR AND PRIVATE SECTOR BANK WITH SPECIAL REFERENCE TO SBI AND HDFC BANK”

1.1 ABSTRACT

There has been tremendous changes have taken place in the financial markets, as well as in the banking industry due to the financial sector reforms. The banks have shed their traditional functions and have been innovating, improving and coming out with new types of services to cater emerging needs of their existing and new customers .In recent years, it has made significant changes, including the incorporation of E-banking. E-banking provides and delivers financial products and services via electronic means. The purpose of this study is to make a comparative analysis of the satisfaction level about e-banking services and the problems faced by the customers of public sector banks with that of private sector banks.

1.2 INTRODUCTION

Banking institutions have become an essential component of country's economy. They are the pillars of support to the growth and development of the country. The strength of any economy primarily depends on the strength and efficiency of the financial system, which in turn, depends on a sound and solvent banking system. Indian banking industry has undergone a significant process of changes over time. E- banking has enabled the banks to scale borders, change strategic behaviour and thus bring about new possibilities. After 1990s, a wide range of financial sector reforms has been initiated to improve resource efficiency and accelerate the growth process by removing structural deficiency affecting the performance of financial markets as well as financial institutions in India.

The revolution of information technology has influenced almost every facet of life. With the emergence of new digital technology, the banking industry has engaged information technology to acquire, to process and to deliver the information to banking customers. The banking segment has been one of the first sectors that have adopted many electronic applications to improve the performance and to gain a competitive advantage strategy. In order to survive in this environment, banks have to use information technology. The introduction of e-banking has revolutionized and redefined the operating ways of banking. E-banking is also called virtual banking or online banking. It is defined as the automated release of new and traditional banking products and services directly to customers through electronic interactive communication channels. Electronic banking refers to more than a few types of services through which bank customers can request information and carry out

most retail banking services via computer, television, or mobile phone. E-banking technology denotes a diversity of different services ranging of Automatic Teller Machines, telephone banking, internet banking and, more recently, mobile banking.

Electronic banking offers great opportunities for banks to increase their transactions, extend their customer-bases, to reduce their operational and opportunity costs, reduced waiting times in branches resulting in potential in sales performance and a larger global. It provides benefits to customers such as convenience, personalization, freedom and cost advantages. Also , the customers no longer are detained to the opening hours of banks, travel and waiting times are no longer necessary, and access to information regarding banking services is now easily available .E-banking is a valuable and influential instrument for profound development, supporting growth, promoting innovation and enhancing competitiveness. It has changed the face of commercial banking in current times by bridging geographical, industrial and regulatory gaps as well as creating pioneering products and services and more market opportunities for both banks and customers.

The primary goal of this study is to make a comparative analysis of E-banking services of public and private sector banks with special reference to SBI and HDFC Bank. As information technology has created great impact on banking industry, acquiring information about modern banking has become a top priority for all India's leading and up-and-coming banks. This research gives an in-depth understanding of public sector v/s private sector banks from the e-banking perspective.

1.3 STATEMENT OF THE PROBLEM

The financial structure of the world has been facing many challenges. Deregulation and the liberalization have opened up new opportunities for banks, but at the same time, the pressure of competition has led to narrowing spreads, shrinking margins, consolidation, and restructuring. With globalization and changes in technology, financial markets, have become tightly integrated all over the world. Competition is going to be tough with financial liberalization and the banks in India will have to benchmark themselves against the best in the globe. Sustaining the advantage of electronic banking, the banks should upgrade their services continuously in the light of modern information from traditional banking.

Awareness among customers about the e-banking facilities and procedures is still at the lower side in the Indian scenario. Banks are not capable to disseminate proper information about the use, benefits, and facility of e-banking. Hence, the penetration of internet and knowledge related to the internet are significant hurdles. For some people, the user-friendly technology simplifies their lifestyle, while for others, it is very much threatening and complex. Deregulation of

services and the applications of new technologies are presenting considerable challenge to both private and public sector banks and this challenge has to be addressed through new approaches. While in private sector banks, technological revolution takes place quickly and they are able to offer quality services at reasonable cost. On the other hand, the public sector banks seem to adopt it in a phased manner. At this juncture, some critical questions that the public and private sector commercial banks have to consider "What are the factors that influence the customers to prefer electronic banking services, types of e-banking services available, What point the customers are satisfied with the electronic banking services and moreover, What are the problems faced by customers in e-banking services" In this context, the research has attempted to study the above facts towards electronic banking services of the public sector with that of private sector bank.

1.4 SCOPE OF THIS STUDY

The present study attempts to create a comparative study of e-banking services of the public and private sector bank with special reference to SBI and HDFC bank. The study is confined only to customers who have an account with selected banks. E-banking is a vast subject. Therefore, the most common services of the e-banking, influencing factors of the respondents, the loyalty of the customers with their banks and issues in the e-banking services are some of the scope of study.

1.5 OBJECTIVES OF THE STUDY

- To make a comparative study of public sector bank v/s private sector bank from the e-banking perspective.
- To assess the customers satisfaction level with the current e-banking facilities of both public and private sector.
- To find the important factors that is inducing people towards e-banking.
- To examine the problems faced by the customers of public sector with that of private sector.
- To offer suitable suggestions for the effective use of e-banking services.

1.6 RESEARCH METHODOLOGY

The data used in this study is both primary and secondary. Through a standardized questionnaire, primary data was gathered from customers of public and private bank. Secondary information was gathered from journals, periodicals, the internet, and other publicly available sources. In this study, a convenience sampling technique was used to collect a sample of 60 customers in Kerala to make comparative study of e-banking services of above- mentioned public sector and private sector bank.

1.6.1 RESEARCH DESIGN

The research is for academic purpose and the research design adopted is descriptive research. Descriptive research is one that simply describes something such as demographic characteristics of respondents. It is typically concerned with determining frequency with which something occurs and how two variables vary together. Descriptive research includes surveys and fact-finding of different kind.

1.6.2 COLLECTION OF DATA PRIMARY DATA

Primary data collection is the process of gathering data through survey, interviews or experiments. The primary data used for the study are questionnaires.

1.6.3 SECONDARY DATA

Secondary data refers to data that is collected by someone other than the user. The secondary informations are collected from magazines, newspaper and journal and bank's website.

1.6.4 POPULATION

General public is chosen at random for this study.

1.6.5 SAMPLING METHOD

The method used is convenience sampling method. A convenience sampling method is a type of non-probability sampling method where the sample is taken from the group of people easy to contact or to reach.

1.6.6 TOOLS FOR DATA Analysis

For the study, the survey is the tool for collecting data. Personnel information was there open ended questions and other datas are collected through close ended questions.

1.6.7 STATISTICAL TOOLS

For the analysis data are shown in the tabular form with percentage method; diagrammatic form is through bar chart, pie chart and line chart.

1.7 HYPOTHESIS

Following are the research hypothesis for this study: the purpose of established research hypothesis is to make a comparative study of e-banking services of SBI and HDFC bank. Following variables were taken into consideration:

Ha: There is a significant difference in the effectiveness of the e-banking services provided by public sector and private sector banks.

H0: There is no significant difference in the effectiveness of the e-banking services provided by public sector and private sector banks.

1.8 LIMITATIONS

- There may be some bias in the responses of the respondents which cannot be ruled out fully.
- The sample size of only 60 was taken from the large population for the purpose of study, so there can be difference between results of sample from population.
- Sudden change in the e-banking practices during the course of research can affect the results.
- Respondents did not respond well to all the questions in the questionnaire.
- Due to continuous change in environment, What is relevant today may be irrelevant tomorrow.

1.9 CHAPTERIZATION

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Theoretical Framework

Chapter 4: Data Analysis & Interpretation

Chapter 5: Findings, Suggestions & Conclusions

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Annexure

CHAPTER 2
LITERATURE REVIEW

2.1 REVIEW OF LITERATURE

For the purpose of this study a lot of literature has been reviewed, that is, books, journals, magazines, newspapers, etc. Few very related among them have been discussed below:

Prof. (Dr) Ashok Kumar Chandra (2015) has done a comparative analysis between public sector banks and personal sector banks in the Korea region in terms of E-banking services. E Banking is the way forward for banking, going on-line for banking has become a trend among the purchasers and conjointly it helps in rising the relationship between bankers and customers. As the quality of e-banking is increasing and banks square measure adopting the latest technology, they square measure prone towards cybercrimes and bigger is the potential for reputational risks conjointly, therefore, there is a would like to have sound security controls and robust cyber laws in India.

“A study on electronic banking and customer satisfaction”, BismarckAmiya and Eric Ashley (2015)

E-banking encompasses the provision of banking services and products by banks to their customers through electronic medium. E-banking covers both computer and telephone banking. For many banks, inclination to e-banking services improves customers to the bank. The adoption of e-banking is also seen as a new method of expanding customer base and to also counteract the aggressive effort made by traditional banking institution. E- banking allows customers to inquire information and carry out most banking services such as account balance inquiry , bill-payments and inter-account transfers through the internet. E-banking therefore, includes systems that enable financial institutions customers , individuals and business to access accounts , transact business and obtain information on financial products and services through public or private networks. Recent growth in technology and innovative has fast-tracked the desire of customers of banks for exceptional services to meet the current trend of technological advancement. Contemporary studies on e-banking acknowledges that factors that drive customer satisfaction are security design , availability , convenience and reliability being the most influence factors of e-banking on customer satisfaction . E-banking availability is recognized as the ability of users to access banking information and services from the web. Customers can access e-banking services only when the service is available.

Elavarasi (2014) Studied the Customer Awareness and Preference towards E-Banking Services. It is found from this study that the younger generation were using electronic banking services are more as compared to older generation because of new innovation in information technology. E-banking technology is highly useful to customers as well as banks and other organizations like government organizations, to increase productivity, efficiency, service quality of banks, and expansion of banks globally.

JayshreeChavan (2013) study reveals that e-banking provides several advantages to customers and banks; it additionally aggravates ancient banking risks. Compared to developed countries, developing countries face several impediments that have an effect on the prosperous implementation of ebanking initiatives. The bank ought to additionally offer some alternative advantages like dilated product offerings and extended geographic reach. With all these advantages banks will acquire success on the money market. however e-banking is a tough business and banks face a ton of challenges.

“Internet Banking as a tool for Customer Relationship Management-A Study on Customer perspective”, Krishnamoorthy, 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 relationship with them.

Monika Kashyap (2012) in her study attempted to present the status of internet banking in India and its implications for the Indian banking industry. The introduction of internet banking has helped the financial institutions to cope with new economic and financial policies of the banks. Internet banking is on the rise and it becomes a powerful tool for improving customer satisfaction and increasing cross-selling opportunities. At the same time internet banking has its pitfalls too. There are a number of challenges which banks must keep in mind.

Rangnath (2012) in his book Changing scenario of business and Ecommerce ‘E-banking service- ‘An emerging business tool on India’ has compared the traditional banking with banking with the use of advance technology and analyzed various aspects related to e-banking.

“Banker’s perspective on E-Banking”, Sharma, Himani (2011)

This research paper is about the banker’s perspective on e-banking activities of respondents, impact of e-banking and promotional measures used by banks to promote e-banking. The enquiry reveals that customers generally use e-banking services on persuasion of bankers. The bankers are convinced that e-banking helps in improving the relationship between bankers and customers and that it will bring patent improvement in the overall performance of banks.

“A study of Demographics and customers satisfaction in internet banking”, Kumbhar and Vijay(2011)

This study is examined the relationship between the demographics and customers satisfaction in internet banking. It also found out relationship between service quality and customer satisfaction provided by the public sector and private sector banks. The study found out that overall satisfaction of employees, businessmen and professionals are higher in internet banking service. Also, it was found that there is significant difference in the customers perception in internet banking services provided by the public and private sector banks.

“Internet Banking, Consumer adoption and Customer satisfaction”: Andrew Musllme and MallngaRamadhan (2011)

Internet banking is where customer can access his or her bank account via the internet using pc or mobile phone and web-browser. Internet banking service as banking service that allows customers to access and perform financial transactions on their bank accounts from their computers with internet connection. Internet banking has advantages for banks to maintain competition, to save costs, to enhance mass customization, marketing and communication activities and to maintain and attract consumers. Internet banking helps banks in cost saving , increase customer base, enable mass customization for e-business service, extend marketing and communication channel, search for new innovation services and explore and development of non-core business.

R. K. Uppal (2011) has made an attempt to study the problems and prospects in Punjab related to e-banking; this study is related to the perceptions of employees towards e-banking. E-channels are preferred among the majority of the employees and the survival of the public sector banks are depended on the adoption of e-banking. On one side E-banking is a challenge for public sector banks, on the other side, it provides a bundle of opportunities which helps them to gain more momentum and make them competitive in the changing environment. Therefore, public sector banks should adopt the technology as a necessity not as an option as IT has no other choice.

“Effect of IT based services on customer satisfaction in banking industry” :Sachin Mittal and Rajnish Jain (2010)

In this research paper is basically a literature review of banking industry and effect of IT based services on customer satisfaction. The study highlights customer satisfaction levels among young customers in banking industry. A survey indicates the gap betwwen customer’s expectations and perception with respect to IT based banking services. Findings indicated need to improve the IT based services for enchancing customer satisfaction.

“Case Study on Internet Banking”, Safeena, Rehmath (2010)

In this research paper she has determined the consumer’s perspective on internet banking adoption. 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 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.

“Acceptance of E-Banking among Adult Customers: An Empirical Investigation in India”, Dixit, Neha and S. K. Datta (2010)

Internet banking is a form of self service technology. The numbers of Internet users have increased dramatically, but most of them are reluctant to provide sensitive personal information to websites because they do not trust e-commerce security. This paper investigates the factors which are affecting the acceptance of e-banking services among adult customers and also indicates level of concern regarding security and privacy issues in Indian context. Also a reason, of not accepting online banking by adult customers is no training or guidance from the bank’s side. The result of this study viewed that adult customers are more reluctant to join new technologies or methods that might contain little risk. It is also important to note that some adult customers are interested in online banking; however, they do not possess the necessary computer literacy to conduct it. In addition banks should design the website to concern security and privacy issues.

“Online Banking Provides Satisfaction and Convenience for Users” Knapp, Ann(2008)

This study finds that users are choosing online banking for its ease and convenience. And while issues of identity theft are important factors to consider with online banking, it has not stopped people from utilizing the web to streamline their finances.

Shroff (2007) in his book Modern Banking and Technology has taken the role and impact of technology in the banking sector. It also includes in depth study of various e-banking services provided by the banks like ATM, RTGS & CBS. The book also covers Information technology Act 2000-Issues, IBA report, India vision 2020 and financial sector reforms.

“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. It is widely recognized that online banking provides more revenue per customer and costs less per transaction than any other channel, including phone banking. Research shows 50% of prospective 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.

Eapan Varghese. M, Ganesh. C (2003) in their study titled “Customer service in banks An Empirical study”, mainly focus on how to measure the speed in which commercial banks are rendering service to their customers in 13 different dimensions. The result obtained from this study suggests that there is no difference between the public sector banks and private sector banks in the customers time consumed for transacting business with the bank. It is generally observed that bankers measure only action time and do not take into account the access time and queuing time which are critical to customers.

Mukherjee and others (2003) have examined in some empirical studies that there is relationship between service quality and bank performance or profitability. They studied the service quality and performance of 27 Indian banks. Their results verify the linkage between superior service quality delivered by the bank and its overall financial performance.

Duncan, Elliott (2002) examined the relationship between customer service quality and financial performance among Australian banks and credit unions by correlating customer service quality scores from a sample of retail customers with financial performance measures over a five year period. Results show that all financial performance measures (interest margin, expense or income, return on assets and capital adequacy) are positively correlated with customer service quality scores

Chapter 3

THEORETICAL FRAMEWORK

3.1 THEORETICAL FRAMEWORK

3.1.1 Overview of the Banking Industry

The Indian banking can be broadly categorized into nationalized, private banks and specialized institutions. The Reserve Bank of India acts a centralized body monitoring any discrepancies and shortcoming in the system. Since the nationalization of banks in 1969, the public-sector banks or the nationalized banks have acquired a place of prominence and has since then seen tremendous progress. The need to become highly customer focused has forced the slow-moving public-sector banks to adopt a fast track approach. The3 unleashing of products and services through the net has galvanized players at all levels of the banking and financial institutions market grid to look a new at their existing portfolio offering. Conservative banking practices allowed Indian banks to be insulated partially from the Asian currency crisis. Indian banks are now quoting all higher valuation when compared to banks in other Asian countries(viz. Hong kong, Singapore, Philippines etc.) that have major problems linked to huge Non-Performing Assets (NPAs) and payment defaults. Co-operative banks are nimble footed in approach and armed with efficient branch networks focus primarily on the „high revenue“ niche retail segments. The Indian banking has finally worked up to the competitive dynamics of the new Indian market and is addressing the relevant issues to take on the multifarious challenges of globalization. Banks that employ IT solutions are perceived to be futuristic and proactive players capable of meeting the multifarious requirements of the large customer“s base. Private Banks have been fast on the uptake and are reorienting their strategies using the internet as a medium. The Internet has emerged as the new and challenging frontier of marketing with the conventional physical world tenets being just as applicable like in any other marketing medium. The Indian banking has come from a long way from being a sleepy business institution to a highly proactive and dynamic entity. This transformation has been largely brought about by the large dose of liberalization and economic reforms that allowed banks to explore new business opportunities rather than generating revenues from conventional streams (i.e. borrowing and lending). Indian nationalized banks continue to be the major lenders in the economy due to their sheer size and penetrative networks which assures them high deposit mobilization. It is the foremost monitoring body in the Indian financial sector. The nationalized banks continue to dominate the Indian banking arena. Industry estimates indicate that out of 274 commercial banks operating in India, 223 banks are in the public sector and 51 are in the private sector. Under the ambit of the nationalized banks come the specialized banking institutions. These co-operatives, rural banks focus on areas of agriculture, rural development etc., unlike commercial banks these co-operative banks do not lend on the basis of a prime lending rate. They also have various tax sops because of their

holding pattern and lending structure and hence have lower overheads. This enables them to give a marginally higher percentage on savings deposits. Many of these cooperative banks diversified into specialized areas like car finance, housing loans, truck finance etc. in order to keep pace with their public sector and private counterparts, the co-operative banks too have invested heavily in information technology to offer high-end computerized banking services.

3.2 Scheduled Commercial Banks in India

The commercial banking structure in India consists of:

- Scheduled Commercial Banks in India
- Unscheduled Banks in India

Scheduled Banks in India constitute those banks, which have been included in the second schedule of Reserve Bank of India (RBI) Act, 1934. RBI in turn includes only those banks in this schedule which satisfy the criteria laid down vide section 42 (6) (a) of the Act.

As on 30th June, 1999, there were 300 scheduled banks in India having a total network of 64,918 branches. The scheduled commercial banks in India comprise of State bank of India and its associates, nationalized banks, foreign banks, private sector banks, co-operative banks and regional rural banks.

“Scheduled banks in India means the State Bank of India constituted under the State Bank of India Act, 1955, a subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act, 1959, a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1980 or any other bank being a bank included in the second schedule to the Reserve Bank of India Act, 1934, but does not include a co-operative bank.”

“Non-scheduled bank in India” means a banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949, which is not a scheduled bank”.

The following are the scheduled Banks in India (public sector)

- Bank of Baroda
- Bank of India
- Bank of Maharashtra

- Canara Bank
- Central Bank of India
- Indian Bank
- Indian Overseas Bank
- Punjab and Sind Bank
- Punjab National Bank
- State Bank of India
- UCO Bank
- Union Bank of India

Private Sector Banks

- Axis Bank
- Bandhan Bank
- CSB Bank
- City Union Bank □ DCB Bank
- Dhanlaxmi Bank
- Federal Bank
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IDFC First Bank
- Industrial Bank
- Jammu & Kashmir Bank
- Karnataka Bank
- Karur Vysya Bank
- Kotak Mahindra Bank
- Naintal Bank
- RBL Bank
- South Indian Bank
- Tamilnad Mercantile Bank
- Yes Bank

3.3 COMPANY PROFILE STATE BANK OF INDIA

State Bank of India (SBI) is the largest public-sector bank in India. Launched in the first decade of the nineteenth century. The bank has played a pivotal role in establishing the organized banking services sector across India by way being repositories to savings and lenders to leading businesses across India. It has thus played a key role in the economy development of India.

The country's oldest bank and a premier in terms of balance sheet size, number of branches, market capitalization and profits, is today going through a momentous phase of change and transformation. The bank is entering into many new businesses with strategic tie ups- pension funds, General Insurance, Custodial Services, Private Equity, Mobile Banking, Point of Sale, Merchant Acquisition, Advisory Services, structured products etc. each one of these initiatives having a huge potential for growth.

It is also focusing at the top end of the market, on whole sale banking capabilities to provide India's growing mid/large corporate with a complete array of products and services. It is consolidating its global treasury operations and entering into structured products and derivative instruments. Today, the bank is the largest provider of infrastructure debt and the largest arranger of external commercial borrowing in the country.

3.3.1 SBI TECHNOLOGY

The Bank has used cutting edge technology to service its clients efficiently. The various facilities provided by the bank include:

Online personal banking services:

The bank provides online account access to its customers via its banking portal. The Account holders can login and operate their account with this portal.

Individual account holders:

Some of the operations that can be executed through the online portal are:

- Opening a SBI Fixed Deposit Account or SBI Recurring Deposit Account
- Making third party transfer via NEFT, RTGS, VISA pay or IMPS
- Making utility bill payments
- Request for issuance of a new cheque book/ stop check/ hotlist debit card, etc.
- Apply for a loan by filling out the online application

Other than the normal banking transactions, the bank provides Value Added Services for individual customers like

- Facility to pay self-assessment tax and advance tax to the government. The customer can view their Tax Credit Statement (Form 26AS) and understand the amount of tax deducted from their account.
- They can also e-verify their Income Tax Return.

Mobile Banking Services

With banking literally at your fingertips, the bank provides mobile services application to mobile users of Android and iPhone smartphones. This ensures 24*7 online access and checking of balance, transfer of funds through IMPS, mobile payments and more.

State Bank of India has introduced YONO SBI. The new mobile banking service from SBI is an evolution of trusted banking experience that introduced stable digital products like SBI Anywhere and SBI Net Banking to India. YONO SBI App puts all the banking and financial needs at your fingertips.

SBI-In-Touch

State Bank of India is the first Bank in India to introduce the concept of digital banking with SBI-In-Touch. These branches operate on a self-service model and you can open a savings bank account through account opening kiosks in 15 minutes or less.

Largest networks of ATM services:

State Bank of India provides ATM cum Debit card which can be used to withdraw cash and transact offline or online. State Bank of India has the largest network of ATMs across India with more 43000 ATMs. ATM facility can be availed to withdraw cash, change PIN, make balance enquiries, procuring mini bank statement, make credit card payments and many other services.

Cards:

State Bank of India encourages use of plastic money to facilitate all kinds of financial transactions. The bank provides a range of debit cards that suit the unique requirements of each client group.

Debit cards

State Bank of India provides debit cards starting from classic debit cards to enable account holder to shop, book tickets or withdraw cash. The Bank provides International debit cards for the convenience of individuals who travel outside the country often. The maximum amount of transaction that can be done varies for Silver, Gold and Platinum International debit cards.

Contactless Debit Card

SBI-In-Touch Tap and Go debit card IS BASED ON Near Field Technology and uses contactless technology to transmit purchase information to and from a contactless reader. The card is a multi-purpose international debit card that can be used by the holder to make payments at any merchant outlet which support contactless transactions.

SBI Mumbai Metro Combo Card

The card is designed especially for Mumbaikar commuting using the Mumbai Metro. The card can be used at Mumbai Metro stations to pay for metro tickets as well as for shopping at various merchant outlets.

SBI Business Debit Card

These cards are designed for non-individual business clients of the bank. The card enables the holder to make online payments and travel cash free internationally. SBI Business Debit Card ensures high level of security from card frauds as it uses the highly secure EVM chip.

SBI Prepaid Debit Card

State Bank of India offers various pre-paid card options. State Bank Gift Cards need to be loaded with an amount of at least Rs.500 to a maximum of Rs.50000 and can be a great gift to near and dear ones. The cards have a validity of 3 years. The card is issued on validation of passport and other travel documents.

3.4 HDFC COMPANY PROFILE

HDFC Bank one amongst the first of the new generation, tech-savvy commercial banks of India, was incorporated in August 1994, after the Reserve Bank of India allowed setting up of banks in the private sector. The Bank was promoted by the Housing Development Finance Corporation Limited, a premier housing finance company(set up in 1977) of India. **History**

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an „in principle“ approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI’s liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of „HDFC Bank Limited“, with its registered office in Mumbai, India. HDFC Bank commenced operations as a scheduled commercial bank in January 1995.

HDFC Bank Services Net Banking

Net Banking is HDFC Bank Internet Banking service. Providing up-to-the-second account information, Net Banking lets you manage your account from the comfort of your mouse- anytime, anywhere.

Secure Access-HDFC Bank has implemented a new security solution for its customers. The bank has initiated the secure access solution to protect you from fraudsters and hackers who are looking to find a way to access your account. Currently following transactions are covered under secure access:

- Transfer from one HDFC Bank account to other HDFC Bank account holders.
- Transfer from HDFC Bank account to any other Bank’s account.
- Visa Money Transfer
- Third party Demand Draft through Net Banking.

Mobile Banking:

Your Mobile is now your bank! Now access your bank account and conduct a host of banking transactions through your mobile, with our unique Mobile Banking service. You can check your account level information such as balance details, mini statement, and cheque status as well as carry out financial transactions such as Funds Transfer using HDFC Bank Mobile Banking Service.

ATM

- 24-hour access to cash - withdraw up to rs.10,000/- per day on your ATM Card and up to Rs.15,000 on your Debit Card.
- Personalized cash withdrawals- Save time on your cash withdrawal transactions by presetting your preferred language/account/amount.

- View Account Balances & Mini-statements- Get details of the last 9 transactions on your account with the mini-statement, along with your account balance.
- Change ATM PIN- Change your ATM PIN at any given point of time.
- Order a Cheque Book/Account Statement
- HDFC Bank Credit Card Payment- Make payment of your HDFC Bank Credit Card dues using the ATM.
- Deposit Cash or Cheques- Deposit cash or cheque into your account without visiting the branch.
- Transfer Funds between accounts- Transfer money between your accounts, both accounts must be linked to your ATM/Debit Card.

Awards & Recognitions

- Awarded Best Private Bank in India- PWM Global Private Banking Awards 2021.
- Awarded Best Bank in India- Finance Asia Country Awards for Achievement 2021.
- Bagged the award for Best for wealth transfer succession planning in India 2021- Asia money Asia Private Banking Awards 2021.
- Awarded Best Bank in India- Euromoney Awards for Excellence 2021.
- HDFC Bank Ranked among India's coolest workplaces- Business Today 19th India's Coolest Workplace Survey.
- Marketing and Brand Innovation of the Year Award- ET Innovation Awards 2020. □Bagged the award for Private Bank of the Year- Outlook Money Awards 2019 □HDFC Bank won National Payments Excellence Awards 2018.

3.5 E-BANKING

Electronic banking is a form of banking in which funds are transferred through an exchange of electronic signals rather than through an exchange of cash, checks, or other types of paper documents. Transfers of funds occur between financial institutions such as banks and credit unions. They also occur between financial institutions and commercial institutions such as stores. Whenever someone withdraws cash from an automated teller machine(ATM) or pays for groceries using a debit card(which draws the amount owed to the store from a savings or checking account), the funds are transferred via electronic banking. Electronic banking relies on intricate computer systems that communicate using telephone lines. These computer systems record transfers and ownership of

funds, and they control the methods customers and commercial institutions use to access funds. A common method of access (or identification) is by access code, such as a personal identification number (PIN) that one might use to withdraw cash from an ATM machine. There are various electronic banking systems, and they range in size. An example of a small system is an ATM network, a set of interconnected automated teller machines that are linked to a centralized financial institution and its computer system. An example of a large electronic banking system is the Federal Reserve Wire Network, called Fed wire. This system allows participants to handle large, time-sensitive payments, such as those required to settle real estate transactions.

Electronic banking laid the groundwork for speed and convenience in individual and commercial (business) banking. The spread of personal computer use has added another layer of convenience and speed to the process. Electronic banking allows customers of most banks to do their banking at any hour of the day, regardless of the bank's operating hours. If customers choose to do such things as transfer funds or pay bills, they can usually do so from anywhere Internet access is available.

Online banking typically offers bank statements, electronic bill payment, funds transfers between a customer's checking and savings accounts (or to another customer's account), loan applications and transactions, and purchasing or sales of investments, all of which allow customers to maintain their accounts without making a trip to the bank itself.

When funds are transferred between accounts by electronic means, it is called an electronic funds transfer (EFT). The Electronic Fund Transfer Act, passed by the federal government in 1978, established that an electronic funds transfer is any financial transaction that originates from a telephone, electronic terminal, computer, or magnetic tape (storage tape of the sort used in video or audio cassettes).

As online banking has become more sophisticated, banks have been formed that operate exclusively as electronic banks and have no physical storefront for customers to use. Without the costs of purchasing and maintaining physical "bricks-and-mortar" structures like traditional banks do, online banks are able to offer higher interest rates on savings accounts (interest payments are fees that customers collect for keeping their money in the bank). Customers at online banks can use the Internet to conduct all the standard banking transactions (including paying bills online, viewing images of cancelled checks, and transferring money to accounts at other banks and brokerages).

Many of these customers have their employer automatically deposit their paychecks into their bank accounts electronically (a method called direct deposit, which is also very commonly used by clients

of traditional banks). Some employers, however, do not offer direct deposit. If a customer of an online bank receives a paper check, he or she cannot walk into their bank and cash it. He or she must mail the check to their bank or deposit it in an ATM that accepts deposits for their bank. Some customers view this inconvenience as a drawback of using an online bank.

3.5.1 HISTORY OF E-BANKING

The evolution process of latest service delivery mechanism through internet emanated during 1980s and late came to be popularly known as e-banking. Moreover, e-banking was referred to a banking medium of using a terminal, keyboard and monitor to access the banking system through a phone line. Further, this was also called as „Home Banking“ where the customers were using a numeric keypad to send tones down a phone line with instructions to the bank. In 1981, e-banking has been introduced in New York with offering home banking service using videotex system by Citi Bank, Chase Manhattan Bank, Chemical Bank and Manufacturers“ Hanover Bank. However, due to failure of videotex system, Home Banking was not able to gain popularity except in France and UK. In 1983, the Bank of Scotland has provided first home online banking service of United Kingdom to the banking customers of Nottingham Building Society. The respective online banking service was based on Prestel system of UK and has used a computer like BBC Micro or keyboard connected to the telephone and television system. This system was called Homelink where the customers were able to view their bank statements online, online fund transfer and online bill payment. The customers need to send a written instruction having details of intended transaction for paying bills or transferring funds to Nottingham Building Society who set the details upon the Homelink system. The usual recipients of this service were electric company, gas company, telephone companies and other banks. The account holder was required to provide the details of the payment through Prestel into Nottingham Building Society system. Thereafter, a cheque of amount equal to the payment has to be send by Nottingham Building Society to the payee and an instruction giving details of the payment was send to the account holder. Later, BACS was brought into application to directly transfer the payment. The Stanford Federal Credit Union was the first financial institution which has started providing the internet banking facility to all of its members in 1994. Now-a-days, many of the banks are functioning as internet only banks without any physical bank branches like their predecessors and are demarcating themselves by providing better rate of interest and internet banking facility.

Electronic banking aids users to get access to their funds through an electronic medium, thereby, eliminating the requirement for the banks“ customers to visit the bank to do financial transactions. Since a greater number of customers are now using the internet for a host of their daily activities,

this digital medium of banking makes banking far accessible and convenient for users. Electronic banking is also known with the names, like, e-banking, virtual banking, online banking, or internet banking. In simple words, the electronic banking is the use of electronic and telecommunications network for delivering different sort of banking products and services. Moreover, a customer can easily access his bank account and carry transactions by using his computer or mobile phone with the help of e-banking. In other words, Electronic banking can be described as the use of electronic delivery channels for banking products and services, and is a subset of electronic finance. Some of the important electronic delivery channels include Internet, wireless communication networks, automatic teller machines (ATMs), and telephone banking. The internet banking is a component of e-banking and is primarily carried out by means of the Internet. The term transactional e-banking is generally used to demarcate the use of banking services from the mere provision of information. In simple words, Electronic banking or ebanking, takes under its gamut, the provision of retail and small value banking products and services through electronic banking channels as well as large value electronic payments and such sort of wholesale banking services delivered electronically.

Now-a-days, banks offer various types of services through electronic banking platforms. The basic level of services banks offer through their websites. The banks offer information about its products and services to customers through this service. Beside this, some banks receive and reply to queries through e-mail as well. Secondly, banks allow their customers to submit instructions or applications for different services, check their account balance, etc. However, banks do not allow their customers to carry any fund-based transactions on their accounts. Moreover, banks allow their customers to operate their accounts for funds transfer, bill payments, and purchase and redeem securities, etc.

3.5.2 EVOLUTION OF E-BANKING

The story of technology in banking started with the use of punched card machines like Accounting Machines or Ledger Posting Machines. The use of technology, at that time, was limited to keeping books of the bank. It further developed with the birth of online real time system and vast improvement in telecommunications during late 1970's and 1980's. It resulted in a revolution in the field of banking with "convenience banking" as a buzzword. Through Convenience banking, the bank is carried to the door step of the customer.

The 1990's saw the birth of distributed computing technologies and Relational Data Base Management System. The banking industry was simply waiting for the technologies. Now with distribution technologies, one could configure dedicated machines called front-end machines for

customer service and risk control while communication in the batch mode without hampering the response time on the front-end machine. Intense competition has forced banks to rethink the way they operated their business. They had to reinvent and improve their products and services to make them more beneficial and cost effective. Technology in the form of E-banking has made it possible to find alternate banking practices at lower costs. More and more people are using electronic banking products and services because large section of the banks future customer base will be made up of computer literate customer, the banks must be able to offer these customer products and services that allow them to do their banking by electronic means. If they fail to do this will, simply, not survive. New products and services are emerging that are set to change the way we look at money and the monetary system.

3.5.3 FEATURES OF E-BANKING

- Check the account statement online.
- Open a fixed deposit account.
- Pay utility bills such as water bill and electricity bill.
- Make merchant payments.
- Transfer funds.
- Order for a cheque book.
- Buy general insurance.
- Recharge prepaid mobile/DTH.

3.5.4 TYPES OF E-BANKING

There are various forms of e-banking. Following are some of them

I. Internet Banking

Internet Banking system and method in which a personal computer is connected by a network service provider directly to a host computer system of a bank such that customer service requests can be processed automatically without need for intervention by customer service representatives. The system is capable of distinguishing between those customer service requests which are capable of automated fulfillment and those requests which require handling by a customer service representative. The system is integrated with the host computer system of the bank so that the remote banking customer can access other automated services of the bank. The method of the

invention includes the steps of inputting a customer banking request from among a menu of banking requests at a remote personnel computer; transmitting the banking requests to a host computer over a network; receiving the request at the host computer; identifying the type of customer banking request received; automatic logging of the service request, comparing the received request to a stored table of request types, each of the request types having an attribute to indicate whether the request type is capable of being fulfilled by a customer service representative or by an automated system; and, depending upon the attribute, directing the request either to a queue for handling by a customer service representative or to a queue for processing by an automated system.

Features of Internet Banking

Given below are some of the key features of Net Banking:

- A secure and convenient method of banking
- Password-protected banking system
- Easy access to financial and non-financial banking products/services
- Access your bank account anytime anywhere
- Track and manage bank balance, last transactions, statements, etc.
- Transfer funds online via NEFT, RTGS, IMPS anytime
- Process bill payments quickly
- Keep a track of mortgage payments, loans, savings a/c, etc.
- Channelize or cancel automatic payments

II. AUTOMATED TELLER MACHINES (ATM)

An unattended electronic machine in a public place, connected to a data system and related equipment and activated by a bank customer to obtain cash withdrawals and other banking services. Also called automatic teller machine, cash machine; Also called money machine. An **automated teller machine** or **automatic teller machine(ATM)** is an electronic computerized telecommunications device that allows a financial institution's customers to directly use a secure method of communication to access their bank accounts, order or make cash withdrawals (or cash advances using a credit card) and check their account balances without the need for a human bank teller (or cashier in the UK). Many ATMs also allow people to deposit cash or cheques, transfer money between their bank accounts, top up their mobile phones.

On most modern ATMs, the customer identifies him or herself by inserting a plastic card with amagnetic stripe or a plastic smartcard with a chip, that contains his or her account number. The customer then verifies their identity by entering a passcode, often referred to as a **PIN** (Personal Identification Number) of four or more digits. Upon successful entry of the PIN, the customer may perform a transaction. If the number is entered incorrectly several times in a row (usually three attempts per card insertion), some ATMs will attempt to retain the card as a security precaution to prevent an unauthorised user from discovering the PIN by guesswork.

Features of ATM

- Transfer funds between linked bank accounts.
- Receive account balance.
- Prints recent transactions list.
- Change your pin.
- Deposit your cash.
- Prepaid mobile recharge.
- Bill payments.
- Cash withdrawal.

Types of ATM Machines

There are different types of ATMs in the market which include the following. Most of the host processors can support either leased-line or dial-up machines

Leased Line ATM Machines

The leased line machines connect directly to the host processor through a four-wire point to point dedicated telephone line. These types of machines are preferred in place. The operating cost of these machines is very high.

Dial-Up ATM Machines

The dial-up ATMs connect to the host processor through a normal phone line using a modem. These require a normal connection and their initial installation cost is very less. The operating cost of these machines is low compared with leased line machines.

White Label ATM

These ATMs are arranged, operated & owned through non-bank entities. These ATMs were launched by RBI (Reserve Bank of India) for assisting financial inclusion as well as drive ATM access within the country. These types of ATMs will not show any bank's logo. The first white logo ATM was launched by TATA in India beneath the brand name like Indicash.

Brown Label ATM

Brown label ATMs were maintained & owned through a service provider where a supporter bank whose brand can be employed on ATM to take care of network connectivity as well as cash organization.

Onsite ATM

These ATM machines are arranged in locations wherever a bank branch is located. So, both the bank as well as ATM can be used physically for several purposes by being on-site. Many customers can utilize this to keep away from the queue lines at the branch of the bank so that time taken to finish their bank transactions can be reduced.

Offsite ATM

These machines are arranged on a separate basis, which means that the bank has a place where there is only an ATM machine then this becomes an offsite ATM. This can be done to make sure that the bank reaches out to more geographical locations to utilize its services by the people even when there is no branch of the bank within the region. So these machines will operate outside of the bank locations.

Cash Dispenser

These machines allow simply balance inquiry, mini statement & cash withdrawals.

Mobile ATM

These machines move in the locations for the users because COVID 19 has led to the rush within the several Mobile ATMs.

Green Label

These types of ATMs are used especially for agricultural transactions.

Orange Label

These are mainly used for share transactions.

Yellow Label

These ATMs are used for an online purchase by providing an E-Commerce facility.

Pink Label

These ATMs are used especially for women. These ATMs are observed by protectors to make sure that only women are accessing or not so that women waiting in long queues can be reduced.

III. TELE BANKING

Without visiting the bank one can receive the services of banks. The device used for this purpose is called Tele banking. This is a fast and convenient way of obtaining services from the banks by using a telephone. One can receive the services such as information about account, conduct of selected transactions, report of loss of ATM card, debit card, credit card or cheque book, etc. To avail this facility any bank customer can apply to the bank. However, the bank manager has discretion to reject this facility. The facility can be available for all customers having savings or current accounts in their individual capacity in the bank offering this facility. The information transactions are obtained from a PC loaded with the latest information of the accounts from bank's records through periodic "Data pumping" exercise an interval determined by the bank based on their perception of customer's requirements.

The customers are given passwords in addition to their account numbers which are their log-in ID. The customers should be very careful to maintain secrecy of passwords and PIN numbers. The customer has to call from a telephone with tone dialing facility. The customer can ask to mail the cheque book. Such cheque book is couriered only at the address registered with the bank.

IV.SMART CARD

A smart card is a physical card that has an embedded integrated chip that acts as a security token. Smart cards are typically the same size as a driver's license or credit card and can be made out of metal or plastic. They connect to a reader either by direct physical contact -- also known as chip and dip-- or through a short-range wireless connectivity standard such as radiofrequency identification (RFID) or near-field communication. The chip on a smart card can be either a microcontroller or an embedded memory chip. Smart cards are designed to be tamperresistant and use encryption to provide protection for in-memory information. Cards with microcontroller chips can perform on-card processing functions and manipulate information in the chip's memory.

Smart cards are used for a variety of applications but are most commonly used as credit cards and other payment cards. The payment card industry's support of smart cards for the Europay, Mastercard and Visa (EMV) card standard has driven the distribution of smart cards. Smart cards capable of short-range wireless connectivity can be used for contactless payment systems. They can also be used as tokens for multifactor authentication (MFA).

V.DEBIT CARD

A debit card is a payment card that deducts money directly from a consumer's checking account when it is used. Also called "check cards" or "bank cards," they can be used to buy goods or services; or to get cash from an automated teller machine or a merchant who'll let you add an extra amount onto a purchase. A debit card is a payment card that deducts money directly from a consumer's checking account when it is used. Also called "check cards" or "bank cards," they can be used to buy goods or services; or to get cash from an automated teller machine or a merchant who'll let you add an extra amount onto a purchase.

In a sense, debit cards work as a cross between ATM cards and credit cards. You can use them to get cash from a bank's automated teller machine, or you can make purchases with them, like the latter. In fact, many financial institutions are replacing their plain vanilla, single-purpose ATM cards with debit cards that are issued by major card-payment processors such as Visa or Mastercard. Such debit cards come automatically with your checking account. Whether being used to obtain cash or to buy something, the debit card functions in the same way: It draws the funds immediately from the affiliated account. So, your spending is limited to what's available in your checking account, and

the exact amount of money you have to spend will fluctuate from day to day, along with your account balance.

VI. MOBILE BANKING

Mobile banking refers to the use of a mobile device to carry out financial transactions. This service is provided by some financial institutions, especially banks. Mobile banking enables clients and users to carry out various transactions, which may vary depending on the institution. Mobile banking refers to the use of a mobile device to carry out financial transactions. This service is provided by some financial institutions, especially banks. Mobile banking enables clients and users to carry out various transactions, which may vary depending on the institution.

Mobile banking allows consumers to be able to access banking services from anywhere. Businesses and business owners are now able to save time by making use of mobile applications to process their payments or even receive funds from clients directly to their phone numbers. It is particularly popular among small to medium-sized enterprises (SMEs). With mobile technology, banks are able to cut down on operational costs while still maintaining client satisfaction. The fact that any client of a bank can make use of their app to request a service, such as opening an account or even the ability to schedule debit orders or other payments from an application, allows for larger transactional volumes, eventually driving business growth.

VII. E-CHEQUE

- An E-Cheque is the electronic version or representation of paper cheque.
- The Information and Legal Framework on the E-Cheque is the same as that of the paper cheque's.
- It can now be used in place of paper cheques to do any and all remote transactions.
- An E-Cheque works the same way a cheque does, the cheque writer "writes" the E-Cheque using one of many types of electronic devices and "gives" the E-Cheque to the payee electronically. The payee "deposits" the Electronic Cheque, receives credit, and the payee's bank "clears" the E-Cheque to the paying bank.

3.5.5 ADVANTAGES & DISADVANTAGES OF E-BANKING

Advantages

1. Convenience

In this busy and hectic schedule it is difficult for an individual to make time to visit bank for checking their account balance, interest rates, successful transfer of money, and any other update. Banking system has developed virtual banking system for customer convenience where an individual can access their banking system anytime and anyplace. There are many scenarios when there is banking holiday due to which your money can't be transferred. Online banking system has provides an ease by providing 24 hours and 365 days services. It resolves issues faced by the customers during traditional banking system.

2. Transfer service

The virtual banking system provides convenience to transfer money 24 hours in 365 days. You don't need to stick to perform any transaction within working hours as you can do as per your convenience in 24 hours.

3. Monitoring service

The customers can access their updated passbook anytime for monitor their transactions to manage their financial plans.

4. Online bills payment

You don't need to stand in queue for paying bills as it has feature to pay any kind of bill including electricity, water supply, telephone, and other bills.

5. Quality service

Internet banking has improved the quality of services by providing them convenience to perform their transactions anytime during the day. The consumers are able to apply for loan, insurance, and any other services without visiting the banks physically which shows that the quality of e-banking is fast and effective.

6. High liquidity

You can transfer money and utilize anytime which is the greatest advantage to access internet banking. You don't need to visit banks for transferring money which can be done from anywhere without visiting to the banks physically.

7. Low cost banking service

Internet banking reduce enable to reduce operational costs with better quality of services. It provides convenience with high customer service at lower rate. The Bank charges minimal amount for operations which reflect that the e-banking services are reasonable and efficient.

8. High interest rates

Internet banking provides low interest rate on mortgage loans than banks. The operational cost is also low which helps to saving amount that is beneficial for the customers. There are various other facilities such as no minimum balance account which helps to maintain account with zero balance. It increases total disposable income of the consumers without even worry about maintaining minimum balance.

Disadvantages

1. Security Issues

Internet banking is completely insecure as there are many problems related to the website and data can be hacked by the hackers. It can leads to financial loss to the users. The financial information can also be stolen that can also create financial loss.

2. Lack of direct contact between customer and banking officer

Online banking requires effective customer service for handling issues faced by the user. But lack of customer support creates disappointment among the customers. There are some online payments which may not be reflected in the system due to technical issues. It also creates insecurity among the customers. Thus the lack of support from customer service executive is a barrier in online banking.

3.Transaction problem

During online banking there are various issues faced by the user such as transferred payment is not reflected, payment failed, and other issues due to technical support

4.Long procedure to access e-banking

In some countries, government banks are providing internet banking by filling the internet banking form then after approval you can access security password to log in. An individual need to download the App of specific banking then all credentials needs to be filled for login successfully.

5.Training and development

The banks need to conduct training and development program for employees for providing quality online services which enhance the customer experience. It requires huge investment to train them for providing effective services.

3.5.6 IMPACT OF E-BANKING ON ECONOMIC GROWTH OF INDIA

The Indian Banks are the backbone of Indian financial sector and Indian economy. Now a day in Indian economic scenario, the Indian financial system is in a process of rapid transformation. The shift from the formal banking to E-Banking has been a remarkable „leap change“ in Indian banking history. E-banking has experienced strong and sustained growth. India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. The government of India has come up with Digital India initiatives, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Banking through electronic channels has gained increasing popularity in recent years. The development and the increasing progress experienced in the Information & Communication Technology coupled with the expansion of the global economy paved the way for the transformation of the Indian banking system“s role from traditional trade financing to mobilizing and channeling financial resources more effectively in almost all facets of life.

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS & INTERPRETATION

A number of questions were asked to 60 respondents regarding the E-Banking services provided by SBI & HDFC banks. The data collected were classified and tabulated. Major observations are given below.

4.1 GENDER OF RESPONDENTS

Table 4.1

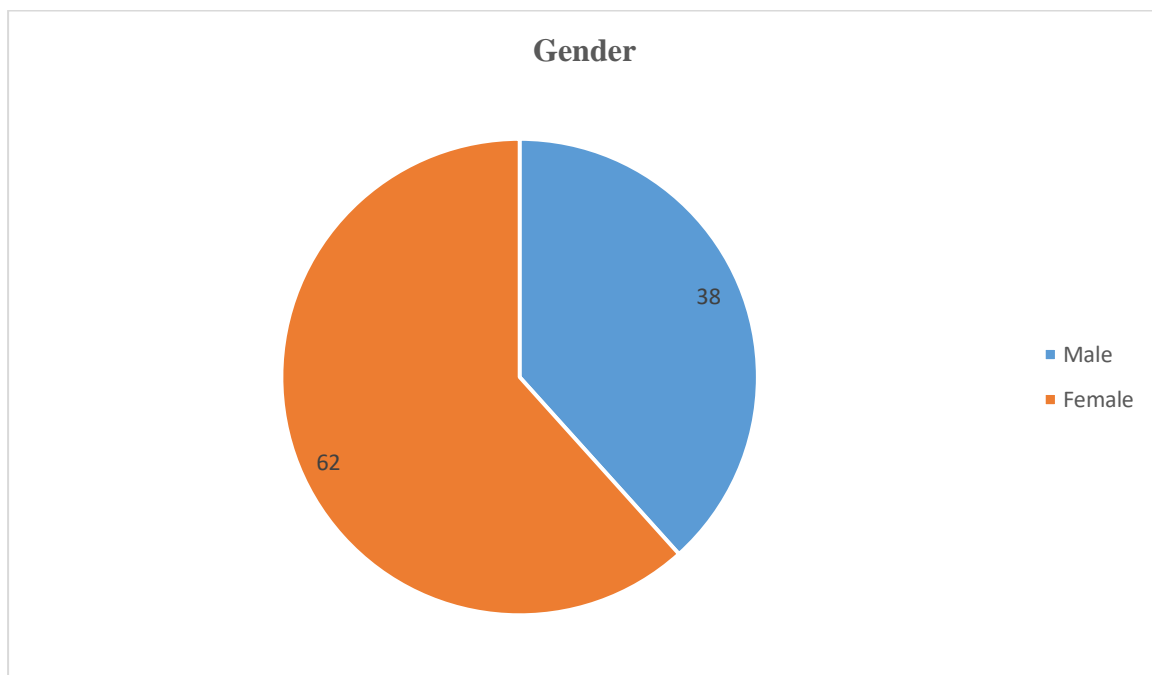
Table 4.1 Showing gender wise classification

Gender	No. of respondents	Percentage (%)
Male	23	38
Female	37	62

Source: Primary data (Questionnaire)

Figure 4.1

Figure showing gender group



Interpretation: From the above table and figure it was found that majority of respondents are female. Out of 60 respondents, 37 are female (i.e.62%) and 23 of them are male (i.e.38%).

4.2 AGE OF RESPONDENTS

Table 4.2

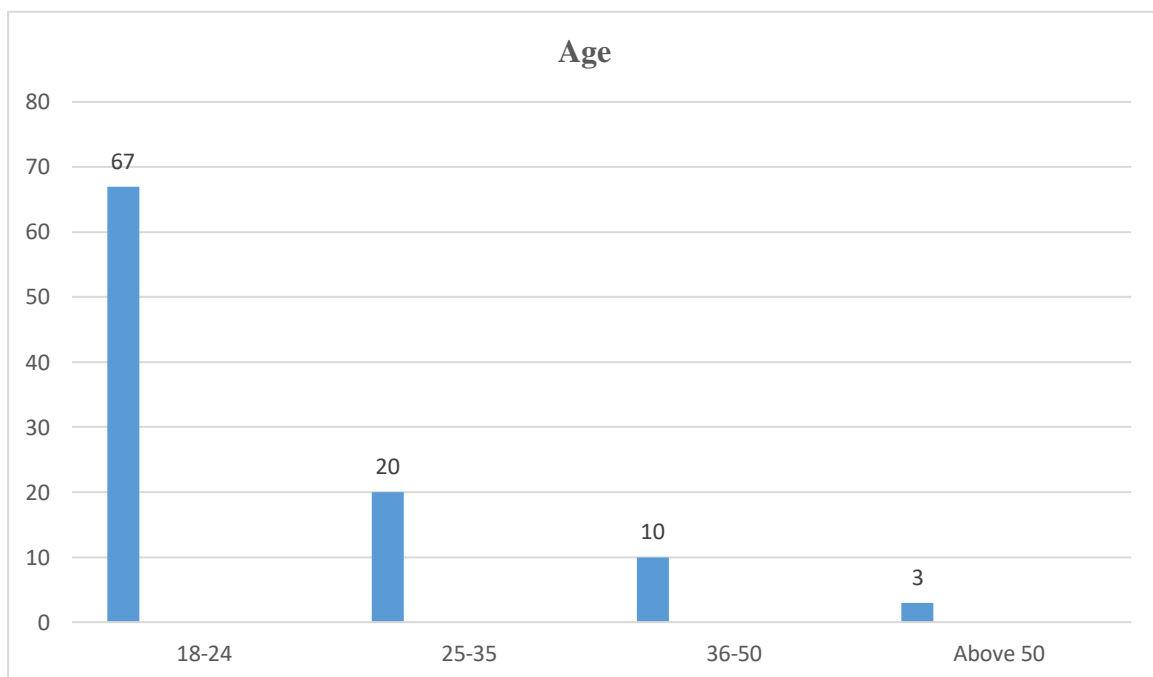
Table 4.2 showing age wise classification

Type	Age			
	18-24 years	25-35 years	36-50 years	Above 50 years
Count	40	12	6	2
%	67	20	10	3

Source: Primary data (Questionnaire)

Figure 4.2

Figure showing age group



Interpretation: From the above table it was found that 67% of the total respondents are below 25 years, 20% are between 25-35 years, 10% are between 36-50 years and only 3% are above 50 years old.

4.3 OCCUPATION OF RESPONDENTS

Table 4.3

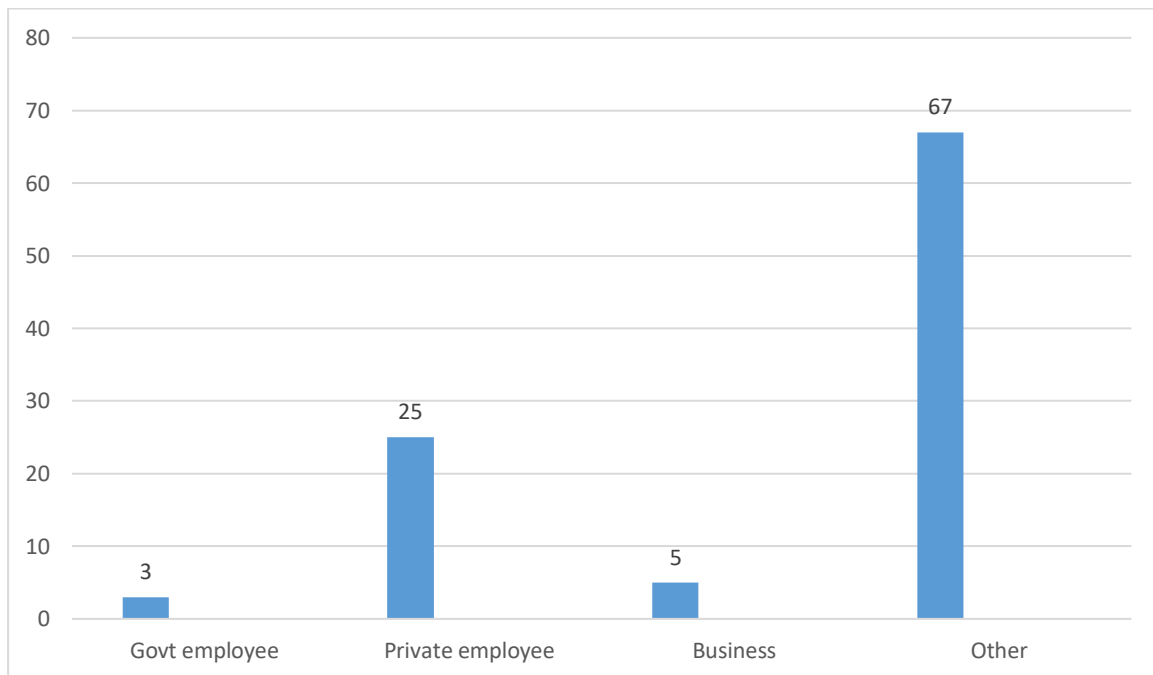
Table showing occupation of respondents

Type	Occupation			
	Government employee	Private employee	Business	Other
Count	2	15	3	40
%	3	25	5	67

Source: primary data (Questionnaire)

Figure 4.3

Figure showing occupational level of respondents



Interpretation: In this study, majority of respondents are students (i.e. 67%).

4.4 NO. OF RESPONDENTS HOLDING BANK ACCOUNT IN SBI & HDFC

Table 4.4

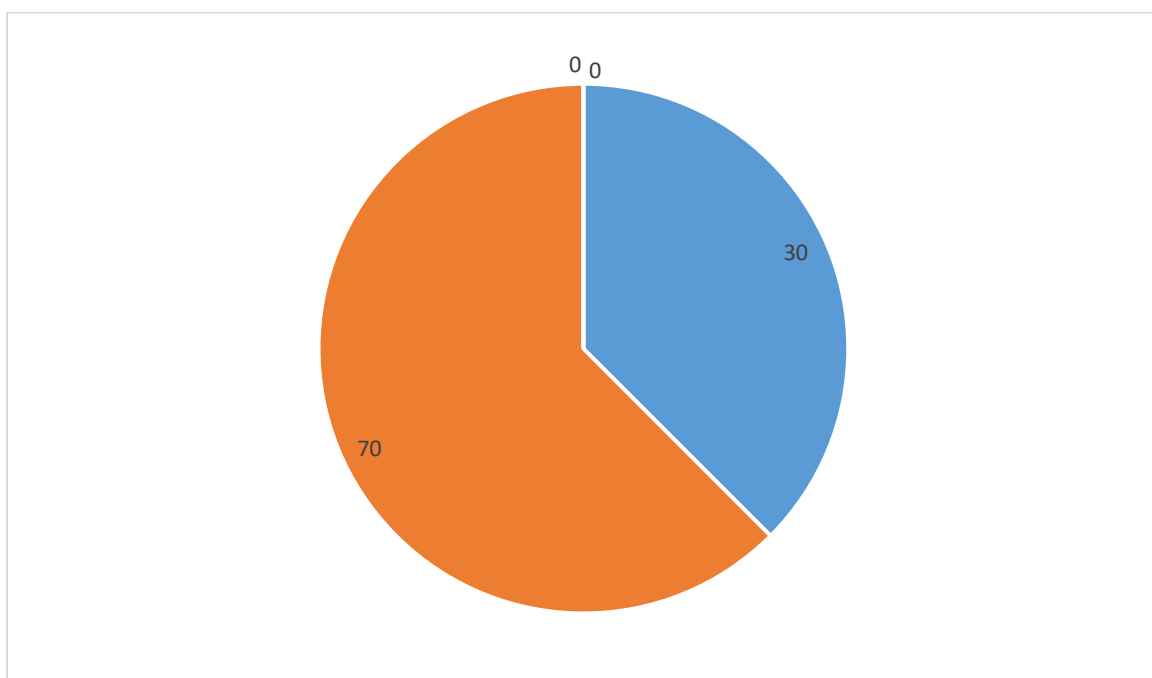
Table 4.4 showing the no. of respondents holding bank account in SBI & HDFC

Type	Bank Account	
	SBI	HDFC
Count	42	18
%	70	30

Source: primary data (Questionnaire)

Figure 4.4

Figure showing no. of respondents holding bank account in SBI & HDFC



Interpretation: In the above data, 70% of the respondents hold SBI bank account whereas 30% of the respondents hold bank account in HDFC.

4.5 AWARENESS REGARDING NET BANKING

Table 4.5

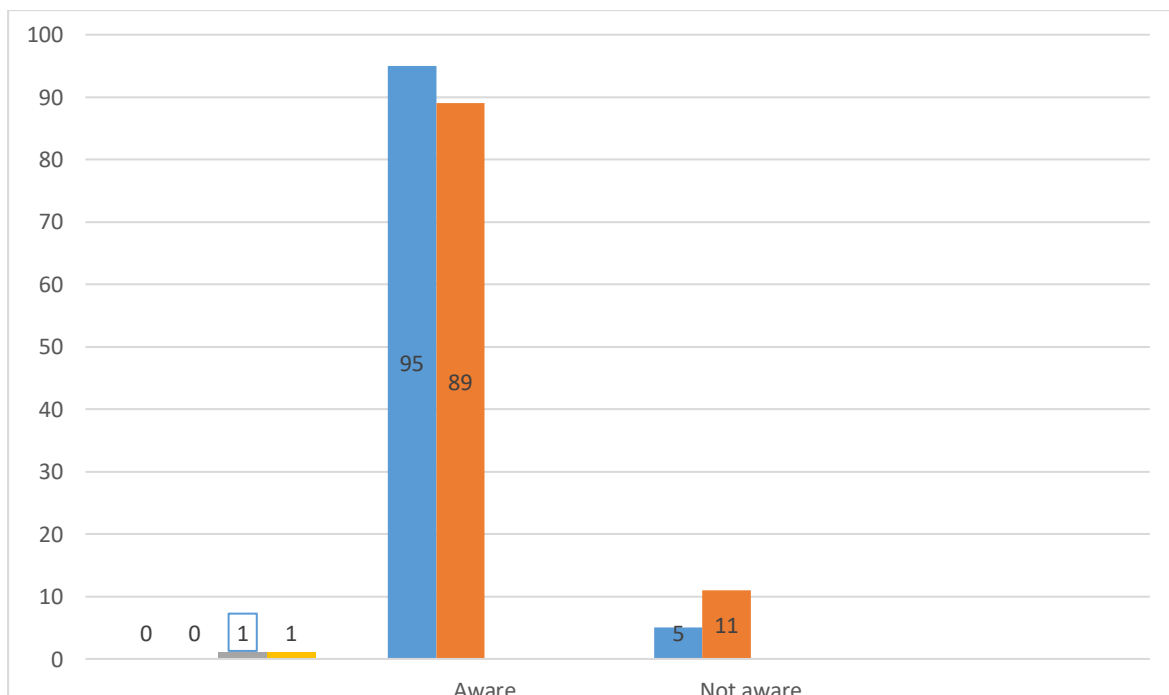
Table 4.5 showing the awareness of respondents regarding Net banking

Type	Aware		Not aware	
	SBI	HDFC	SBI	HDFC
Count	40	16	2	2
%	95	89	5	11

Source: primary data (Questionnaire)

FIGURE 4.5

Figure showing awareness regarding Net Banking



Interpretation: The table given above shows that 95% of SBI customers are aware about net banking, 5% are not aware, whereas in HDFC bank, 89% of customers are aware about net banking and 11% are not aware.

4.6 NO. OF RESPONDENTS HAVING INTERNET BANK ACCOUNT

Table 4.6

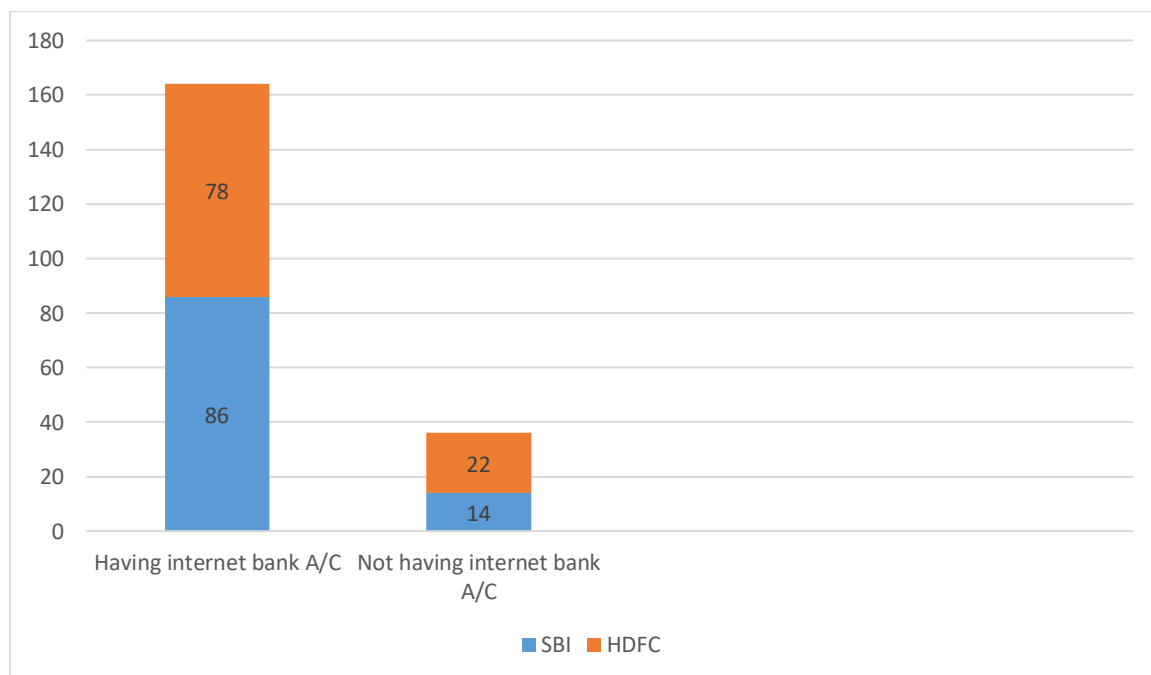
Table 4.6 showing no. of respondents having internet bank account

Type	Having internet bank account		Not having internet bank account	
	SBI	HDFC	SBI	HDFC
Count	36	14	6	4
%	86	78	14	22

Source: primary data (Questionnaire)

Figure 4.6

Figure showing No. of respondents having Internet Bank Account



Interpretation: From the above table and graphical representation, it was noted that 86% of the respondents of SBI bank are having internet bank account and 14% of the respondents are not having internet bank account; whereas in case of HDFC bank 78% of respondents are having internet bank account and 22% are not having.

4.7 REASON FOR NOT HAVING INTERNET BANK ACCOUNT

Table 4.7

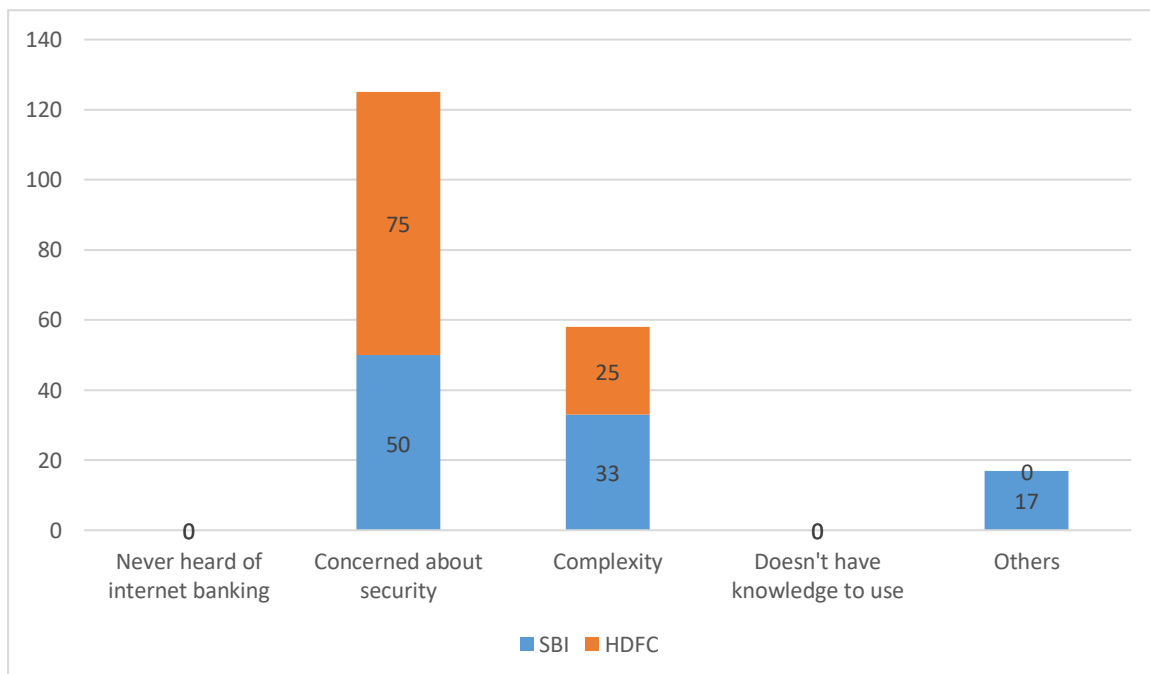
Table 4.7 showing the reason for not having internet bank account

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Never heard of internet banking	0	0	0	0
Concerned about security	3	50	3	75
Complexity	2	33	1	25
Doesn't have knowledge to use internet bank account	0	0	0	0
Others	1	17	0	0

Source: primary data (Questionnaire)

Figure 4.7

Figure showing the reason for not having internet bank account



Interpretation: In the above data, 50% of the respondents of SBI bank and 75% respondents of HDFC bank are not having an internet bank account because, they are concerned about security.

4.8 CHANCE OF OPENING AN INTERNET BANK ACCOUNT

Table 4.8

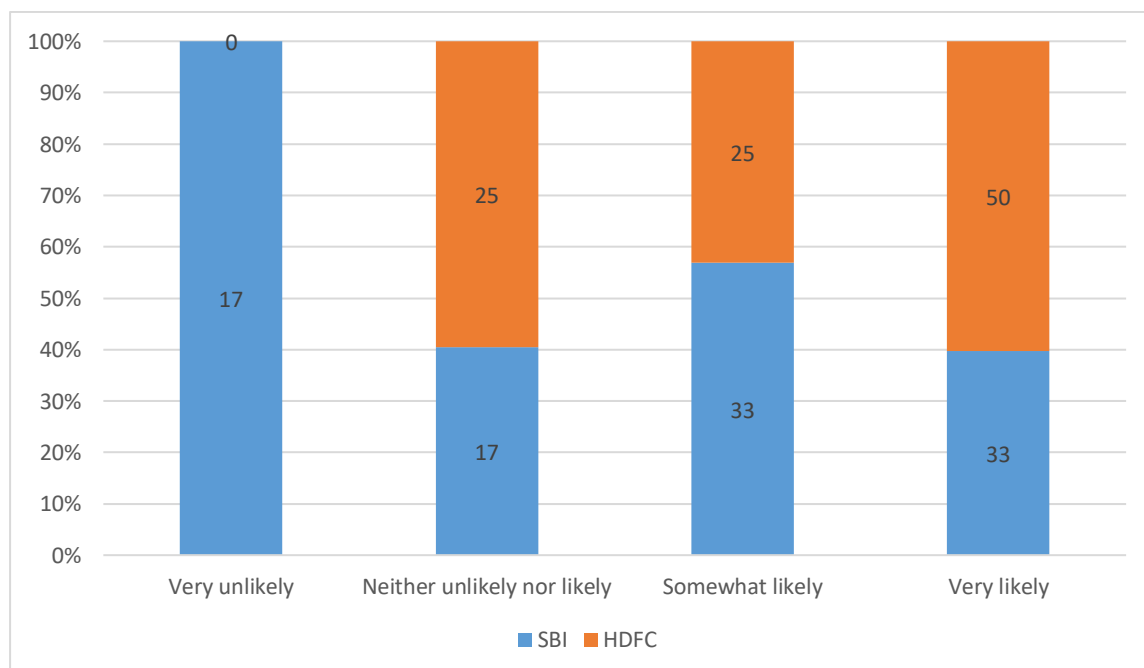
Table 4.8 showing the chance of opening an internet bank account

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Very unlikely	1	17	0	0
Neither unlikely nor likely	1	17	1	25
Somewhat likely	2	33	1	25
Very likely	2	33	2	50

Source: primary data (Questionnaire)

Figure 4.8

Figure showing the chance of opening an internet bank account



Interpretation: In the above data, 50% of HDFC bank account holders are very likely to open an internet bank account within next 12 months whereas only 33% of SBI bank holders are very likely to open internet bank account within next 12 months.

4.9 MOTIVATION TO OPEN AN INTERNET BANK ACCOUNT

Table 4.9

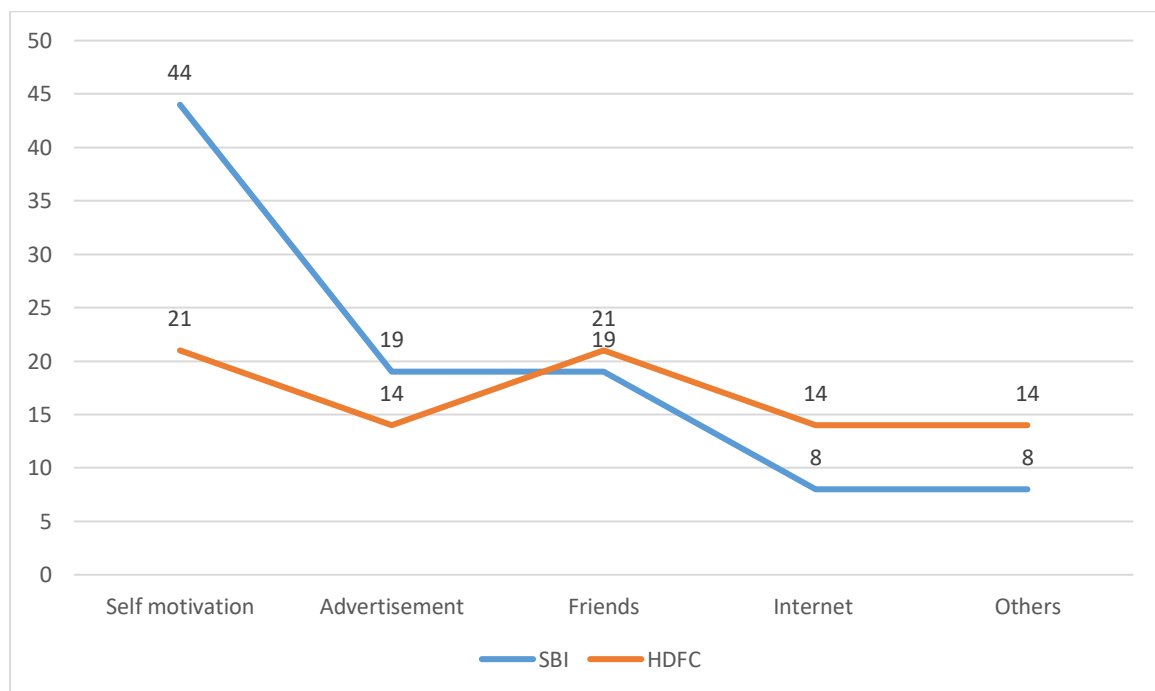
Table 4.9 showing the motivation to open an internet bank account

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Self motivation	16	44	3	21
Advertisement	7	19	2	14
Friends	7	19	5	36
Internet	3	8	2	14
Others	3	8	2	14

Source: primary data (Questionnaire)

Figure 4.9

Figure 4.9 showing the motivation to open an internet bank account



Interpretation: Graph showing that, in case of SBI bank majority of respondents i.e.44% are self motivated. Some people are motivated by friends and advertisement i.e. 19% and others are motivated by internet and others. Whereas in case of HDFC bank, majority of respondents i.e. 36% are motivated by friends, 14% of respondents are motivated by internet and advertisement .some people are self motivated i.e. 21% and other factors.

4.10 NO. OF YEARS DEALING WITH NET BANKING SERVICES

Table 4.10

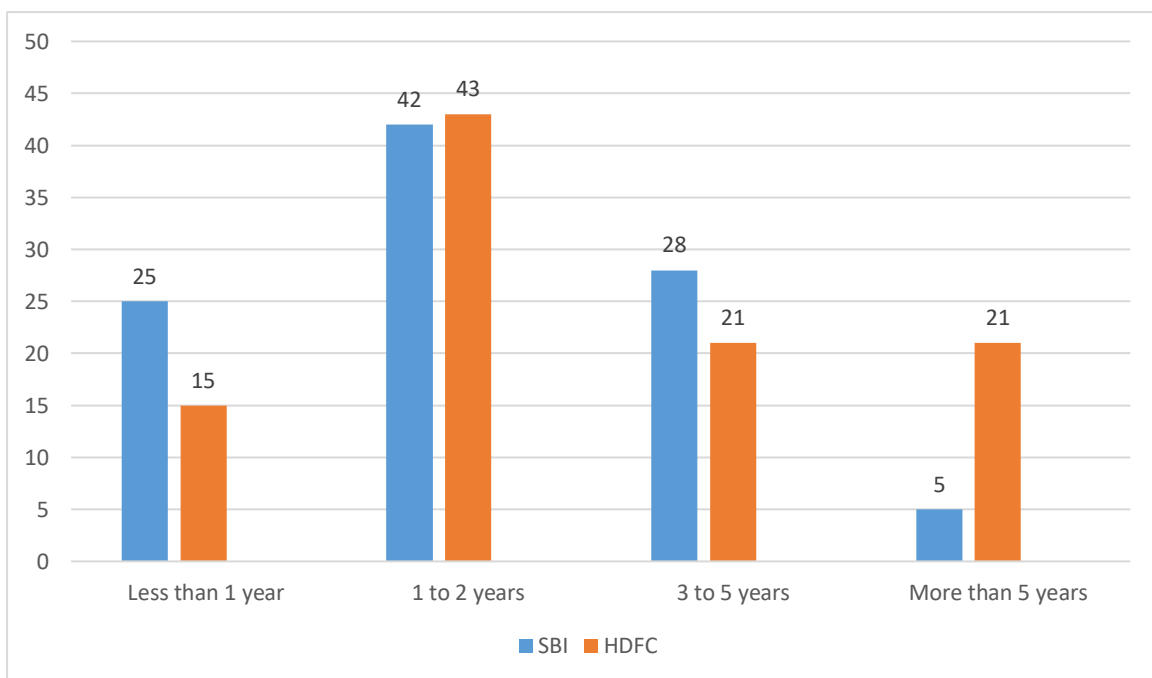
Table 4.10 showing No. of years dealing with net banking services

Type		No. of years			
		Less than 1 year	1 to 2 years	3 to 5 years	More than 5 years
SBI	Count	9	15	10	2
	%	25	42	28	5
HDFC	Count	2	6	3	3
	%	15	43	21	21

Source: primary data (Questionnaire)

Figure 4.10

Figure 4.10 showing No. of years dealing with net banking services



Interpretation: From the above graph it is clear that majority of the respondents of both SBI & HDFC are dealing with net banking between 1 to 2 years i.e. above 40%.

4.11 REASON TO CHOOSE PARTICULAR BANK FOR ONLINE BANKING SERVICES

Table 4.11

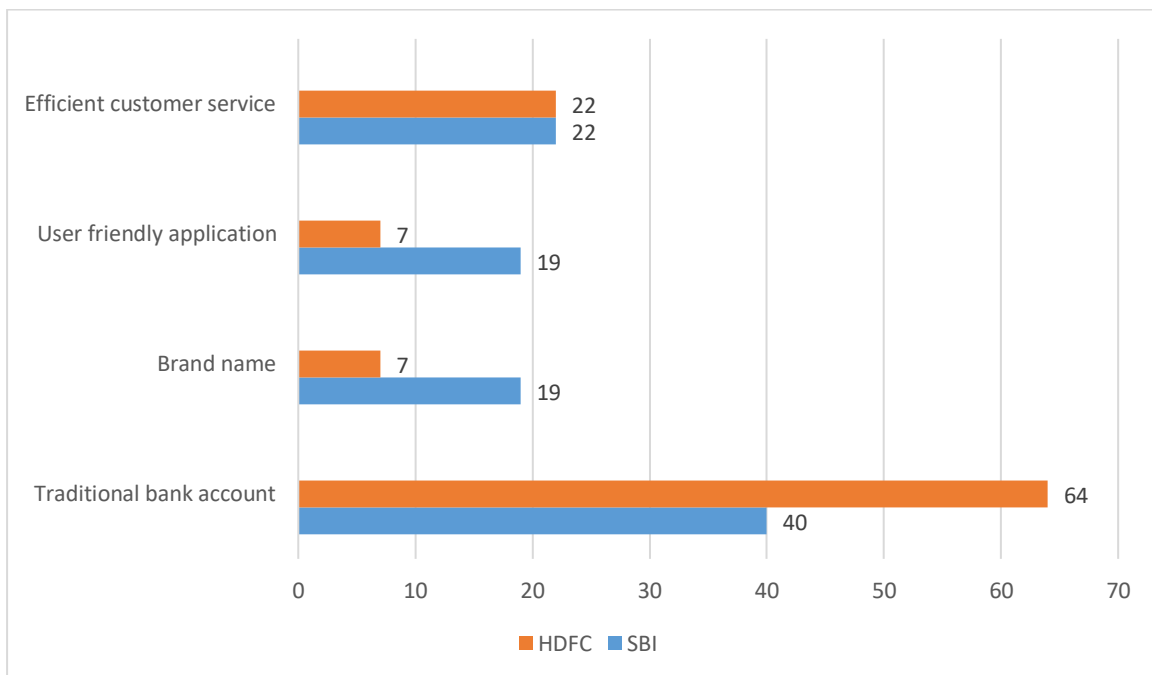
Table 4.11 showing reason to choose particular bank for online banking services

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Traditional bank account	14	40	9	64
Brand name	7	19	1	7
User friendly application	7	19	1	7
Efficient customer service	8	22	3	22

Source: primary data (Questionnaire)

Figure 4.11

Figure 4.11 showing reason to choose particular bank for online banking services



Interpretation: In the above data, majority of respondents (i.e. 40%) choose SBI online banking services because of traditional bank account, 22% because of efficient customer service and remaining for the reasons of brand name and user friendly application. Whereas 64% of HDFC bank account holders choose online banking because of traditional bank

account, 22% because of efficient customer service and remaining for the reasons of brand name and user friendly application.

4.12 INTERNET BANKING SERVICES

Table 4.12

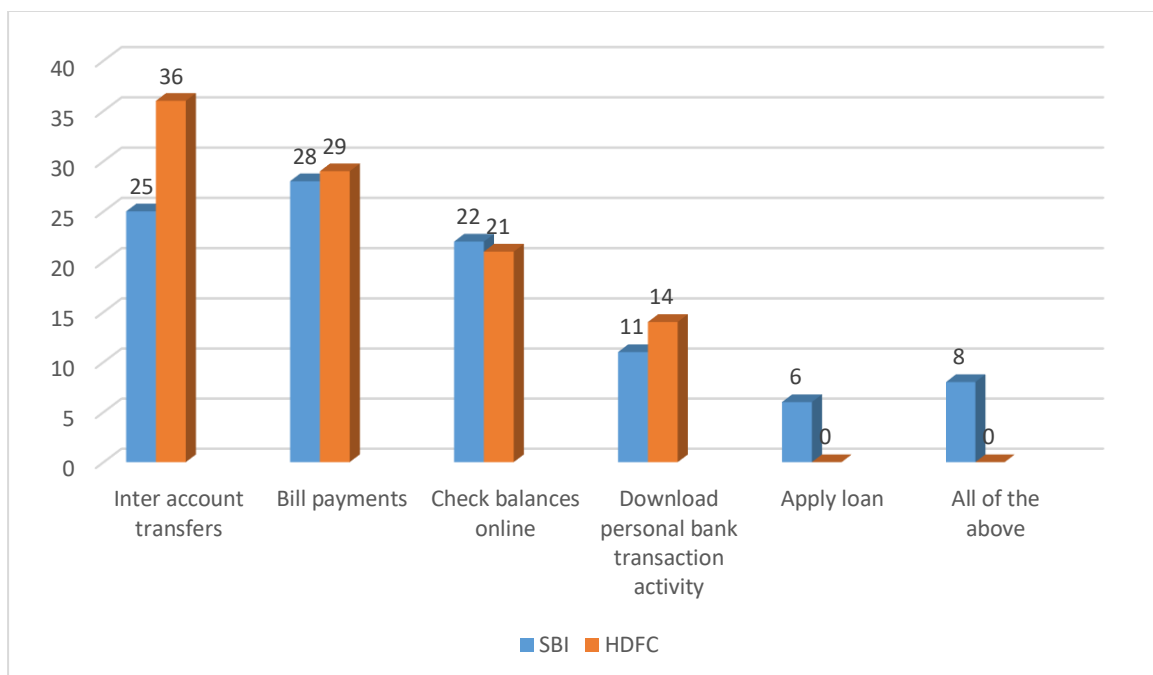
Table 4.12 showing internet banking services

Types		Internet banking services					
		Inter account transfers	Bill payments	Check balances online	Download personal bank transaction activity	Apply loan	All of the above
SBI	Count	9	10	8	4	2	3
	%	25	28	22	11	6	8
HDFC	Count	5	4	3	2	0	0
	%	36	29	21	14	0	0

Source: primary data (Questionnaire)

Figure 4.12

Figure 4.12 showing internet banking services



Interpretation: The above graph shows most of the SBI customers use internet banking service for bill payment i.e. 28%. 25% of customers use inter account transfer service, 22% use to check balances online, 11% use internet bank service to download personal transaction activity and remaining use to apply loan and all the above services. Whereas 36% of HDFC customers use inter account transfer service, 29% for bill payment, 21% for checking balance and remaining for downloading personal bank transaction activity.

4.13 NO. OF TIMES OF USE OF ATM IN A MONTH

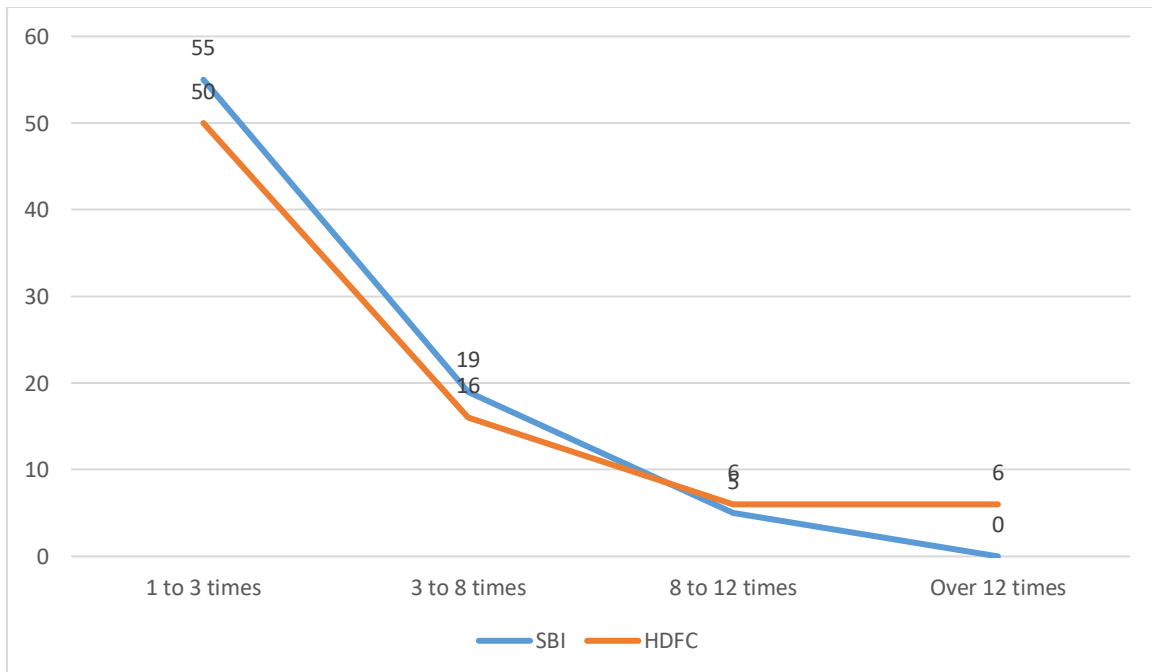
Table 4.13 showing No. of times of use of ATM in a month

Type		No. of Times				
		Less than 1	1 to 3 times	3 to 8 times	8 to 12 times	Over 12 times
SBI	Count	9	23	8	2	0
	%	21	55	19	5	0
HDFC	Count	4	9	3	1	1
	%	22	50	16	6	6

Source: primary data (Questionnaire)

Figure 4.13

Figure 4.13 showing No. of times of use of ATM in a month



Interpretation: From the above graph it is clear that majority of the respondents of both SBI & HDFC bank customers use ATM 1 to 3 times in a month.

4.14 ATM SERVICES

Table 4.14

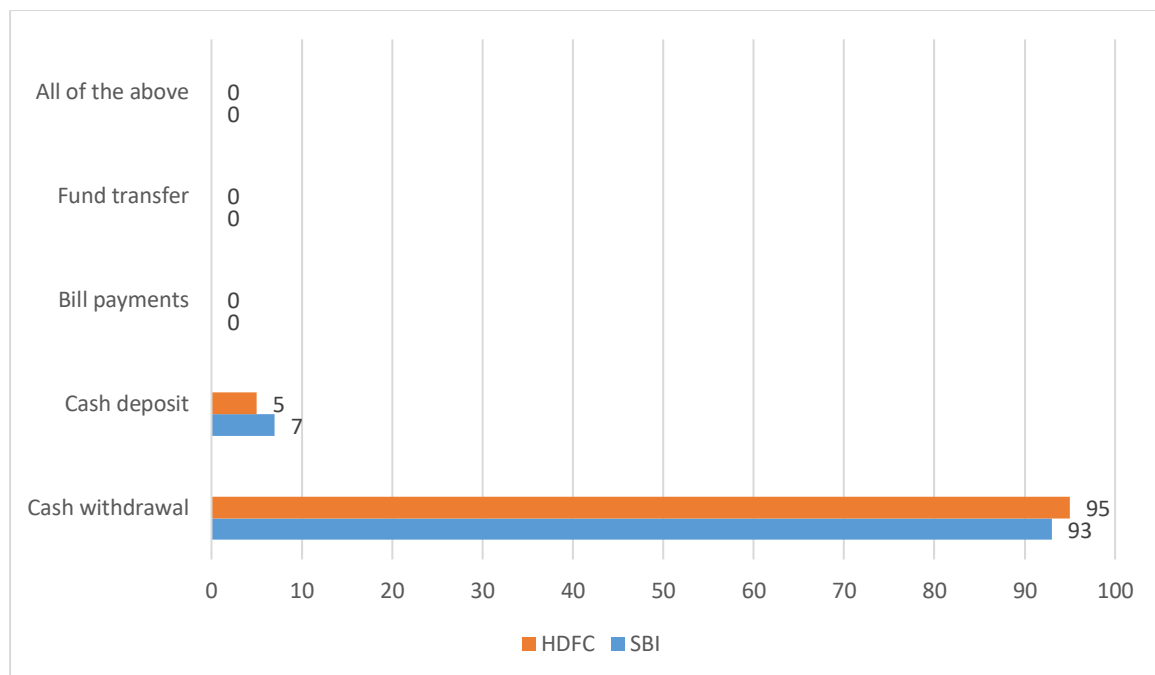
Table 4.14 showing ATM services

Type		ATM Services				
		Cash withdrawal	Cash deposit	Bill payments	Fund transfer	All of the above
SBI	Count	39	3	0	0	0
	%	93	7	0	0	0
HDFC	Count	17	1	0	0	0
	%	95	5	0	0	0

Source: primary data (Questionnaire)

Figure 4.14

Figure 4.14 showing ATM services



Interpretation: From the graph it is clear that most of the respondents in SBI bank avail ATM service for cash withdrawal (i.e. 93%). 7% of respondents use for cash deposit.

Whereas in case of HDFC bank 95% of respondents avail ATM service for cash withdrawal and 5% avail cash deposit.

4.15 PROBLEMS ENCOUNTERED WHILE USING AN ATM

Table 4.15

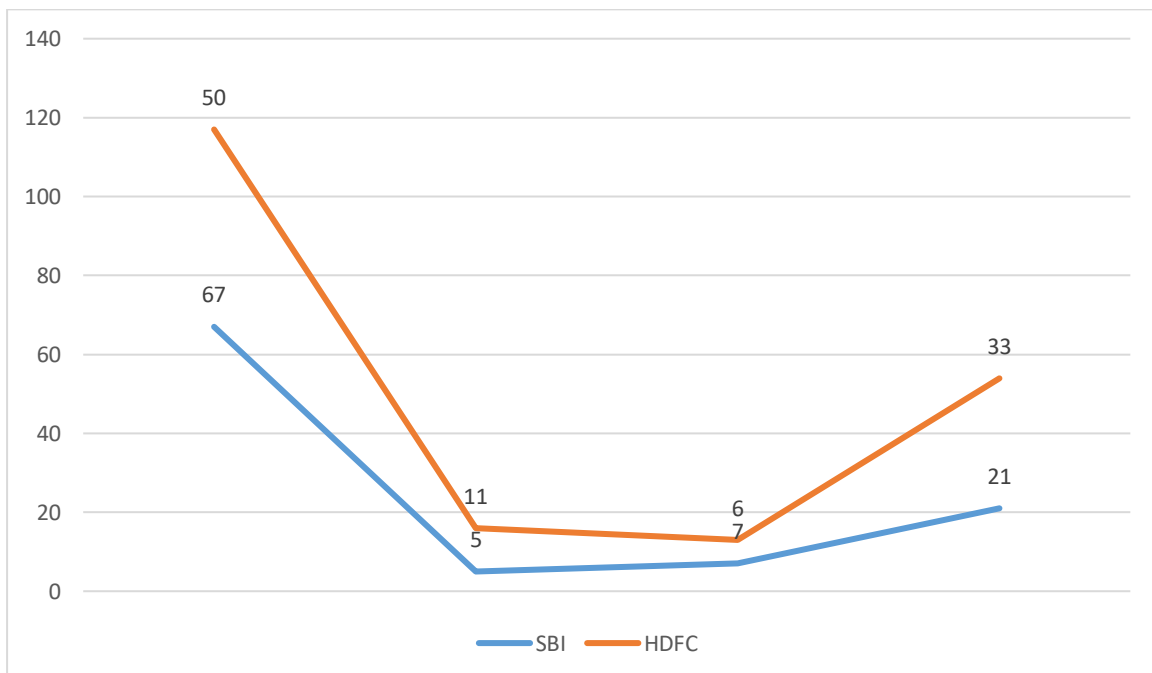
Table 4.15 showing problems encountered while using an ATM

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
The maximum withdrawal amount is limited	28	67	9	50
ATM not able to print slip	2	5	2	11
ATM working too slowly	3	7	1	6
All of the above	9	21	6	33

Source: primary data (Questionnaire)

Figure 4.15

Figure 4.15 showing problems encountered while using an ATM



Interpretation:From the graph it is clear that majority of respondents face a problem from ATM service is maximum withdrawal limit.in case of SBI customers it is 67% whereas in case of HDFC customers it is 50%. 21% of respondents of SBI bank faces all of the above problems. Whereas in case HDFC bank 33% of respondents face all of the above problems.

4.16 INFORMATION ON BANK’S WEBSITE

Table 4.16

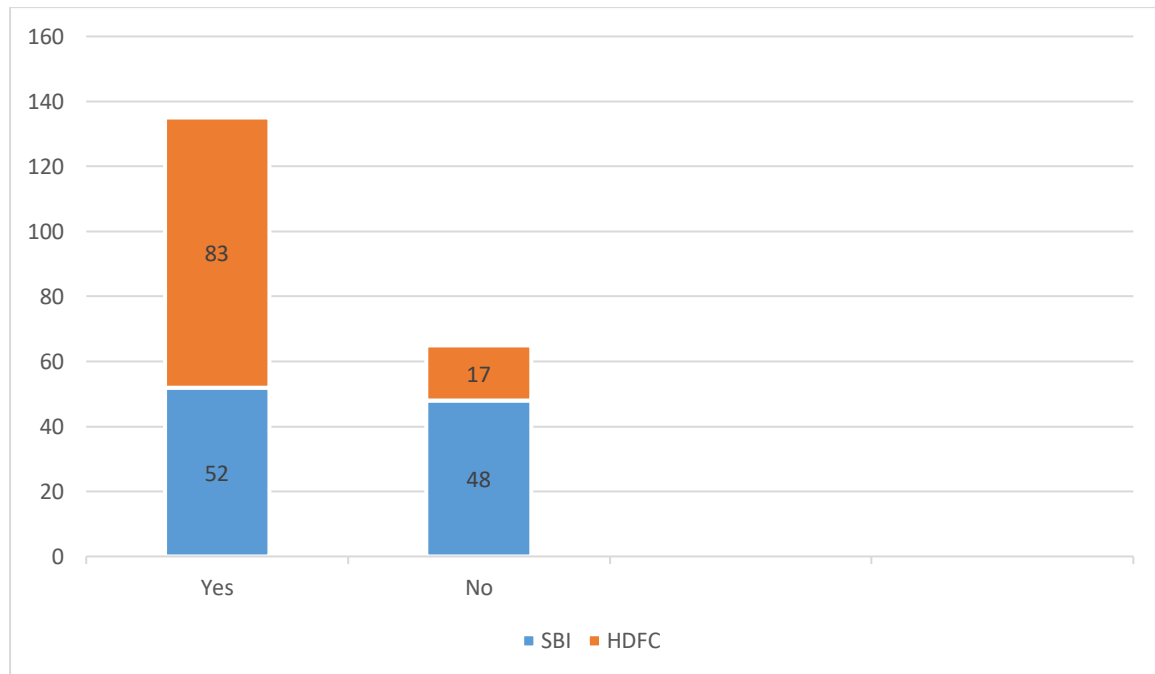
Table 4.16 showing information on bank’s website

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Yes	22	52	15	83
No	20	48	3	17

Source: primary data (Questionnaire)

Figure 4.16

Figure 4.16 showing information on bank’s website



Interpretation:From the above graph it is clear that 83% of customers in HDFC bank are getting every type of information from bank’s website. Whereas only 52% of customers in SBI bank are getting every type of information from bank’s website.

4.17 LEVEL OF AGREEMENT WITH STATEMENTS REGARDING BANK'S WEBSITE

Table 4.17

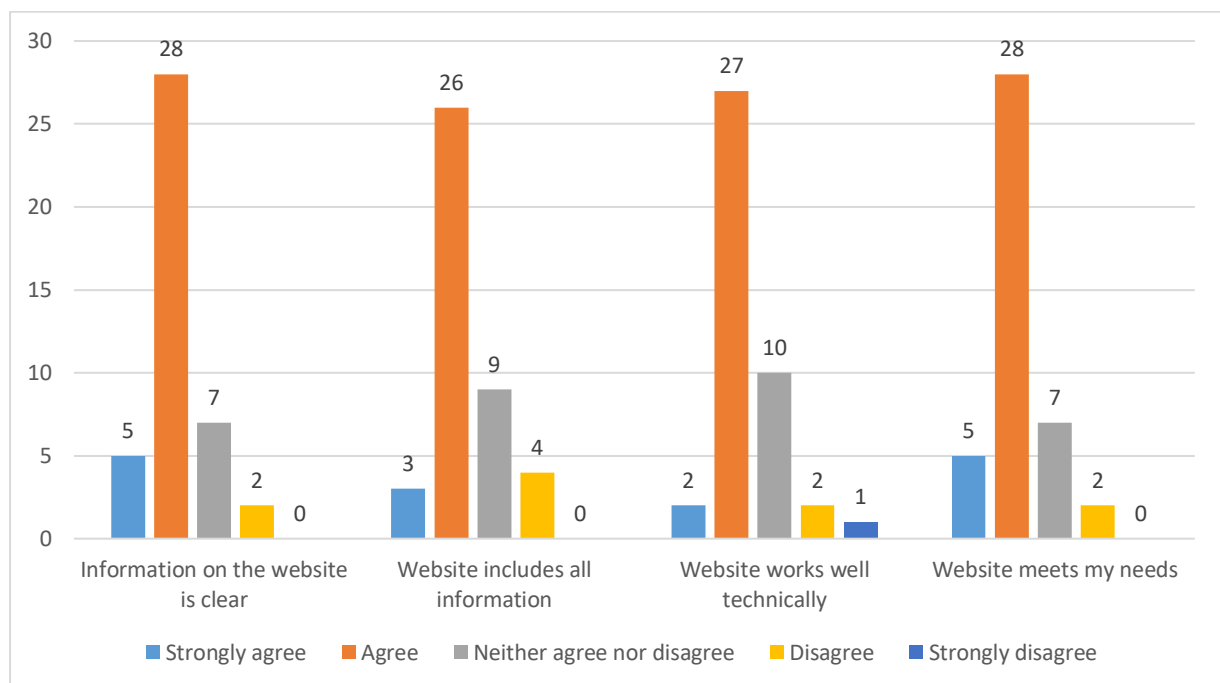
Table 4.17 showing level of agreement (SBI)

Statements	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Information on the website is clear	5	28	7	2	0
Website includes all information	3	26	9	4	0
Website works well technically	2	27	10	2	1
Website meets my needs	5	28	7	2	0

Source: primary data (Questionnaire)

Figure 4.17

Figure 4.17 showing level of agreement (SBI)



Interpretation: The graph shows most of the respondents agreed with the statements and only few respondents showing disagreement.

4.18 LEVEL OF AGREEMENT WITH STATEMENTS REGARDING BANK'S WEBSITE

Table 4.18

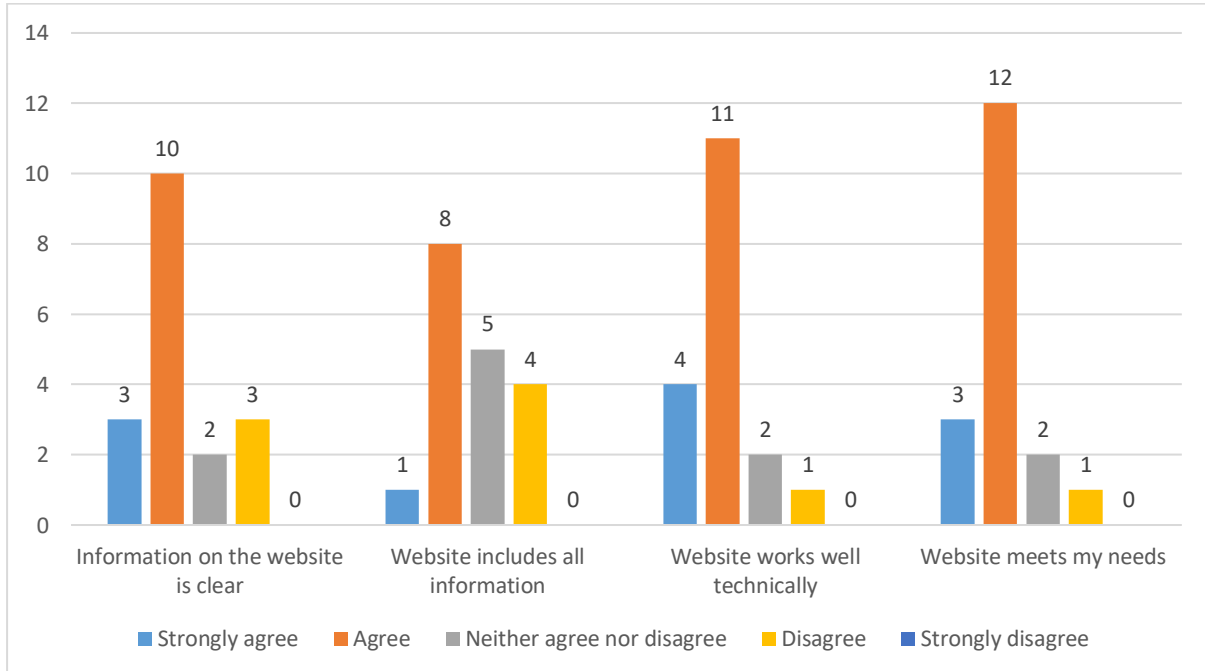
Table 4.18 showing level of agreement (HDFC)

Statements	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Information on the website is clear	3	10	2	3	0
Website includes all information	1	8	5	4	0
Website works well technically	4	11	2	1	0
Website meets my needs	3	12	2	1	0

Source: primary data (Questionnaire)

Figure 4.18

Figure 4.18 showing level of agreement (SBI)



Interpretation: The graph shows most of the respondents of HDFC bank agreed with the statements and non of the respondents strongly disagreed and few of them disagreeing with the statements.

4.19 FACTORS INDUCING TOWARDS E-BANKING

Table 4.19

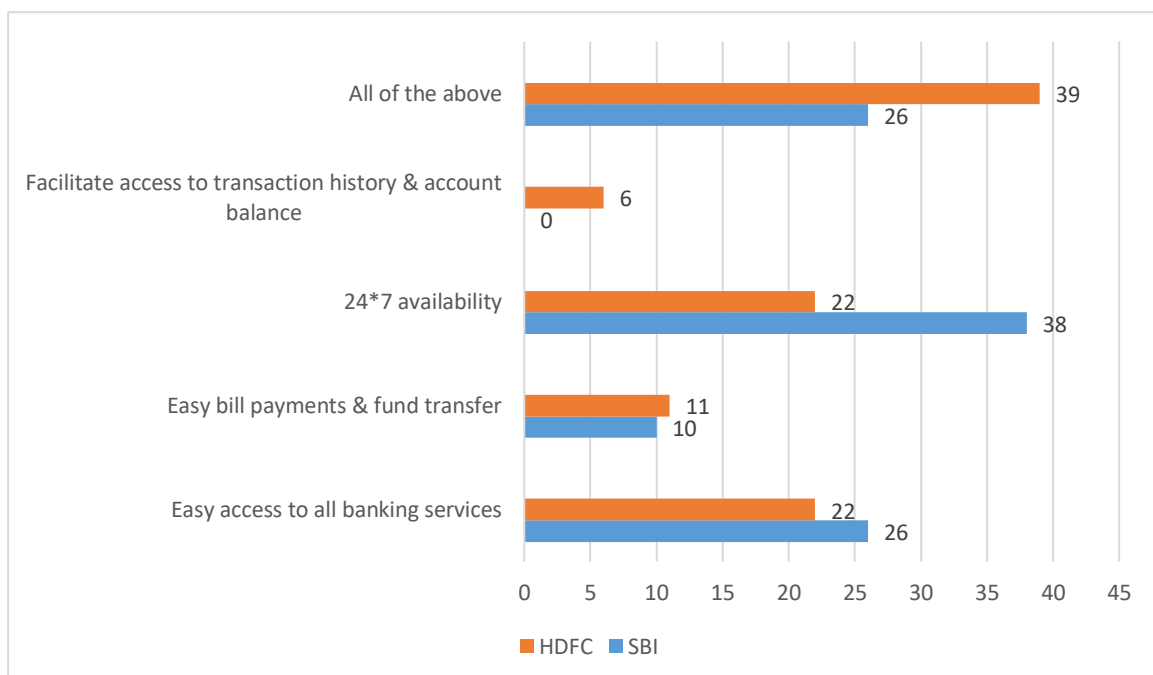
Table 4.19 showing factors inducing towards e-banking

Factors	SBI		HDFC	
	No of respondents	%	No .of respondents	%
Easy access to all banking services	11	26	4	22
Easy bill payments & fund transfer	4	10	2	11
24*7 availability	16	38	4	22
Facilitate access to transaction history & account balance	0	0	1	6
All of the above	11	26	7	39

Source: primary data (Questionnaire)

Figure 4.19

Figure 4.19 showing factors inducing towards e-banking



Interpretation:In the above data, 39% of HDFC bank customers are induced by all of the above mentioned factors towards e-banking. Whereas 38% of SBI bank customers are induced by the factor 24*7 availability.

4.20 PROBLEMS ENCOUNTERED WHILE USING E-BANKING

Table 4.20

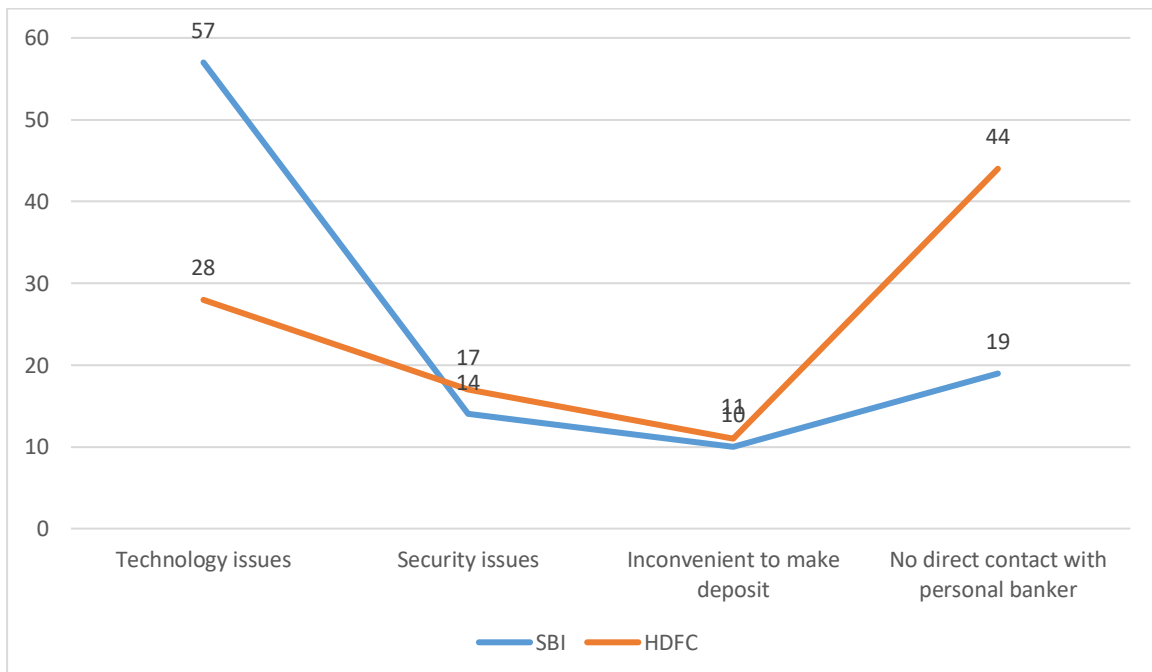
Table 4.20 showing problems encountered while using e-banking

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Technology issues	24	57	5	28
Security issues	6	14	3	17
Inconvenient to make deposit	4	10	2	11
No direct contact with personal banker	8	19	8	44

Source: primary data (Questionnaire)

Figure 4.20

Figure 4.20 showing problems encountered while using e-banking



Interpretation:In the above data, 57% of the respondents of SBI bank faces technology issues while using e-banking. Whereas 44% of the respondents of HDFC bank faces an issue of no direct contact with personal banker.

4.21 LEVEL OF SATISFACTION OF E-BANKING SERVICES IN SBI

Table 4.21

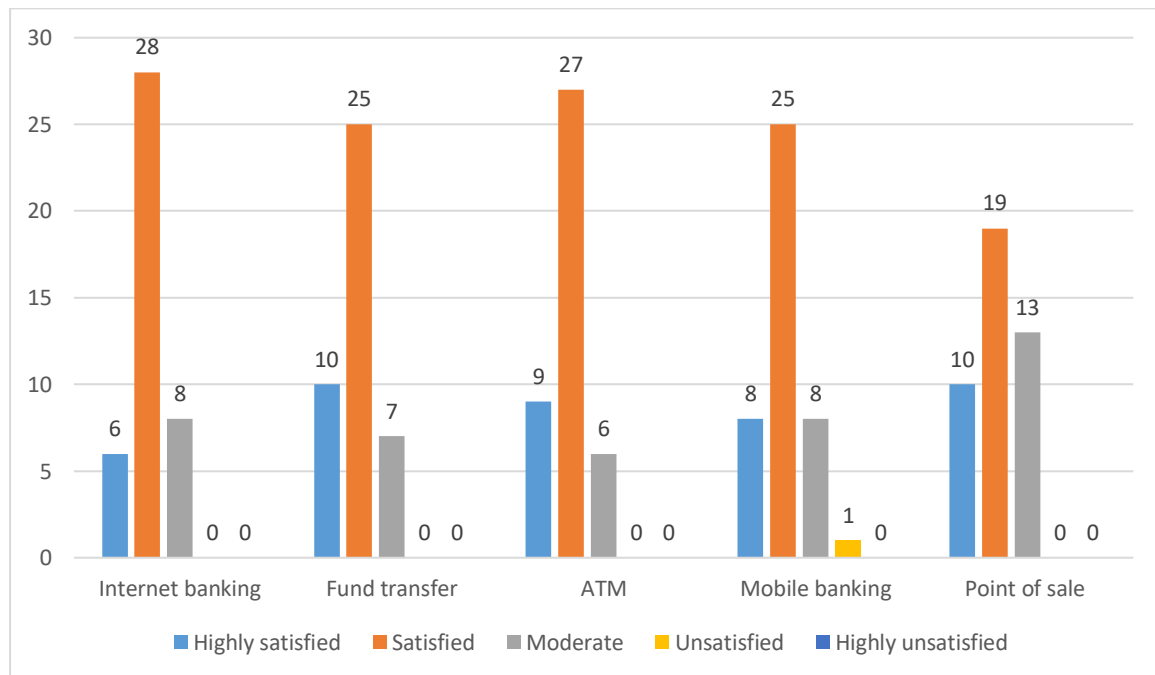
Table 4.21 showing level of satisfaction of e-banking services in SBI

Services	Highly satisfied	Satisfied	Moderate	Unsatisfied	Highly unsatisfied
Internet banking	6	28	8	0	0
Fund transfer	10	25	7	0	0
ATM	9	27	6	0	0
Mobile banking	8	25	8	1	0
Point of sale	10	19	13	0	0

Source: primary data (Questionnaire)

Figure 4.21

Figure 4.21 showing level of satisfaction of e-banking services in SBI



Interpretation: The graph shows most of the respondents are highly satisfied with fund transfer, point of sale and ATM services.

4.22 LEVEL OF SATISFACTION OF E-BANKING SERVICES IN HDFC

Table 4.22

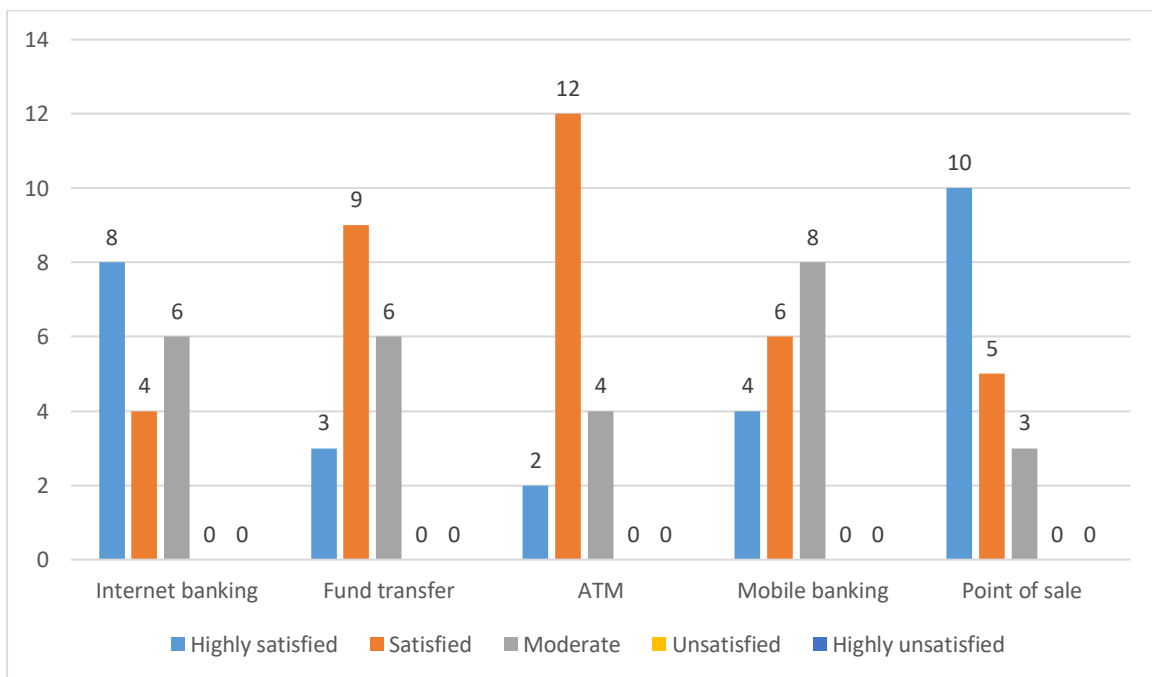
Table 4.22 showing level of satisfaction of e-banking services in HDFC

Services	Highly satisfied	Satisfied	Moderate	Unsatisfied	Highly unsatisfied
Internet banking	8	4	6	0	0
Fund transfer	3	9	6	0	0
ATM	2	12	4	0	0
Mobile banking	4	6	8	0	0
Point of sale	10	5	3	0	0

Source: primary data (Questionnaire)

Figure 4.22

Figure 4.22 showing level of satisfaction of e-banking services in HDFC



Interpretation: The graph shows most of the respondents are highly satisfied with point of sale and internet banking services.

4.23 MOST TECHNOLOGICALLY ADVANCED CATEGORY

Table 4.23

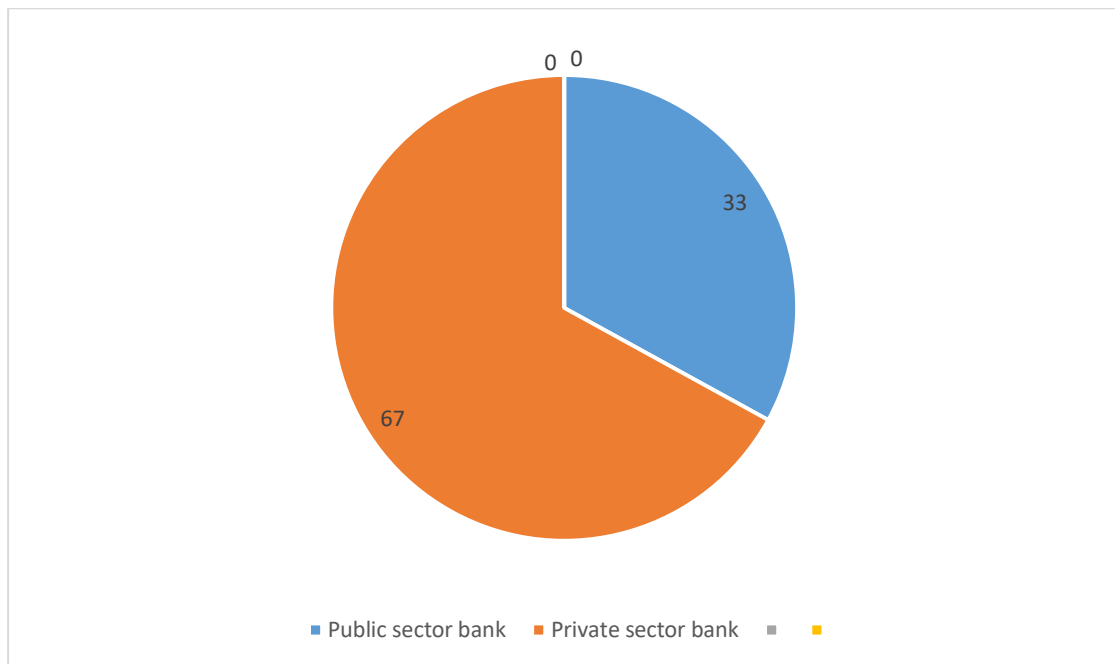
Table 4.23 showing most technologically advanced category

	No. of respondents	Percentage
Public sector bank	20	33
Private sector bank	40	67

Source: primary data (Questionnaire)

Figure 4.23

Figure 4.23 showing most technologically advanced category



Interpretation: The ability of technology to bring services to people wherever they are and whenever they need is the biggest driver of achieving comprehensive. The above data shows that private sector banks are more technologically advanced than public sector banks.

4.24 SAFETY OF E-BANKING SERVICES

Table 4.24

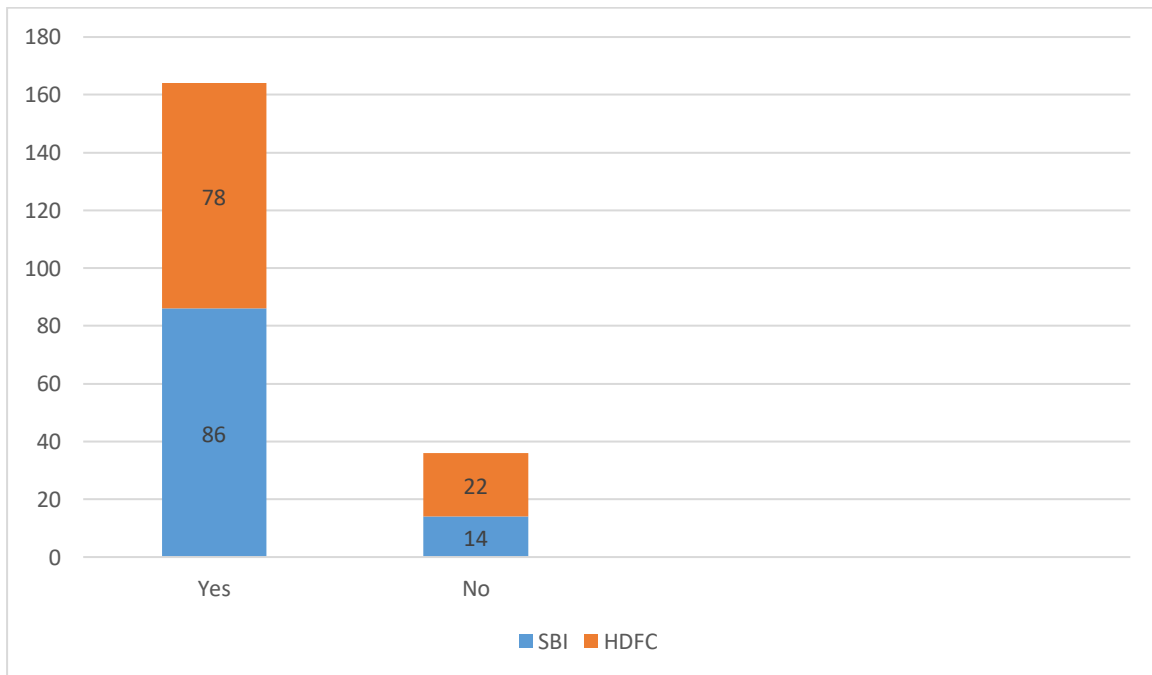
Table 4.24 showing safety of e-banking services

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Yes	36	86	14	78
No	6	14	4	22

Source: primary data (Questionnaire)

Figure 4.24

Figure 4.24 showing safety of e-banking services



Interpretation: Above graph shows that 86% of respondents of SBI bank believes e-banking services are and 78% of respondents of HDFC bank believes the same.

4.25 CUSTOMER SERVICES

Table 4.25

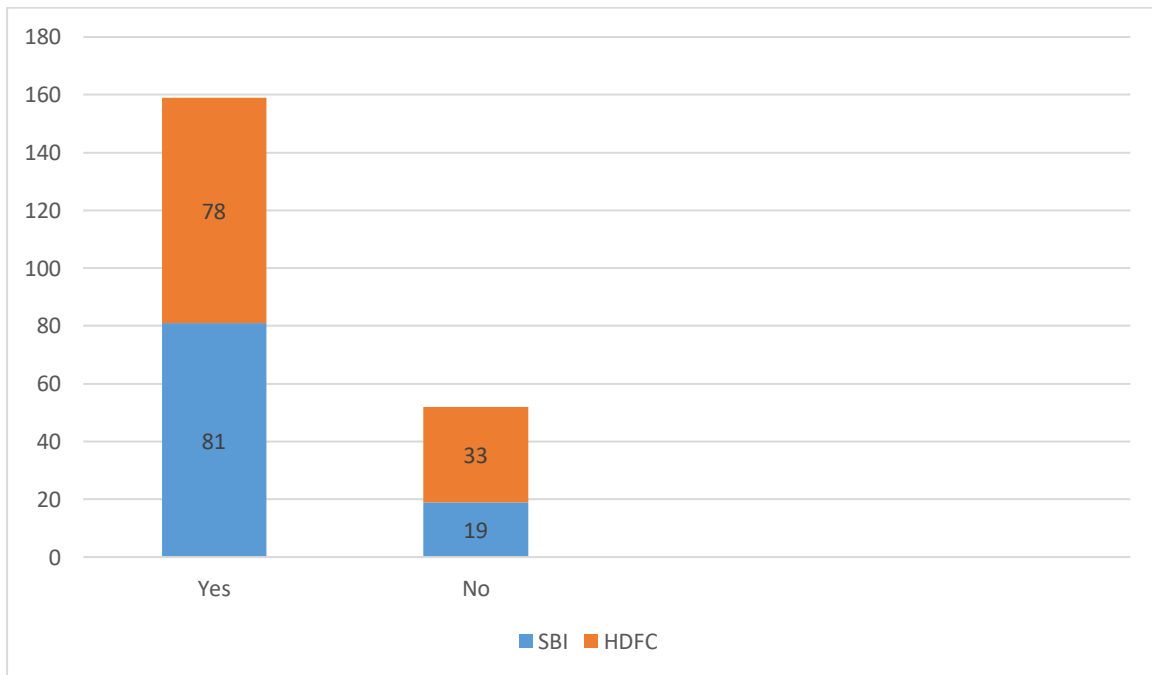
Table 4.25 showing customer services

	SBI		HDFC	
	No. of respondents	%	No. of respondents	%
Yes	34	81	12	67
No	8	19	6	33

Source: primary data (Questionnaire)

Figure 4.25

Figure 4.25 showing customer services



Interpretation: Above graph shows that 81% of SBI bank account holders agreed that bank serve customers via all available sales channels and 78% of HDFC bank holders agreed with the same.

HYPOTHESIS TESTING

Hypothesis testing is an act in statistics whereby an analyst tests an assumption regarding a population parameter. The methodology employed by the analyst depends on the nature of the data used and the reason for the analysis.

Hypothesis testing is used to assess the plausibility of a hypothesis by using sample data. Such data may come from a larger population, or from a data-generating process.

Statistical analyst test a hypothesis by measuring and examining a random sample of the population being analyzed. All analysts use a random population sample to test two different hypothesis: the null hypothesis and the alternative hypothesis.

The null hypothesis is usually a hypothesis of equality between population parameters; e.g: a null hypothesis may state that the population mean return is equal to zero. The alternative hypothesis is effectively the opposite of a null hypothesis (e.g; the population mean return is not equal to zero) Thus, they are mutually exclusive, and only one can be true. However, one of the two hypothesis will always be true.

EFFECTIVENESS OF E-BANKING SERVICES PROVIDED BY PUBLIC AND PRIVATE SECTOR BANKS

In order to test whether there is significant difference between effectiveness of e-banking services provided by public and private sector banks, following hypothesis is formulated.

H₀: There is no significant difference in the effectiveness of the e-banking services provided by the selected public and private sector banks.

H_a: There is a significant difference in the effectiveness of the e-banking services provided by the selected public and private sector banks.

Table 4.1.2 showing effectiveness of e-banking services provided by public and private sector banks

	Public sector bank	Private sector bank	Total
Difference in effectiveness	22	13	35
	25	10	
No difference in effectiveness	20	5	15
	17	8	
Total	42	18	60

O	E	(O-E)	(O-E) ²	(O-E) ² /E
22	25	-3	9	0.36
13	10	-3	9	0.9
20	17	-3	9	0.53
5	8	-3	9	1.13
60	60			2.92

Level of significance = $\alpha = 0.05$

Degree of freedom = 1

Critical value of chi-square = 3.841

Chi-square calculated value (2.92) < Chi-square critical value (3.841)

Since the calculated value is less than the critical value, we accept the null hypothesis. There is no significant difference in the effectiveness of the e-banking services provided by the selected public and private sector banks.

Chapter 5
Findings, Suggestions & Conclusion

5.1 FINDINGS

- ❖ The majority 62% of respondents are female and 38% are male respondents out of 60 respondents.
- ❖ The age group 18-24 is the largest group representing 67% of the respondents followed by 20% of respondents who belong to the age group of 25-35.
- ❖ Majority of the respondents belong to student category followed by private employees, business man and government employees.
- ❖ Among the overall percentage of the customers whose having bank account in SBI is 70% and 30% in HDFC.
- ❖ Majority of the respondents of both banks are aware about Net banking services.
- ❖ Among those who aware, 86% of respondents of SBI bank and 78% of HDFC bank use Net banking services.
- ❖ The main reasons for not having an internet bank account are concerned about security, complexity and other factors.
- ❖ The study reveals that 50% of SBI bank account holders and 33% of HDFC bank account holders who do not have an internet bank account are very likely to open an internet bank account within a year.
- ❖ The study reveals the major influencing factors to open an internet bank account such as self –motivation followed by advertisement, friends and internet.
- ❖ The study reveals that majority of customers of both banks have been using Net banking for 1-2 years.
- ❖ Most of the customers select the particular bank for online banking services because of holding traditional bank account in the same bank and efficient customer services.
- ❖ Among various internet banking services available, most of the customers in SBI prefer bill payments and customers in HDFC prefer inter account transfer.
- ❖ Majority of respondents uses ATM services and most of the users are very much satisfied with the ATM services of their respective banks.
- ❖ The main problem encountered by customers of both banks through ATM services is its maximum withdrawal limit.
- ❖ Among various factors inducing towards E-Banking services such as easy access, easy bill payment & fund transfer, 24*7 availability, facilitate access to transaction history & account balance... majority of respondents of SBI chose 24*7 availability and customers of HDFC chose all of the above factors.

- ❖ Users of E-Banking services of both banks are satisfied with all the variables. Overall it is understandable that users are fairly well satisfied with e-banking services.
- ❖ The study reveals the major problems encountered by SBI customers while using e-banking services is Technology issues and HDFC customers is No direct contact with personal banker.
- ❖ Customers of SBI are highly satisfied with point of sale services and fund transfer because of convenience and safety of not carrying cash for making various payments and in case of HDFC bank, customers are highly satisfied with point of sale services.
- ❖ Public sector banks and private sector banks are equally considered as technologically advanced.
- ❖ This study reveals that majority of customers of SBI and HDFC banks are satisfied with customer services provided through e-banking.

5.2 SUGGESTIONS

The following suggestions are the outcome of the research:

- ❖ Every bank should take precautions to keep customers experience safe. It should take consistent efforts to safeguard online banking transactions. All internet banks should provide close interaction between bank service and web based e-commerce and even service through direct electronic payments.
- ❖ Users of e-banking can perform common banking tasks such as writing checks, paying bills, transferring funds, printing statements & balance inquiry etc. E-banking has evolved into 'one step service and information unit' that promises great benefits to all i.e. banks, consumers, citizens, employees and government. E-banking is poised to become most promising partner in governance process.
- ❖ More ATM coverage should be provided for the convenience of the customers.
- ❖ No limit on cash withdrawals on ATM cards.
- ❖ In the present competitive world, the use of internet and mobile banking has become a vital one. It is necessary that the banks, both SBI and HDFC, must create greater awareness among their customers for the use of fund transfer technology for easy transfer of funds and how payments via internet is made very easy and convenient.
- ❖ The banks have to improve its quality of service for those variables to fulfil customer satisfaction where the mean score is less.
- ❖ The banks have to initiate steps to educate the customers about new banking services or new products. The banker may have to conduct different programs like customers day, customers meet and customer campaign in which they can directly interact with their customers and educate them about their new products or services.
- ❖ Further research could also consist of a comparative study for the new platform generation. In summary, it is quite clear that banking technology has emerged as a separate discipline in its own right. As regards future directions, the proliferating research in all fields of Technology and computer science can make steady inroads into banking technology because any research idea in these disciplines can potentially have a great impact on banking technology.

SCOPE FOR FURTHER RESEARCH

This study opens up new areas for further research in many related areas. Some of them are listed below:

- A comparative study can be conducted on service quality of Indian and Foreign banks.
- An analysis of payment gateway services in nationalised banks in India.
- A comparative study on problems faced by employees towards modern banking services in public and private sector banks.

5.3 CONCLUSION

The E-banking service is one of the most important shifts in the banking operation at the global level. In India this concept has gained momentum in the last one decade with the introduction of various e-banking services invariably to all the customer segments. In the light of this understanding the research has made an attempt to study the e-banking services provided by both the private and public sector banks with special reference to SBI and HDFC banks. This research study provides information relating to the uses of e-banking services that provide convenience and benefit to large segment of the customers. In banking industry the modern banking services are considered to be the new phenomenon which explores the new horizons of success and development to facilitate customers to enjoy better services to enhance business operations effectively.

Results of the shows that there is significant difference between the customers' perception about e-banking products and services provided by the public and private sector banks. Customers perceive that private sector is more technologically advanced as compared to public sector banks. Therefore, public sector banks need to gear up and improve in terms of latest technology adoption and offering variety of e-banking products with high quality of customer service, as per the expectations of their customers. This study also reveals the main inducing factors towards e-banking such as 24*7 availability, bill payment, fund transfer, easy access and facilitate access to transaction history and account balance and major problems encountered by customers like technology issues and no direct contact with personal banker. It is evident from the study that customers of both banks are fairly satisfied with e-banking services provided from respective banks.

In order to make e-banking more popular, banks must separate their customers based on demographic priority(i.e., age, gender, occupation etc.) and customise e-banking services as per their needs and requirements. There is a need for the bankers to guide and train their customers; additionally they can also resort to video presentations at bank branches. There should be seminars/workshops/talks on the healthy usage of e-banking, especially for those who are ATM or computer illiterates. Given the increased competition and pressures to cut expenses, banks need to attract and retain their customers by creating, maintaining and highlighting and attractive features of e-banking.

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ANNEXURE

QUESTIONNAIRE

1. Name:

2. Gender:

Male Female

3. Age:

18-24 years 25-35 years

36-50 years Above years

4. Occupation:

Government employee Private employee

Business Others

5. In which bank you hold an account?

SBI

HDFC

6. Are you aware about Net banking services offered by SBI / HDFC bank?

Yes

No

7. In addition to your traditional bank account, do you have an internet bank account?

Yes

No

8. If answer to the above question is No, What are the main reasons that you have not opened an internet bank account yet?

Never heard of internet banking

Concerned about security

Complexity

Doesn't have the technology to use internet banking

Others

9. How you are motivated to open an internet bank account?

Self Motivated

Advertisement

Friends

Internet or websites

Other

10. How likely is it that you will open an internet bank account within next 12 months?

Very unlikely Neither unlikely nor likely

Somewhat likely Very likely

11. Since how many years you are dealing with net banking services of SBI / HDFC bank?

Less than 1 year

1 to 2 years

3 to 5 years

More than 5 years

12. What was the single most important reason that you choose this particular bank for net banking services?

I have a traditional bank account with this bank

Brand name of the bank

User friendly application

Efficient customer services

13. What banking services do you use which your internet bank offers?

Inter account transfers Bill payments

Check balances online Download personal bank transaction activity

Apply for loan All of the above

14. How frequently do you use an Automated Teller Machine (ATM) per month?

Less than 1

1 to 3 times

3 to 8 times

8 to 12 times

Over 12 times

15. Which services are used by you through an ATM?

Cash withdrawal

Cash deposit

Bills payment

Fund transfer

All of the above

16. What are the problems you have encountered while using an ATM?

The maximum withdrawal amount is limited

ATM not able to print slip when demanded

ATM working too slowly

All of the above

17. Do you feel that bank's website provides every type of information which do you need from the bank?

Yes

No

18. Please rate your level of agreement with the following statements about your bank's website.

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Disagree
Information on the website is clear and easy to understand.					
The website includes all the information I need.					
The website works well technically, loading quickly and displaying appropriately.					
The website meets my needs.					

19. What are the factors inducing you towards net banking?

Easy access to all banking services

Easy bill payments & fund transfers

24*7 available

Facilitate access to transaction history & account balance

All of the above

20. What are the problems faced by you while using net banking?

Technology issues

Security issues

Inconvenient to make deposits

No direct contact with personal banker

21. How do you feel about the services provided by SBI & HDFC bank?

	Highly satisfied	Satisfied	Moderate	Unsatisfied	Highly unsatisfied
Internet banking					
Fund transfer services					
ATM and debit card services					
Mobile banking					
Point of sales					

22. Which category of the banks do you consider as mostly technologically advanced?

Public sector

Private sector

23. Do you think net banking system are safe?

Yes

No

24. Does your bank aim to serve customers via all available sales channels?

Yes

No

25. Suggestions if any,
