

**A COMPARATIVE STUDY OF E-BANKING SERVICES OF PUBLIC AND  
PRIVATE SECTOR BANKS WITH SPECIAL REFERENCE TO UNION BANK OF  
INDIA AND CATHOLIC SYRIAN BANK**

*Project submitted to the*

**MAHATMA GANDHI UNIVERSITY**

*in partial fulfilment of the requirements for*

*the award of the degree of*

**BACHELOR OF ARTS IN ECONOMICS**

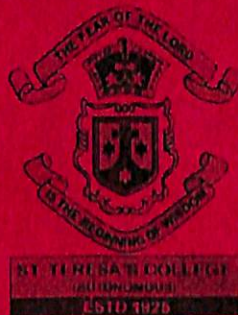
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**ST. TERESA'S COLLEGE**

**ERNAKULAM**

**MARCH 2016**

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## DECLARATION

We hereby declare that the project titled, "A COMPARATIVE STUDY OF E-BANKING PRODUCTS AND SERVICES OF PUBLIC AND PRIVATE SECTOR BANKS WITH SPECIAL REFERENCE TO UNION BANK OF INDIA AND CATHOLIC SYRIAN BANK" submitted by us for the B.A. Degree in Economics is our original work.



Signature of the Supervisor



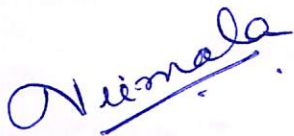
Signature of the Candidates

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## CERTIFICATE

This is to certify that the project “A COMPARATIVE STUDY OF E-BANKING PRODUCTS AND SERVICES OF PUBLIC AND PRIVATE SECTOR BANKS WITH SPECIAL REFERENCE TO UNION BANK OF INDIA AND CATHOLIC SYRIAN BANK” submitted in partial fulfilment of the requirement of B.A. Degree in Economics to the Mahatma Gandhi University, Kottayam, is a bona fide record of work done by the project group under my supervision and guidance.



**Head of the Department**

**Dr. Nirmala Padmanabhan**



**Guide and Supervisor**

**Ms. Priyanka T.R**



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## **ABBREVIATIONS**

ATM – Automated Teller Machine

CSB – Catholic Syrian Bank

NEFT – National Electronic Fund

RRB – Regional Rural Banks

RBI – Reserve Bank of India

SBI – State Bank of India

UBI – Union Bank of India

**CHAPTER I**  
**INTRODUCTION**

## **1.1 Introduction**

A bank is an institution that accepts deposits of money from the public withdraw-able by cheque and used for lending. Banking in India in the modern sense originated in the last decades of the 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770 and liquidated in 1829-32 and the General Bank of India, established in 1786 but failed in 1791.

The largest bank, and the oldest still in existence, is the State Bank of India (S.B.I). It originated as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks funded by a presidency government, the other two were the Bank of Bombay and the Bank of Madras. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955. For many years the presidency banks had acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935, under the Reserve Bank of India Act, 1934.

In 1960, the State Banks of India was given control of eight state-associated banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are now called its associate banks. In 1969 the Indian government nationalised 14 major private banks. In 1980, 6 more private banks were nationalised. These nationalised banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.

The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those which are included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refers to both scheduled and non-scheduled commercial banks which are regulated under the Banking Regulation Act, 1949.

Electronic banking, or e-banking, is the term that describes all transactions that take place among companies, organizations, and individuals and their banking institutions. First conceptualized in the mid-1970s, some banks offered customers electronic banking in 1985.

However, the lack of Internet users, and costs associated with using online banking, stunted growth. The Internet explosion in the late-1990s made people more comfortable with making transactions over the web. Despite the dot-com crash, e-banking grew alongside the Internet.

While financial institutions took steps to implement e-banking services in the mid-1990s, many consumers were hesitant to conduct monetary transactions over the web. It took widespread adoption of electronic commerce, based on trailblazing companies such as America Online, Amazon.com and eBay, to make the idea of paying for items online widespread. By 2000, 80 percent of U.S. banks offered e-banking. Customer use grew slowly. At Bank of America, for example, it took 10 years to acquire 2 million e-banking customers

In 2001, Bank of America became the first bank to top 3 million online banking customers, more than 20 percent of its customer base. In comparison, larger national institutions, such as Citigroup claimed 2.2 million online relationships globally, while J.P. Morgan Chase estimated it had more than 750,000 online banking customers. Wells Fargo had 2.5 million online banking customers, including small businesses. Online customers proved more loyal and profitable than regular customers. In October 2001, Bank of America customers executed a record 3.1 million electronic bill payments, totalling more than \$1 billion. In 2009, a report by Gartner Group estimated that 47 percent of U.S. adults and 30 percent in the United Kingdom bank online.

## **1.2 Review of Literature**

For the purpose of this study a lot of literature has been reviewed, that is, books, journals, magazines, newspapers, etc. Some of the reviewed literature has been discussed below.

**Roger** (2011) analyses the importance of “Universal banking in India”. Globalization, liberalization and deregulation of financial markets in many developed and developing countries have resulted in increased disintermediation and have made commercial banks vulnerable to interest rate risk. The developments in information technology and telecommunications are allowing an international pooling of financial resources, thereby spreading the risk across more than one market.

**Bhasin (2009)** has analysed the impact of Information technology on the banking sector. Information technology has revolutionized the various aspects of our life. It has transformed the repetitive and overlapping systems and procedures into simple single key pressing technology resulting in speed, accuracy and efficiency in conducting business. The computerization of banks has provided a major push for enabling them to enter the newer activities. The banking industry has prepared itself and is strongly emerging to play a major supplementary role in nurturing ecommerce applications

**Jadhav Anil (2004)** described various channel of e banking services such as ATM, Telephone banking (Tele- banking) Mobile banking, Internet banking and its features. The focus is also given on e-banking opportunities, challenges and security aspects while performing the banking transactions on the internet. Comparison of public, private, foreign and co-operative banks and barriers to the growth of e-banking in India are also discussed. Finally the paper discusses an overview of the major private sector banks such as ICICI, HDFC, IDBI, UTI & GTB banks which provides e-banking services. The author's observations are: Many Indian banks are yet to make a desirable progress in implementing the technology and gearing up to confront the challenges posed by the rapid changes that are sweeping the banking sector globally. Private and Foreign banks have been fast in adopting and adapting to the Internet technology. Very few public sector banks offer Internet banking services whereas; none of the co-operative banks offer Internet banking services. ATM is becoming a most preferred delivery channel from the common banking services. In order to enhance the reach to the rural population in the remote areas, the banks will need to automate the delivery channels in the local language which could eventually lead to shrinking of the number of branches. The banking industry's security is at a higher risk, due to the advent of e-banking. The banking organizations which provide e-banking services should take the following precautions/responsibility:

- a) The Banks should hire the services of anti-Cybercrime professional to avoid Cyber crime
- b) To take the responsibility of customer's transactions
- c) Create awareness of e-banking services amongst the customers and motivate/encourage them to use it.

**Mishra A. K** described that the Internet banking is a cost-effective delivery channel for financial institutions. The author also describes the advantages of internet banking, current

status of internet banking in India, and the mechanism to protect the customer's data. The advantages of internet banking are:

- To improve customer access
- To facilitate more services
- To increase customer loyalty
- To attract new customers
- To provide services offered by competitors
- To reduce customer attrition

Current status of internet banking is:

- Throughout the country, the Internet Banking is in the emerging stage of development
- In general, these Internet sites offer only the most basic services. 55% are so called 'entry level' sites, offering little more than company information and basic marketing materials. Only 8% offer 'advanced transactions' such as online funds transfer, transactions & cash management services.
- Foreign & Private Banks are much advanced in terms of the number of sites & their level of development.

**Geetika et.al (2008)** discussed the concept of Internet Banking, perception of Internet bank customers, non-customers and issues of major concern in Internet banking. The state of Internet banking in India has been explored using various concepts like E-banking scale, and gap analysis related to the various services and the security features offered. In order to have a clear and focused insight about the perceptions of users (and non-users) about Internet banking a survey was conducted. The findings of the survey provide valuable insights into concern for security, reasons for lower penetration, and likeliness of adoption, which have been used to make useful recommendations

**Radha (2008)** discussed about the technology based opportunities that the thieves take advantage of and how to limit the frauds by building the future technology accordingly. In her study, the author described the kind of fraud that can happen in the emerging banking scenario. The author also described the prevention mechanism to minimize the frauds, by using public key infrastructure (PKI). The PKI assures confidentiality, authenticity, and integrity of information which two or more members' exchange. In a survey conducted by the Online Banking Association, member institutions rated security as the most important issue of online banking. There is a dual requirement to protect customer's privacy and protect it



against fraud. A multi-layered security architecture comprising firewalls, filtering routers, encryption and digital certification ensures that your account information is protected from unauthorized access. Firewalls and filtering routers ensure that only the legitimate Internet users are allowed to access the system. Encryption techniques used by the bank (including the sophisticated public key encryption) would ensure that privacy of data flowing between the browser and the Infinity system is protected. Digital certification procedures provide the assurance that the data you receive is from the Infinity system.

**Mittal R. K. and Dhingra Sanjay (2006)** discussed the issue that the transaction through technology channels cost much less to the banks than the customers reaching the bank and doing the transactions. In the last decade banks have invested heavily in the technology. In the use of information technology, the new private and foreign sector banks have taken lead over the public and old private sector banks. Today public sector banks are also investing heavily in technology to compete with the new private and foreign sector banks. In the study authors have identified the different technology issues and challenges such as choice of right channel, justification of IT investment in terms of ROI (Rate of Interest), e-governance, customer relationship management, security 84 concerns, penetration of IT in rural areas etc. Banks are required to address these issues and challenges effectively to stay in business and grow.

**Hebbar Raveendranath (2004)** described that the advancements in computing and telecom have revolutionised the financial industry. Banks are developing alternative channels of delivery like ATM, telebanking, remote access, internet banking etc., Some questions that need to be answered are , how can one trust these channels, our personal data and transactions which are driven by technology. Are they reliable and accurate? Is there a way out to independently validate the integrity of information? If we analyse, why the lack of trust exists, we realize that the primary issues center on the following aspects of information security:

- Authentication and identity of user: The act of verifying the identity of a user. How to recognize the person dealing on the net? Can one be sure of his or her identity?
- Confidentiality: How can one be sure that the information transmitted has not been intercepted or viewed by any other party in transit?
- Integrity: How can one ensure that the information sent, received or stored has not been tampered with the modified at any time?

- Non-Repudiation: What is the guarantee that a particular transaction or action took place? Would this hold the tests of court of law?

**Uppal R K (2006)** Studies the impact of computerization on the performance of public and private sector banks. The study is based on primary and secondary data. The study concludes that the performance of fully computerised banks (HDFC, PNB, IDBI, ICICI and OBC) is much better than the partly computerised banks. Interbank groups' comparison all bank shows significant difference in profitability and productivity. Primary survey conclude that majority of the consumers are satisfied with computerization of banking service where urban sector response show keen interest in computerization of banking business

**Dr. Rangarajan committee (1983)** had drawn up in 1983-84 the first blue print for computerisation and mechanisation in banking industry and looked into modalities of drawing up a phased plan for mechanisation for the banking industry covering period 1985-89. The committee in its report in 1984 recommended introduction of computerisation and mechanisation at branch, regional office / zonal office and head office levels of banks. In 1988 another committee was constituted under the chairmanship of Dr. Rangarajan for making plans for computerisation for the next five years from 1990-94 for the banking industry. It identified the purpose of computerisation as improvement in customer service, decision making, housekeeping and profitability. The committee observed that banking is a service industry and improved efficiency will lead to a faster rate of growth in output and help to expand employment all around. The work force in the banking industry must, therefore, look upon computerisation as a means to improve customer service and must welcome it in that spirit.

### **1.3 Objectives**

- To analyze e-banking services of public and private sector banks.
- To compare the consumer satisfaction towards the selected e-banking services of public and private sector banks.

## **1.4 Significance of the Study**

The Indian banking industry is in the midst of Information Technology revolution. Younger generation group customers (70% customers below 35 years of age) are much more amenable to use electronic delivery channels than visiting physical branches. Now commercial banks are relying on Information Technology. Hence it enables sophisticated product development, better market strategies to attract customers, by the implementation of reliable techniques for the control of risks. Banks are installing more and more ATM's for banking transaction. Telephone banking and usage of cards are finding increased acceptance. Internet banking and core banking services are also finding wider acceptance.

Customers who use e-banking tend to be more profitable, loyal, and willing to refer their bank to friends and family than do traditional banking customers. Online customers also maintain higher balances, require less customer support and have lower attrition rates than offline consumers. Online banking customers who use online bill pay and e-bill services are happier with their banks, which translates into deepened relationships.

In this study we are analysing e-banking services of Union Bank of India which was established on 11th November 1919 and Catholic Syrian Bank in private sector which was established on 26th November 1920.

## **1.5 Methodology**

### **1.5.1 Source of Data**

The methodology of the study is based on the primary data collected through well-framed and structured questionnaires for analysing the consumer satisfaction of e-banking services offered by Union Bank of India and Catholic Syrian Bank.

### **1.5.2 Study area and Period**

The study has been conducted among the customers of Union Bank of India and Catholic Syrian Bank having their branches in Ernakulam city. The study is conducted during the period 2015-2016.

### **1.5.3 Sampling Technique**

The personal judgment method is employed for the selection of banks, where two banks are chosen for the study. Purposive Random Sampling method has been used to select the respondents from the bank customers. This method was adopted because of the security reasons, since these banks were not willing to provide their customer details. In this study total 60 customers were selected, 30 customers from each bank.

### **1.5.4 Method of Analysis**

The data collected were analysed through tabular representation which include percentages of data and diagrammatic representation such as bar diagrams, pie diagrams etc.

## **1.6 Scheme of the Study**

The study is organised in four chapters.

**CHAPTER ONE** - It deals with the introduction and importance of the study, objectives, methodology, and review of literature, theoretical framework, limitations and scheme of the study.

**CHAPTER TWO** - It deals with the history and background of the topic and its definitions and concepts.

**CHAPTER THREE** – It deals with the analysis and interpretation of data collected.

**CHAPTER FOUR** – It provides major findings, recommendations and conclusions from/of the study conducted.

## **1.7 LIMITATIONS**

First, the limitation related to this study is that the study is conducted only on two sample banks, so the results cannot be generalized.

Second, the study is conducted mainly with the help of primary data, which suffers from biasedness and lack of interest.

**CHAPTER II**  
**INDIAN BANKING: AN OVERVIEW**

Indian banking is the lifeline of a nation and its people. Banking has helped in developing vital sectors of the economy and to usher in a new dawn of progress on the Indian horizon. The sector has translated the hopes and aspirations of millions of people into reality. Today, Indian banks can confidently compete with modern banks of the world.

## **2.1 EVOLUTION OF INDIAN BANKING INDUSTRY**

Banking in India originated in the first decade of 18th century with the General Bank of India coming into existence in 1786. This was followed by Bank of Hindustan. After this, the Indian government established three presidency banks in India. The first of the three was the Bank of Bengal in 1809, the other two presidency bank, viz., the Bank of Bombay and the Bank of Madras, were established in 1840 and 1843, respectively. The three presidency banks were subsequently amalgamated into the Imperial Bank of India (IBI) under the Imperial Bank of India Act, 1920 which is now the State Bank of India (SBI).

By the 1900s, the market expanded with the establishment of banks such as Punjab National Bank (PNB), in 1895 in Lahore and Bank of India (BOI), in 1906 in Mumbai, both of which were founded under private ownership. The Reserve Bank of India (RBI) formally took on the responsibility of regulating the Indian banking sector from 1935. After India's independence in 1947, RBI was nationalized and given broader powers.

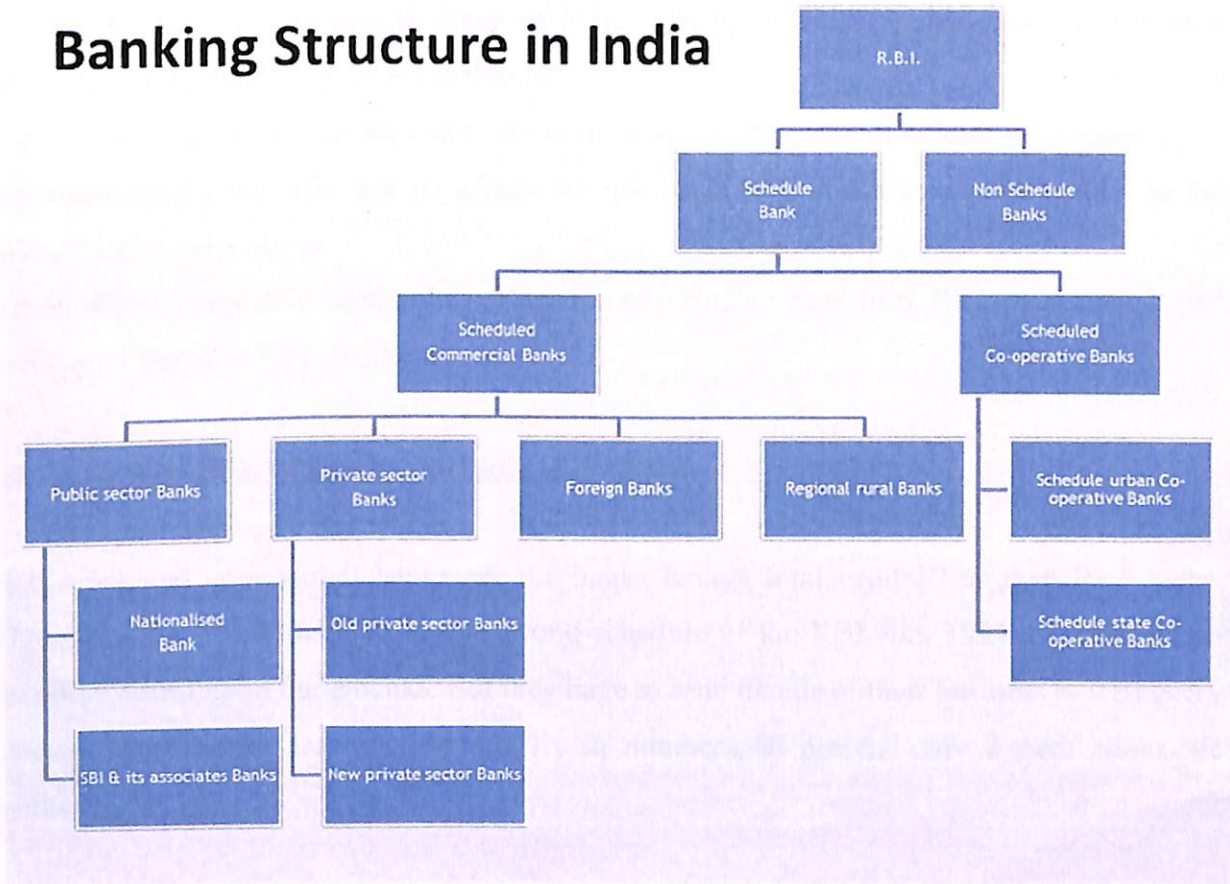
## **2.2 STRUCTURE OF BANKING SYSTEM IN INDIA**

In Indian context, there were two phases of nationalization, introduction of Regional Rural Banks, entry of private sector banks and foreign banks and now e-banking are some major changes that affect the structure as well as functioning of the banks from time to time. Indian banking too has proved many changes in response to the world economy where liberalization, privatization, technology introduction, that is, computerization are the major effects of globalization. Computerization in banking industry has become very important in recent years. Indian banking industry today is in the midst of an IT revolution. Many aspects of information technology, that is, ATMs, tele-banking, mobile banking, internet banking along with consumer durable loans, home loans, personal loan, business loan, insurance, demat services, etc. have started taking place, especially after the entry of private and foreign banks

which had advantage of the latest technology. That is why banking has become more competitive in today's world market.

Figure 2.1

## Banking Structure in India



### 2.2.1 RESERVE BANK OF INDIA

Reserve Bank of India is the central bank of India. It was established in 1934 and started its operation with effect from April 1ST, 1935. It is responsible for guiding and regulating the banking system of a country. It does not deal with the general public. It acts as banker to government, issues currency, regulates money circulation in the country, keeps the deposits of commercial banks, and provides financial accommodation to commercial banks. It guides the commercial banks and hence, is called as bankers' bank. It maintains the government records relating to revenue and expenditure under various heads. It advises the government on monetary and credit policies and decides on the interest rates applicable to bank deposits and loans and advances.

On the basis of Reserve Bank of India Act, 1934, banks are of two types:

#### **2.2.1.1 SCHEDULED COMMERCIAL BANKS**

According to RBI Act 1934, “a scheduled bank is that bank which has been included in the second schedule of the Reserve Bank of India.” To be eligible for this concession a bank must satisfy the following three conditions:

- It must have a paid up capital and reserves of an aggregate value of at least Rs.5 lakhs.
- It must satisfy the RBI that its affairs are not conducted in a manner detrimental to the interests of its depositors.
- It must be a corporation and not a partnership or a single owner firm. RBI gives these banks number of facilities like credit etc.

#### **2.2.1.2 NON-SCHEDULED COMMERCIAL BANKS**

Non-scheduled commercial banks are the banks having total capital less than Rs.5 lakhs. These banks are not included in the second schedule of the RBI Act, 1934, as RBI has no specific control upon these banks. But they have to send details of their business to RBI every month. These banks are falling gradually in numbers, at present only 3 such banks are working in India.

#### **2.2.1.3 COMMERCIAL BANKS**

Commercial banks are those banks which perform all kinds of banking functions such as accepting deposits, advancing loans, credit creation, and agency functions. They are also called joint stock banks because they are organised in the same manner as joint stock companies.

They usually advance short-term loans to customers. Of late, they have started giving medium term and long-term loans also. In India many major commercial banks have been nationalised, whereas in developed countries they are run like joint stock companies in the private sector. Some of the commercial banks in India are Andhra Bank, Canara Bank, Indian Bank, Punjab National Bank, etc.



#### **2.2.1.4 PUBLIC SECTOR BANKS**

Public sector in Indian banking reached its present position in three stages. At the first stage, the then existing Imperial Bank of India was converted into the State Bank of India in 1955 followed by the establishment of its seven subsidiary banks. Secondly, the nationalization of 14 main commercial banks on July 19, 1969 was completed and thirdly, 6 more commercial banks were nationalized on April 15, 1980. Bank of India was later on merged with PNB and Global Trust Bank with that of OBC Bank. Now, IDBI Ltd. is included in public sector banks in 2005 hence this sector constitute 27 banks in all.

#### **2.2.1.5 PRIVATE SECTOR BANKS**

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government.

Banking in India has been dominated by public sector banks since the 1969 when all major banks were nationalised by the Indian government. However, since liberalisation in government banking policy in the 1990s, old and new private sector banks have re-emerged. They have grown faster & bigger over the two decades since liberalisation using the latest technology, providing contemporary innovations and monetary tools and techniques.

The private sector banks are split into two groups by financial regulators in India, old and new. The old private sector banks existed prior to the nationalisation in 1969 and kept their independence because they were either too small or specialist to be included in nationalisation. The new private sector banks are those that have gained their banking license since the liberalisation in the 1990s.

#### **2.2.1.6 FOREIGN BANKS**

These are those banks which have their registered and incorporated head office in a foreign country but have their branch offices operating in India .RBI permits the foreign banks to operate either through their branches or wholly owned subsidiaries. Corporate segment has been the main business line of most of the foreign banks operating in India. In the recent years, some of the foreign banks have started providing consumer financing such as home loans, automobile finance, credit cards, household consumer finance.

### **2.2.1.7 REGIONAL RURAL BANKS**

These are the banking organizations being operated in different states of India. They have been created to serve the rural areas with banking and financial services. However, RRB's may have branches set up for urban operations and their area of operation may include urban areas too.

## **2.3 E-BANKING**

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet.

E-banking involves information technology based banking. Under this I.T system, the banking services are delivered by way of a Computer-Controlled System. This system does involve direct interface with the customers. The customers do not have to visit the bank's premises.

The popular services covered under E-banking include:-

1. Automated Teller Machines
2. Credit Cards
3. Debit Cards
4. Smart Cards
5. Electronic Funds Transfer (EFT) System
6. Cheques Truncation Payment System
7. Mobile Banking
8. Internet Banking
9. Telephone Banking, etc.

The main advantages of E-banking are:-

1. The operating cost per unit services is lower for the banks.
2. It offers convenience to customers as they are not required to go to the bank's premises.

3. There is very low incidence of errors.
4. The customer can obtain funds at any time from ATM machines.
5. The credit cards and debit cards enables the Customers to obtain discounts from retail outlets.
6. The customer can easily transfer the funds from one place to another place electronically

## **2.4 E-BANKING IN INDIA**

In India e-banking is of fairly recent origin. The traditional model for banking has been through branch banking. Only in the early 1990s there has been start of non-branch banking services. The good old manual systems on which Indian Banking depended upon for centuries seem to have no place today. The credit of launching internet banking in India goes to ICICI Bank. Citibank and HDFC Bank followed with internet banking services in 1999. Several initiatives have been taken by the Government of India as well as the Reserve Bank to facilitate the development of e-banking in India. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000 which provided legal recognition to electronic transactions and other means of electronic commerce. The Reserve Bank is monitoring and reviewing the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability.

## **2.5 BANKS CHOSEN FOR THE STUDY**

Union Bank of Indian and Catholic Syrian Bank are the two banks chosen for this study.

### **2.5.1 UNION BANK OF INDIA**

It is one of the largest government-owned banks of India (the government owns 60.13% of its share capital). It is listed on the Forbes 2000, and has assets of USD 13.45 billion. All the bank's branches have been networked with its 6909 ATMs as on 30.09.2015. Its online Telebanking facility is available to all its Core Banking Customers - individual as well as corporate. It has representative offices in Abu Dhabi, United Arab Emirates, Beijing, Peoples Republic of China, London, Shanghai, and Sydney, and branches in Hong Kong, Dubai and Antwerp, Belgium.

Union Bank began its international expansion in 2007 with the opening of representative offices in Abu Dhabi, United Arab Emirates, and Shanghai, Peoples Republic of China.

### **2.5.2 CATHOLIC SYRIAN BANK**

It is private sector bank with headquarters in the Trissur district of Kerala, India. It is one of the oldest banks in India: it was founded on 26 November 1920 well before Indian independence, and opened for business on the following New Year's Day. The bank has 431 branches and newly appointed MD& CEO is Anand Krishnamurthy.

**CHAPTER III**  
**ANALYSIS OF E-BANKING SERVICES**  
**OFFERED BY UNION BANK OF INDIA**  
**AND CATHOLIC SYRIAN BANK**

The major e- Banking services offered by Union Bank of India and Catholic Syrian Bank are as follows.

**Table 3.1**

**List of E-Banking Services Offered By Union Bank of India**

	<b>Kinds of card services</b>
1.	Credit cards
2.	ATM cum Debit card
3.	Cash + International
4.	International cum Debit card
5.	Gift card
6.	Prepaid cards
	<b>Other Services</b>
1.	Internet banking services
2.	Mobile banking
3.	ATM Services
4.	NEFT
5.	ERAIL
6.	EPAY
7.	ECS
8.	Tele Banking
9.	SMS Service
10.	M-Passbook
11.	Digi Purse

**Source: Primary Data**

**Table 3.2**

**List of E-Banking Services Offered By Catholic Syrian Bank**

	<b>Kinds of card services</b>
1.	Credit cards
2.	ATM cum Debit card
3.	Cash + International
4.	International cum Debit card
5.	Gift card
6.	Prepaid cards
	<b>Other Services</b>
1.	Internet banking services
2.	Mobile banking
3.	ATM Services
4.	NEFT
5.	EPAY
6.	ECS
7.	Tele Banking
8.	SMS Service

**Source: Primary Data**

Table 3.1 and 3.2 gives us the list of e-banking services offered by Union Bank of India and Catholic Syrian Bank respectively to their customers. While Union Bank provides around 12 e-banking services, private sector offers only 9. Among these ATM is the most frequently used services in both the banks.

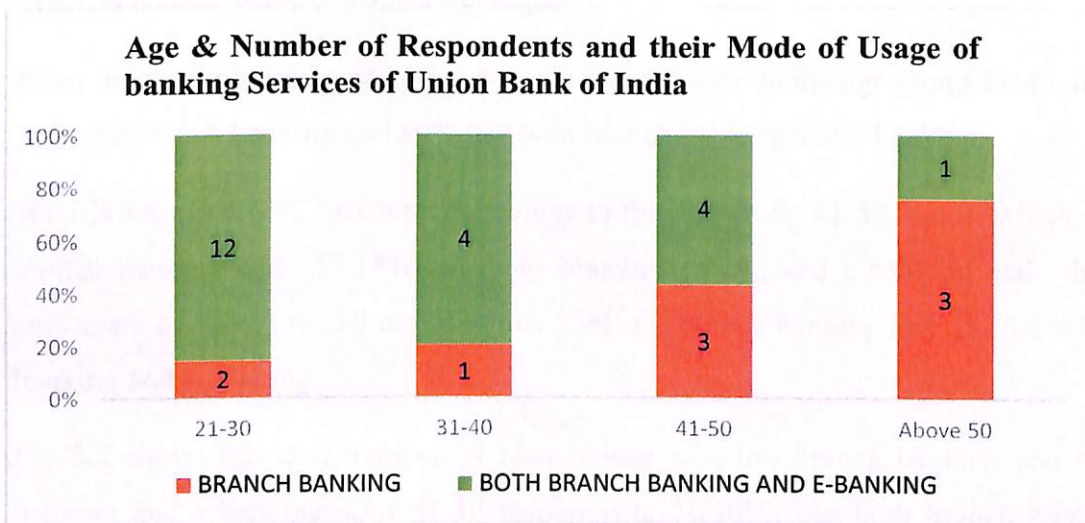
**Table – 3.3**

**Age & Number of Respondents and their Mode of Usage of banking Services of Union Bank of India**

Age	No of Respondents	Branch Banking	Both Branch Banking and e-Banking
21-30	14	2(14.29%)	12(85.71%)
31-40	5	1(20%)	4(80%)
41-50	7	3(42.86%)	4(57.14%)
Above 50	4	3(75%)	1(25%)
<b>Total</b>	<b>30</b>	<b>9(30%)</b>	<b>21(70%)</b>

**Source: Primary Data**

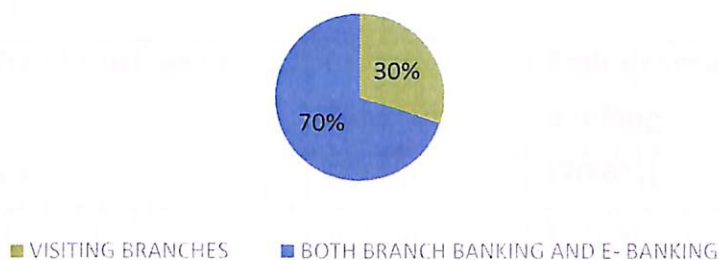
**Fig 3.1**



**Source: Primary Data**



**Fig 3.2**  
**Total number of respondents and their mode of usage of banking services of union bank of india**



**Source: Primary Data**

Table 3.3 and Figure 3.1 show the age wise mode of usage of e-banking services of Union Bank of India. Out of 30 respondents, 14 customers belongs to the age group 21-30, out of which 14.29% use branch banking and 85.71% use both branch banking and e-banking. There is no one who use e-Banking alone.

From the figure it can be seen that 5 customers belongs to the age group 31-40, out of which 20% use branch banking and 80% use both branch banking and e-banking.

We can also find that 7 customers belongs to the age group 41-50, out of which 42.86% use branch banking and 57.14% use both branch banking and e-banking and there were 4 customers of age above 50 out of which 75% use branch banking and 25 % use both branch banking and e-banking.

Fig 3.2 shows the total number of respondents who use branch banking and both branch banking and e-banking. Out of 30 respondents 21(70%) use both branch banking and e-banking and 9(30%) respondents use only branch banking.

**Table 3.4**

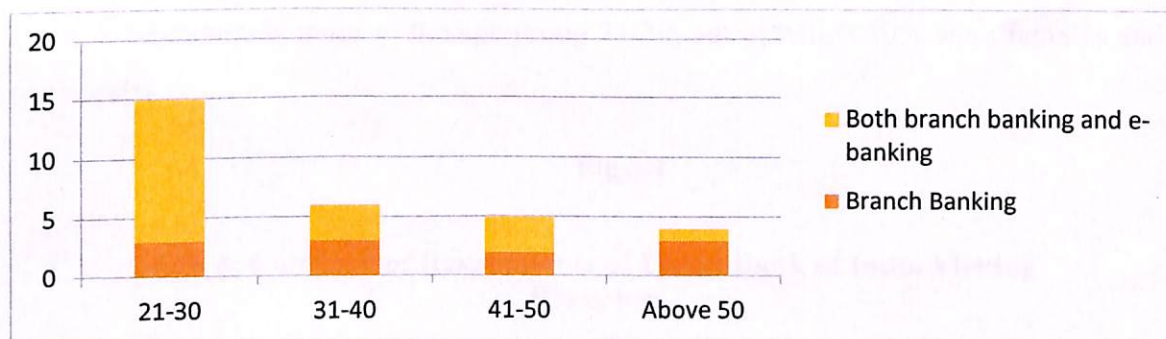
**Age & number of respondents and their mode of usage of banking services of Catholic Syrian Bank**

Age	No of Customers	Branch Banking	Both Branch Banking and e-Banking
21-30	15	3(20%)	12(80%)
31-40	6	3(50%)	3(50%)
41-50	5	2(40%)	3(60%)
Above 50	4	3(75%)	1(25%)
Total	30	11(36.67%)	19(63.33%)

**Source: Primary Data**

**Fig 3.3**

**Age & number of respondents and their mode of usage of banking services of Catholic Syrian Bank**



**Source: Primary Data**

Table 3.4 and figure 3.3 shows the age wise mode of usage of e-banking services of union bank of India. Out of 30 respondents, 15 customers belongs to the age group 21-30, out of which 20% use branch banking and 80% use both branch banking and e-banking. No one use e-Banking alone.

From the figure it can be seen that 6 customers belongs to the age group 31-40, out of which 50% use branch banking and 50% use both branch banking and e-banking.

We can also find that 5 customers belongs to the age group 41-50, out of which 40% use branch banking and 60% use both branch banking and e-banking and there were 4

customers above 50 out of which 75% use branch banking and 25% use both branch banking and e-banking.

**Table 3.5**

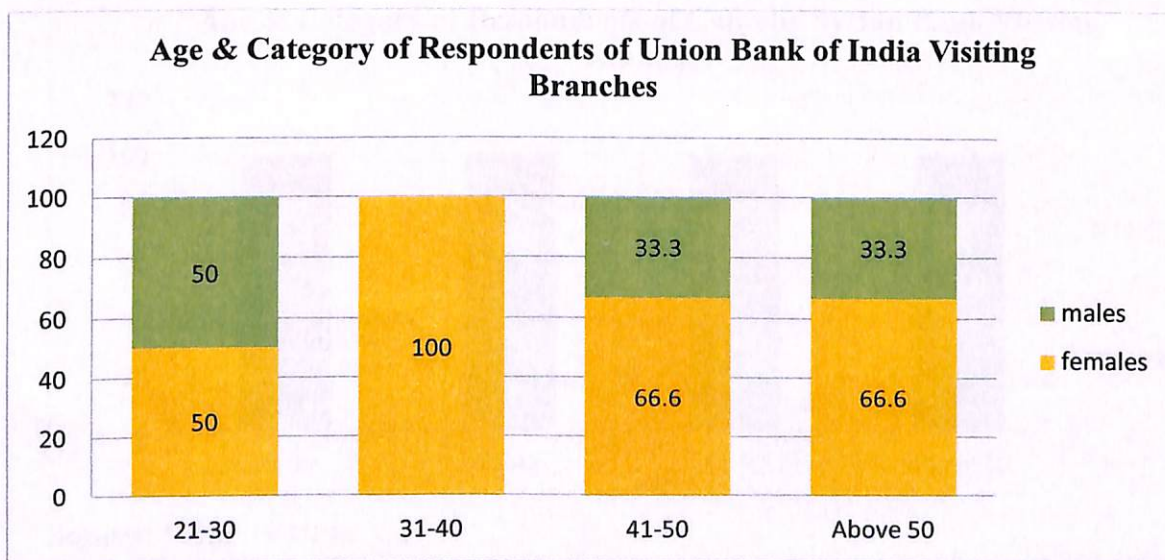
**Age & Category of Respondents of Union Bank of India Visiting Branches**

Age	No of respondents who use branch banking alone	Branch Banking	
		Females	Males
21-30	2	1(50%)	1(50%)
31-40	1	1(100%)	0
41-50	3	2(66.66%)	1(33.34%)
Above 50	3	2(66.66%)	1(33.34%)
<b>TOTAL</b>	<b>9</b>	<b>6(66.66%)</b>	<b>3(33.34%)</b>

**Source: Primary Data**

Table 3.5 and figure3.5 shows the age and gender wise classification of respondents of Union Bank of India who use only branch banking. Out of 9 respondents who use branch banking alone, 2 customers belongs to the age group 21-30, out of which 50% were females and 50% were males.

**Fig 3.4**



**Source: Primary Data**

From the table it can be seen that out of 9 respondents who use branch banking alone, there is only 1 respondent belongs to the age group 31-40 who is a female customer.

We can also find that there are only 3 respondents belonging to the age group 41-50 who use branch banking, out of which 2 were females and there was only 1 male and out of 4 customers above 50 years 2 were females and 1 was male.

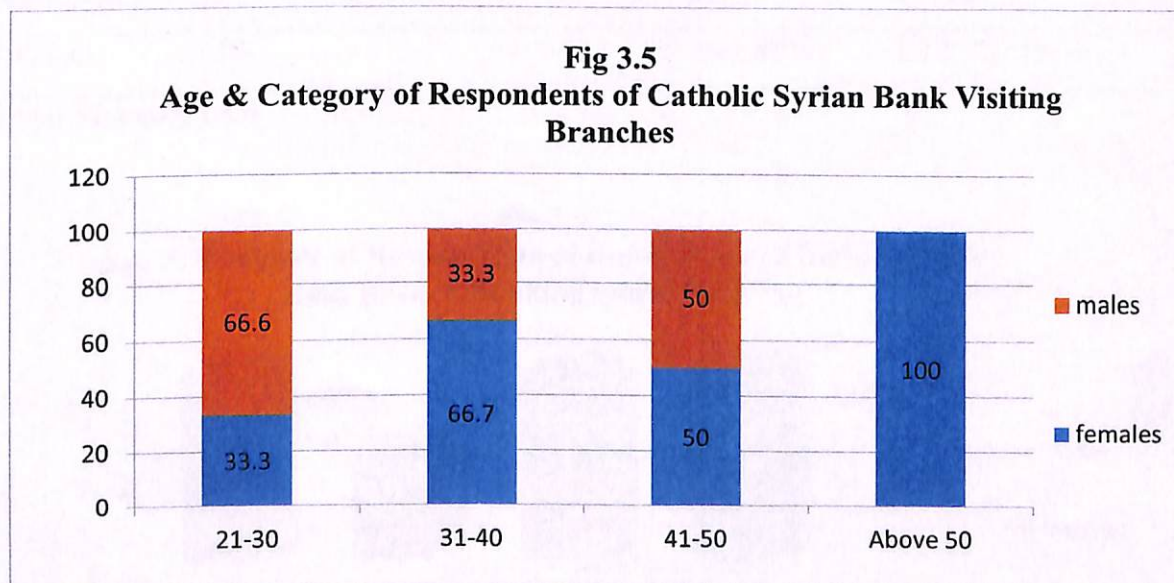
Table 3.5 shows that out of 9 respondents who use branch banking 6(33.34%) are females and 3(66.66%) are males.

**Table 3.6**

**Age & Category of Respondents of Catholic Syrian Bank Visiting Branches**

Age	No of respondents who use branch banking alone	Branch Banking	
		Females	Males
21-30	3	1(33.33%)	2(66.67%)
31-40	3	2(66.67%)	1(33.34%)
41-50	2	1(50%)	1(50%)
Above 50	3	3(100%)	0
TOTAL	11	7(63.63%)	4(36.37%)

Source: Primary Data



Source: Primary Data

Table 3.6 and figure3.5 shows the age and gender wise classification of respondents of Catholic Syrian bank who use only branch banking. Out of 11 respondents who use branch

banking alone, 3 customers belongs to the age group 21-30, of which 33.33% were females and 66.67% were males.

From the figure it can be seen that out of 11 respondents who use branch banking alone, there is only 3 respondent belonging to the age group 31-40, of which 1 is female and 2 are males.

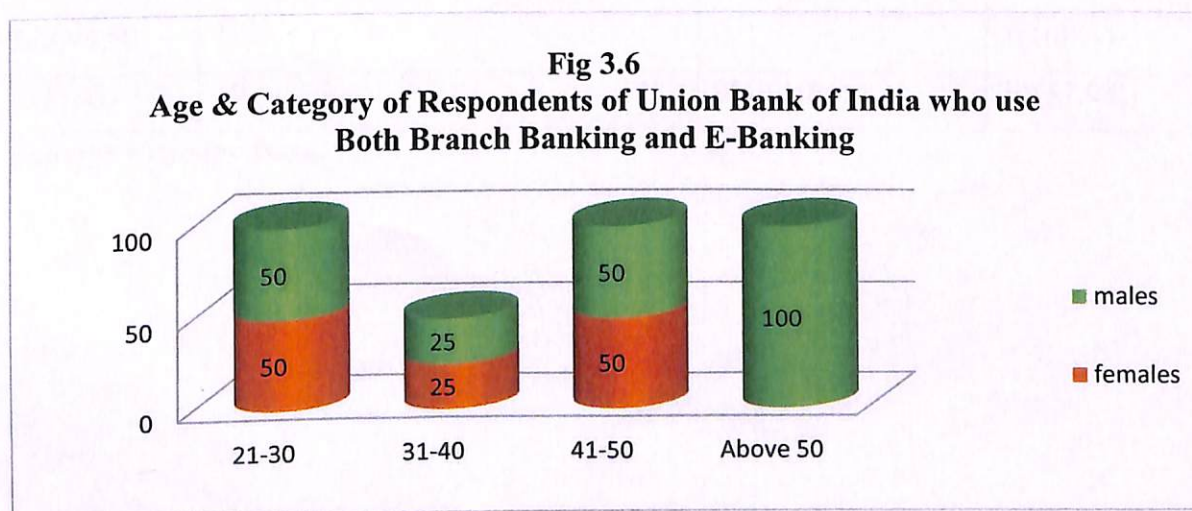
We can also find that there is only 2 respondents belonging to the age group 41-50 who use branch banking alone, out of which 50% were females and 50% were males and out of 3 customers who belongs to the age group 51 above, 100% of them are females..

**Table 3.7**

**Age & Category of Respondents of Union Bank of India who use Both Branch Banking and E-Banking**

Age	No of respondents who use both branch banking and e-banking	Both branch banking and e-banking	
		Females	Males
21-30	12	6(50%)	6(50%)
31-40	4	1(25%)	3(25%)
41-50	4	2(50%)	2(50%)
Above 50	1	0	1(100%)
TOTAL	21	9(42.85%)	12(57.15%)

Source: Primary Data



Source: Primary Data

Table 3.7 and figure 3.6 shows the age and gender wise classification of respondents of union bank of India who use both branch banking and e-banking. Out of 21 respondents who use branch banking and e-banking, 12 customers belongs to the age group 21-30, out of which 50% were females and 50% were males.

From the figure it can be seen that out of 21 respondents who use both branch banking and e-banking, there were 4 respondents who belongs to the age group 31-40, out of which 3 were males and 1 was female.

We can also find that 4 respondents belongs to the age group 41-50 use both branch banking and e-banking , out of which 2 were females and 2 were males and there was only 1 male respondent who belongs to the age group 50 above. Table also shows that out of 21 respondents of Union Bank of India who use both branch banking and e-banking, (42.85%) are females and 12(57.15%) are males.

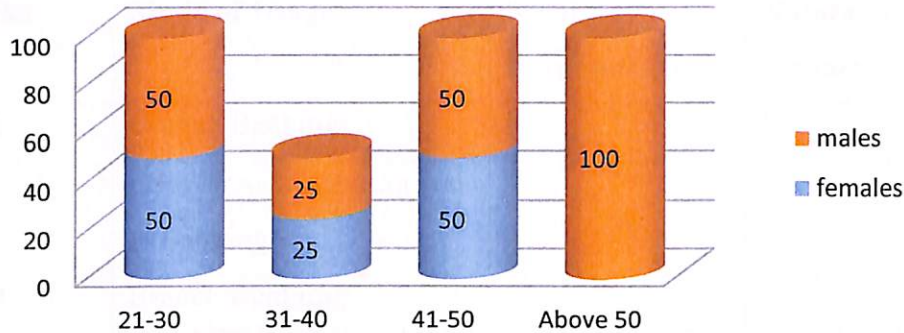
**Table 3.8**

**Age & Category of Respondents of Catholic Syrian Bank Who Use both Branch Banking and E-Banking**

Age	No of respondents who use both branch banking and e-banking	Both branch banking and e-banking	
		Females	Males
21-30	12	4(33.33%)	8(66.67%)
31-40	3	2(66.67%)	1(33.33%)
41-50	3	2(66.67%)	1(33.33%)
Above 50	1	0	1(100%)
TOTAL	19	8(42.10%)	11(57.9%)

**Source: Primary Data**

**Fig 3.7**  
**Age & Category of Respondents of Union Bank of India who use Both Branch Banking and E-Banking**



**Source: Primary Data**

Table 3.8 and figure 3.7 shows the age and gender wise classification of respondents of Catholic Syrian bank who use both branch banking and e-banking. Out of 19 respondents who use both branch banking and e-banking, 12 customers belong to the age group 21-30, out of which 4 were females and 8 were males.

From the figure it can be seen that out of 19 respondents who use both branch banking and e-banking, there were 3 respondents who belong to the age group 31-40, out of which 66.67% were females and 33.33% was male.

We can also find that 3 respondents belongs to the age group 41-50 who use both branch banking and e-banking , out of which 2(66.67%) were females and 1(33.33%) was male and there was only 1 male respondent who belongs to the age group 50 above.

Table also shows that out of 19 respondents of Catholic Syrian Bank who use both branch banking and e-banking, 8(42.1%) are females and 11(57.9%) are males.

From the Table 3.7 and Table3.8 we can conclude that males use both branch banking and e-banking more than females in both public and private sector banks.

**Table 3.9**

**Total Number of Respondents and Their Mode of Usage in Both Union Bank of India and Catholic Syrian Bank**

<b>Banks</b>	<b>Mode of Usage</b>	<b>No of Respondents</b>	<b>Number of Females</b>	<b>Number of Males</b>
<b>UBI</b>	Branch Banking	9	6	3
	Both Branch Banking and E-Banking	21	9	12
<b>CSB</b>	Branch Banking	11	7	4
	Both Branch Banking and E-Banking	19	8	11
<b>Total</b>		<b>60</b>	<b>30(50%)</b>	<b>30(50%)</b>

**Source: Primary Data**

From table 3.9 we can see that out of 60 respondents 50% are females and 50% are males. The table reveals that males use e-banking more than females and it is females who use branch banking more than males.

**Table 3.10**

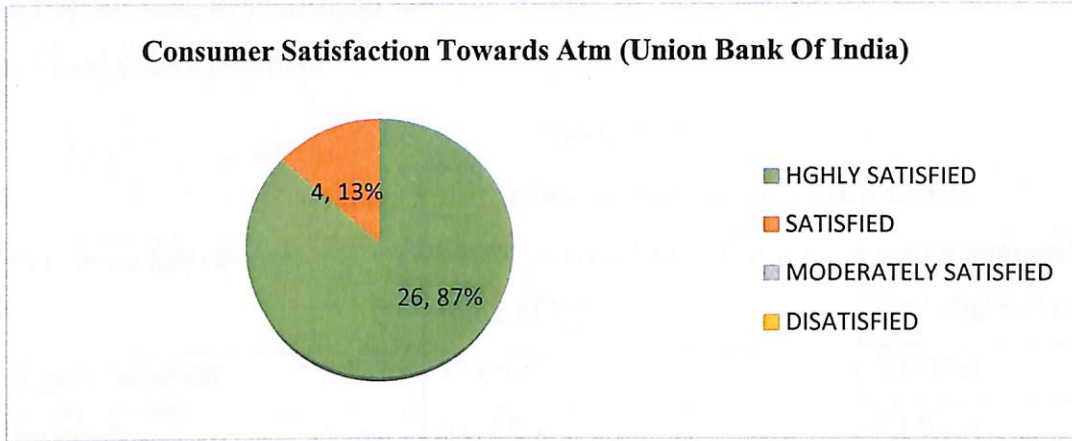
**Consumer Satisfaction towards ATM**

<b>Consumer Satisfaction</b>	<b>No Of Respondents of Union Bank of India</b>	<b>No Of Respondents of Catholic Syrian Bank</b>
Highly Satisfied	26 (87%)	26 (87%)
Satisfied	4 (13%)	3 (10%)
Moderately Satisfied	0	1 (3%)
Dissatisfied	0	0

**Source: Primary Data**

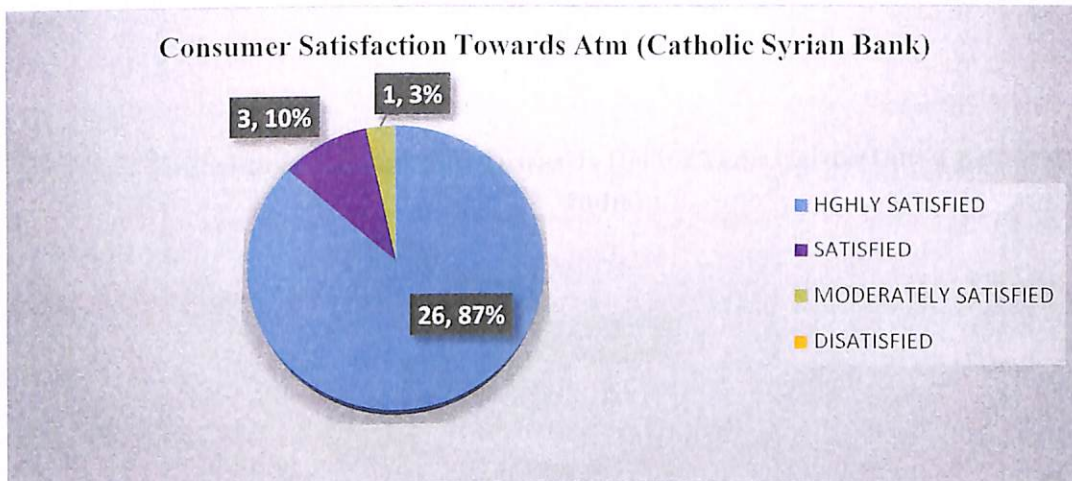


Fig 3.8



Source: Primary Data

Fig 3.9



Source: Primary Data

Table 3.10 figure 3.8 and figure 3.9 shows the level of consumer satisfaction towards ATM services of both Union Bank of India and Catholic Syrian Bank. It shows four levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that 100% respondents of both Union Bank of India and Catholic Syrian Bank uses ATM services provided by these banks.

From Figure 3.8 we can see that from 30 respondents of Union Bank of India who uses ATM services, 87% of them are highly satisfied and 13% of them are satisfied.

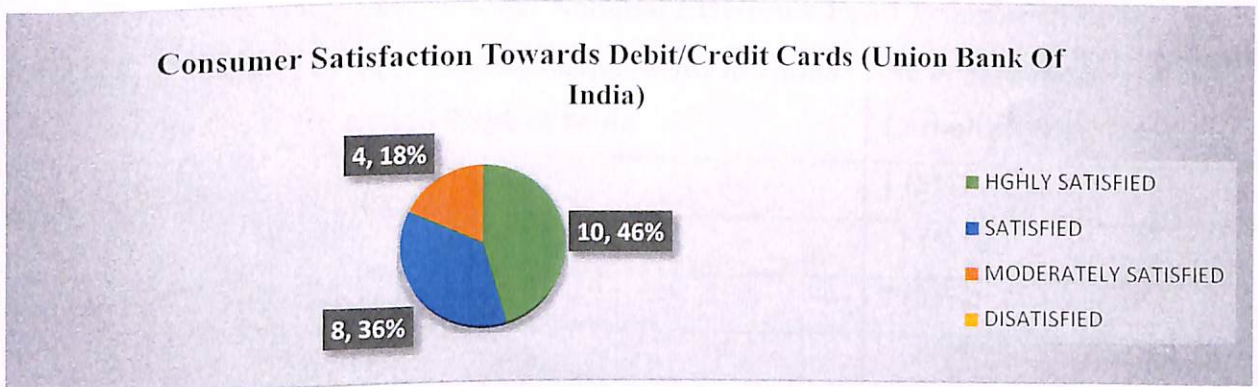
From Figure 3.9, we can see that from 30 respondents of Catholic Syrian Bank who uses ATM services, 87% of them are highly satisfied 10% of them are satisfied and 3% of them are moderately satisfied.

**Table 3.11**  
**Consumer Satisfaction towards Debit/Credit Cards**

Consumer Satisfaction	No Of Respondents of Union Bank of India	No Of Respondents of Catholic Syrian Bank
Highly Satisfied	10 (46%)	8 (41%)
Satisfied	8 (36%)	9 (36%)
Moderately Satisfied	4 (18%)	1 (18%)
Dissatisfied		4 (5%)

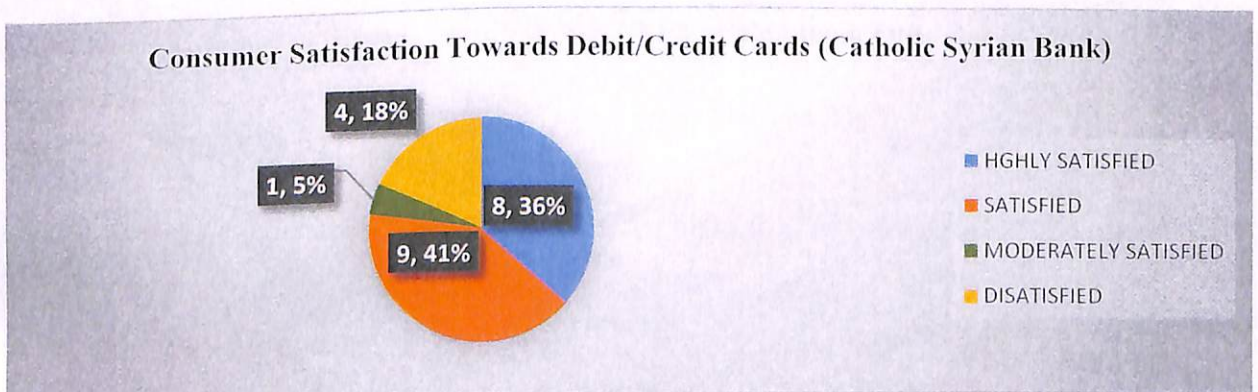
Source: Primary Data

**Fig 3.10**



Source: Primary Data

**Fig 3.11**



Source: Primary Data

Table 3.11 shows the consumer satisfaction level towards debit, credit and slim cards provided by Union Bank of India and Catholic Syrian Bank. It shows four levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that only 73.33% respondents of both Union Bank of India and Catholic Syrian Bank uses debit/credit card services provided by these banks.

From Figure 3.10, we can see that from 22 respondents who uses debit/credit cards of Union Bank of India, 46% of them are highly satisfied, 36% of them are satisfied, and 18% of them are moderately satisfied.

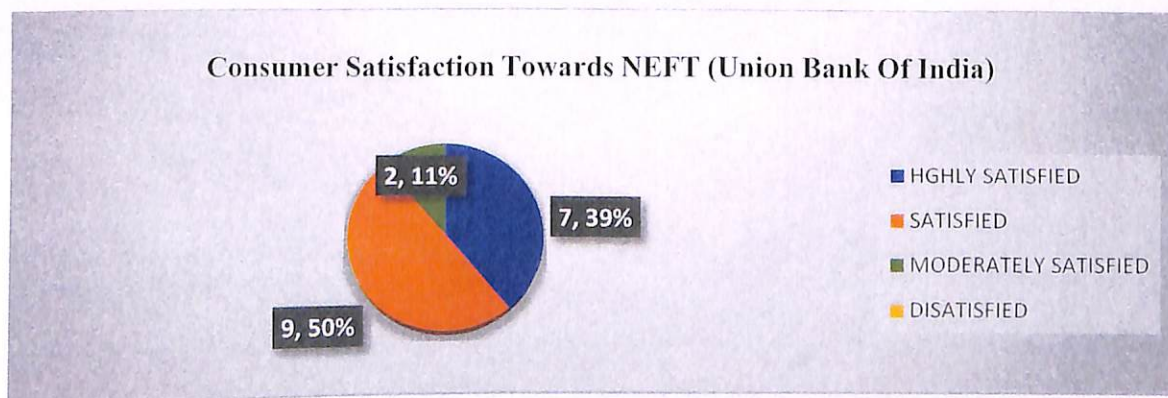
From Figure 3.11 , we can see that from 22 respondents who uses debit/credit cards of Catholic Syrian Bank, 41% of them are highly satisfied , 36% of them are satisfied , 18% of them are moderately satisfied and 5% of them are dissatisfied.

**Table 3.12**

**Consumer Satisfaction towards National Electronic Fund Transfer (NEFT)**

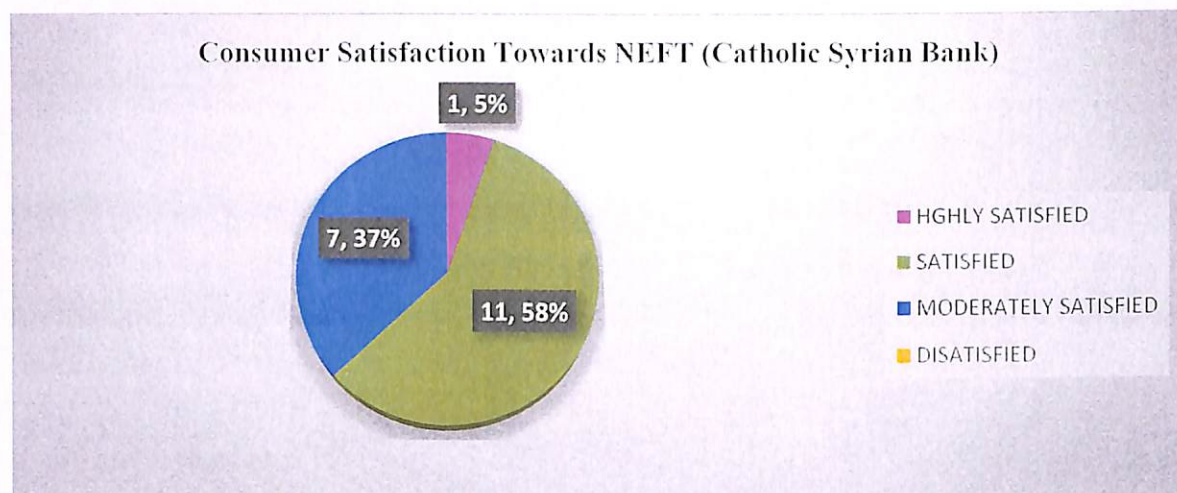
Consumer Satisfaction	No Of Respondents of Union Bank of India	No of respondents of Catholic Syrian Bank
Highly Satisfied	7 (39%)	1 (5%)
Satisfied	9 (50%)	11 (58%)
Moderately Satisfied	2 (11%)	7 (37%)
Dissatisfied		

**Fig 3.12**



Source: Primary Data

**Fig 3.13**



**Source: Primary Data**

Table 3.12 shows the level of consumer satisfaction towards National Electronic Fund Transfer (NEFT) of both Union Bank of India and Catholic Syrian Bank. It shows four levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that only 60% respondents of Union Bank of India and 63.33% respondents of Catholic Syrian Bank uses NEFT service provided by these banks.

From Figure 3.12, we can infer that out of 18 respondents of Union Bank of India who uses NEFT, 39 %of them are highly satisfied, 50% of them are satisfied and 11% of them are moderately satisfied.

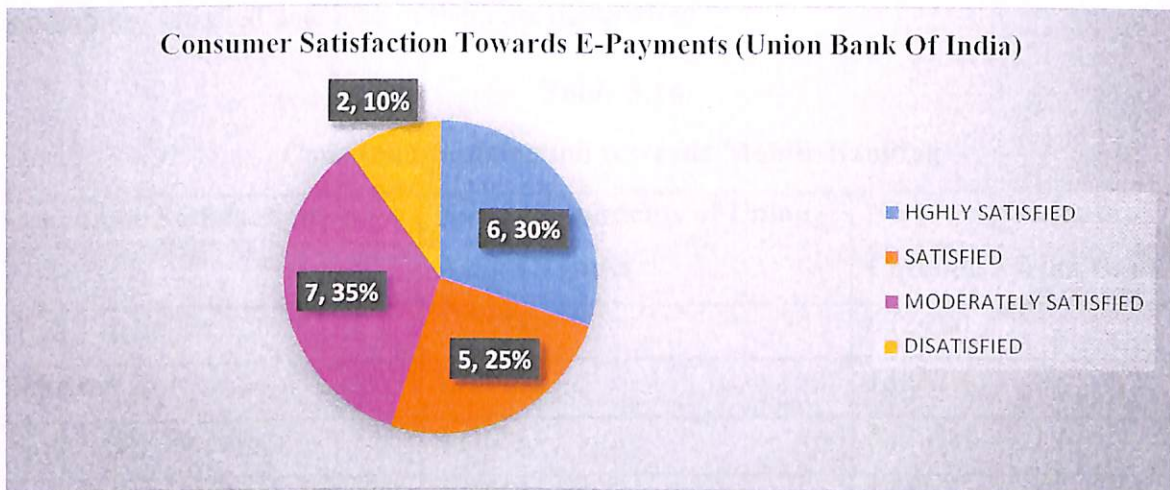
From Figure 3.13, we can infer that out of 19 respondents of Catholic Syrian Bank who uses NEFT, 5% of them are highly satisfied, 58% of them are satisfied and 37% of them are moderately satisfied.

**Table 3.13**

**Consumer Satisfaction towards E-Payment**

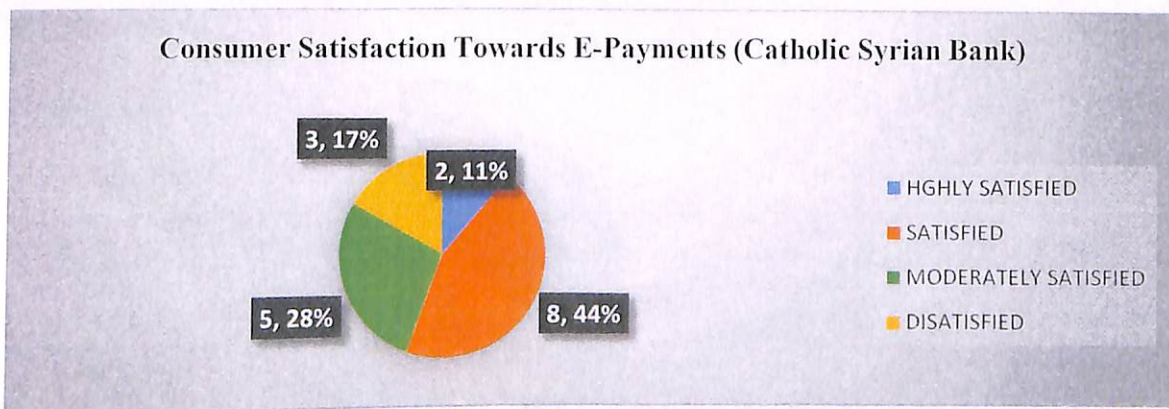
Consumer Satisfaction	No of respondents of Union Bank Of India	No of respondents of Catholic Syrian Bank
Highly Satisfied	6 (30%)	2 (11%)
Satisfied	5 (25%)	8 (44%)
Moderately Satisfied	7 (35%)	5 (28%)
Dissatisfied	2 (10%)	3 (17%)

**Fig 3.14**



**Source: Primary Data**

**Fig 3.15**



**Source: Primary Data**

Table 3.13 shows the level of consumer satisfaction of E- Payment provided by both Union Bank of India and Catholic Syrian Bank. It shows four levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that only 66.66% respondents of Union Bank of India and 60% of Catholic Syrian Bank uses e-payment service provided by these banks.

Figure 13.14 shows that out of 20 respondents of Union Bank of India who uses e-payment services, 30% of them are highly satisfied, 25% of them are satisfied, 35% of them are moderately satisfied and 10% of them are dissatisfied.

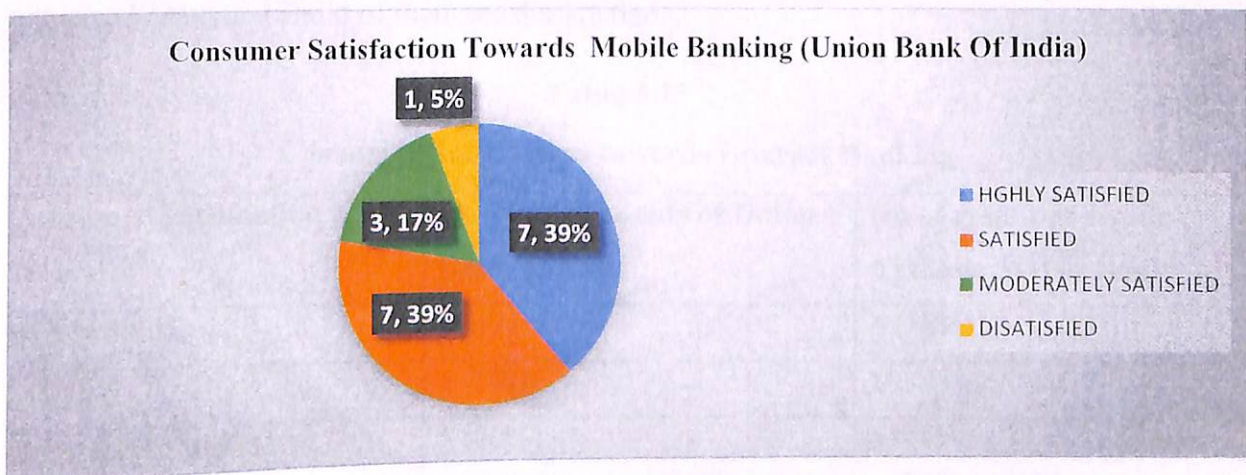
Figure 13.15 shows that out of 18 respondents of Catholic Syrian Bank who uses e-payment services, 11% of them are highly satisfied, 44% of them are satisfied, 28% of them are moderately satisfied and 17% of them are dissatisfied.

**Table 3.14**  
**Consumer Satisfaction towards Mobile Banking**

Consumer Satisfaction	No of respondents of Union Bank Of India	No of respondents of Catholic Syrian Bank
Highly Satisfied	7 (39%)	6 (24%)
Satisfied	7 (39%)	13 (52%)
Moderately Satisfied	3 (17%)	5 (20%)
Dissatisfied	1 (5%)	1 (4%)

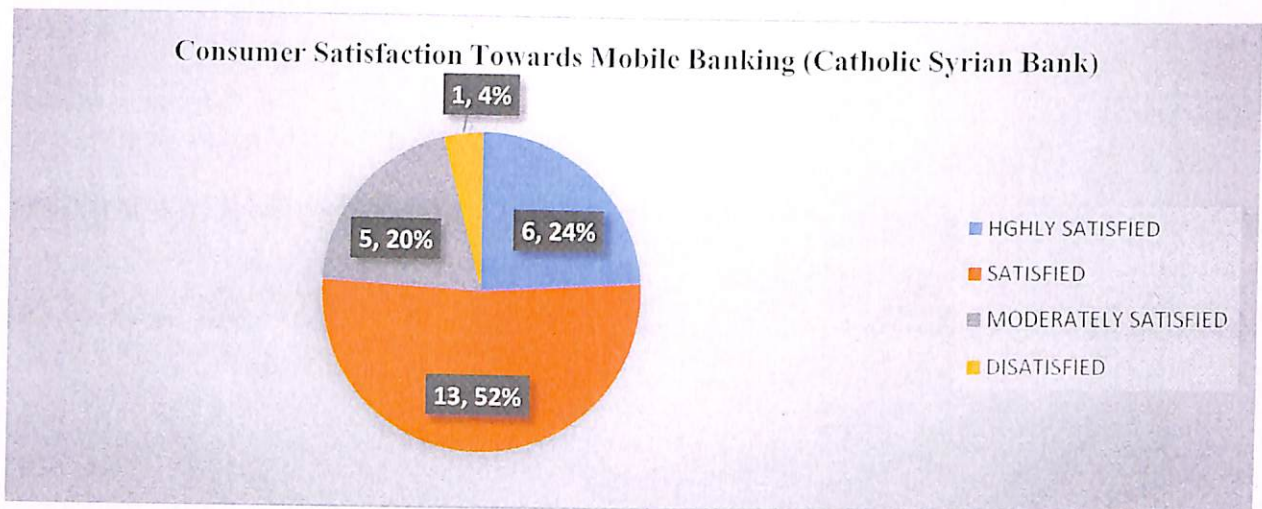
Source: Primary Data

**Fig 3.16**



Source: Primary Data

**Fig 3.17**



**Source: Primary Data**

Table 3.14 shows the level of consumer satisfaction Mobile banking provided by both Union Bank of India and Catholic Syrian Bank. It shows four levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that only 60% respondents of Union Bank of India and 83.33% respondents of Catholic Syrian Bank uses mobile banking services provided by these banks.

The Figure 3.16 shows that out of 18 respondents of Union Bank of India who uses mobile banking, 39% of them are highly satisfied, 39% of them are satisfied, 17% of them are moderately satisfied and 5% of them are dissatisfied.

The Figure 3.17 shows that out of 25 respondents of Catholic Syrian Bank who uses mobile banking, 24% of them are highly satisfied , 52% of them are satisfied , 20% of them are moderately satisfied and 4 of them are dissatisfied.

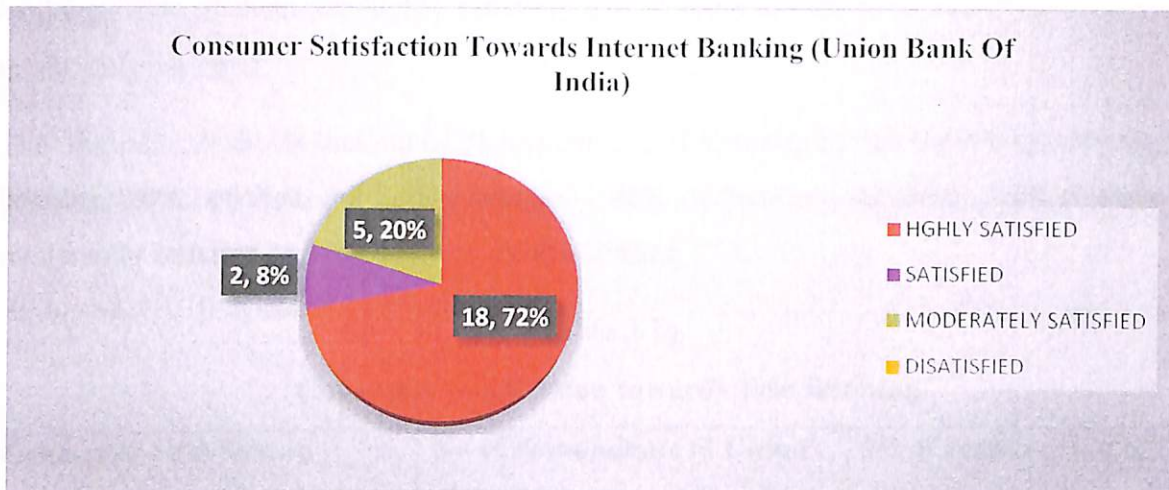
**Table 3.15**

**Consumer Satisfaction towards Internet Banking**

Consumer Satisfaction	No of respondents of Union Bank of India	No of respondents of Catholic Syrian Bank
Highly Satisfied	18 (72%)	6 (28%)
Satisfied	2 (8%)	10 (48%)
Moderately Satisfied	5 (20%)	4 (19%)
Dissatisfied		1 (5%)

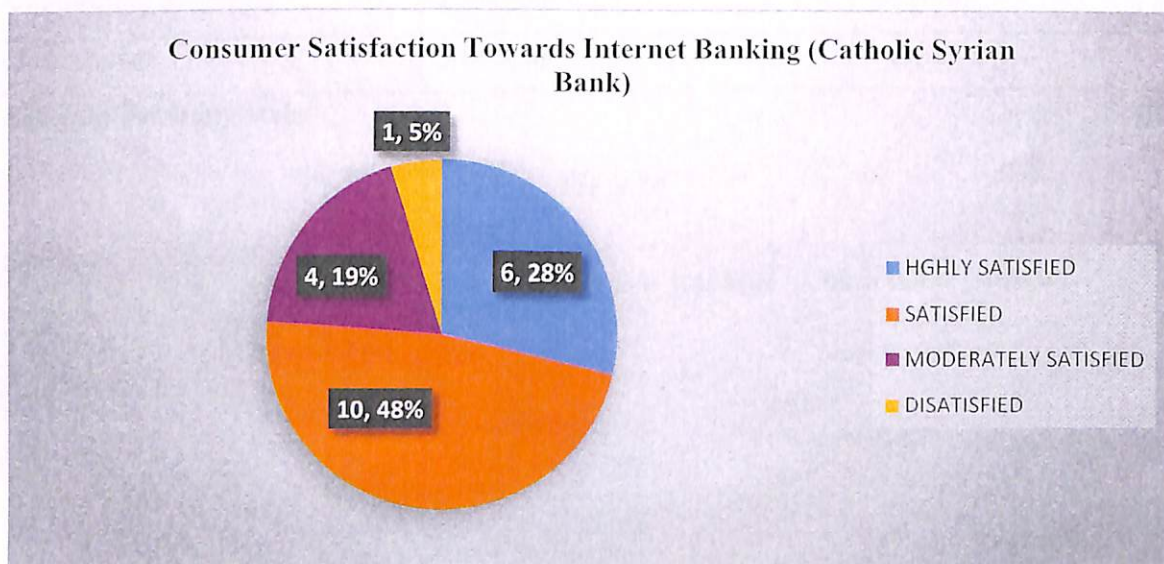
**Source: Primary Data**

**Fig 3.18**



**Source: Primary Data**

**Fig 3.19**



**Source: Primary Data**

Table 3.15 shows the level of consumer satisfaction Internet Banking provided by both Union Bank of India and Catholic Syrian Bank. It shows four levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that 83.33% respondents of Union Bank of India and 70% of Catholic Syrian Bank uses internet banking services provided by these banks.



The Figure 3.18 shows that out of 25 respondents of Union Bank of India who uses internet banking, 72% of them are highly satisfied, 8% of them are satisfied and 20% of them are moderately satisfied.

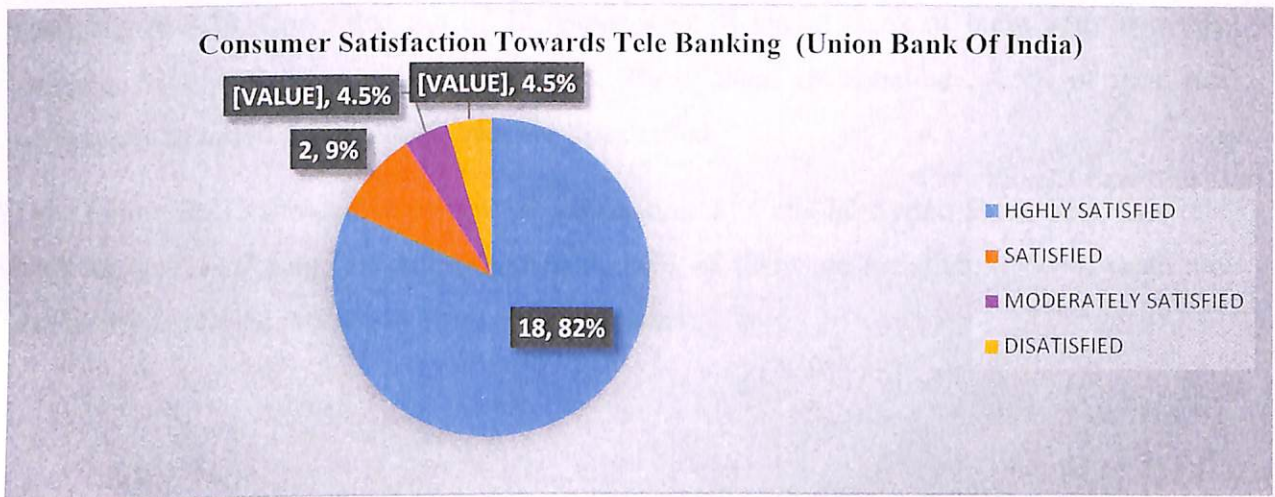
The Figure 3.19 shows that out of 21 respondents of Catholic Syrian Bank who uses internet banking, 28% of them are highly satisfied, 48% of them are satisfied, 19% of them are moderately satisfied and 5% of them are dissatisfied.

**Table 3.16**  
**Consumer Satisfaction towards Tele Banking**

Consumer Satisfaction	No of respondents of Union Bank Of India	No of respondents of Catholic Syrian Bank
Highly Satisfied	18 (82%)	6 (32%)
Satisfied	2 (9%)	5 (26%)
Moderately Satisfied	1 (4.5%)	7 (37%)
Dissatisfied	1 (4.5%)	1 (5%)

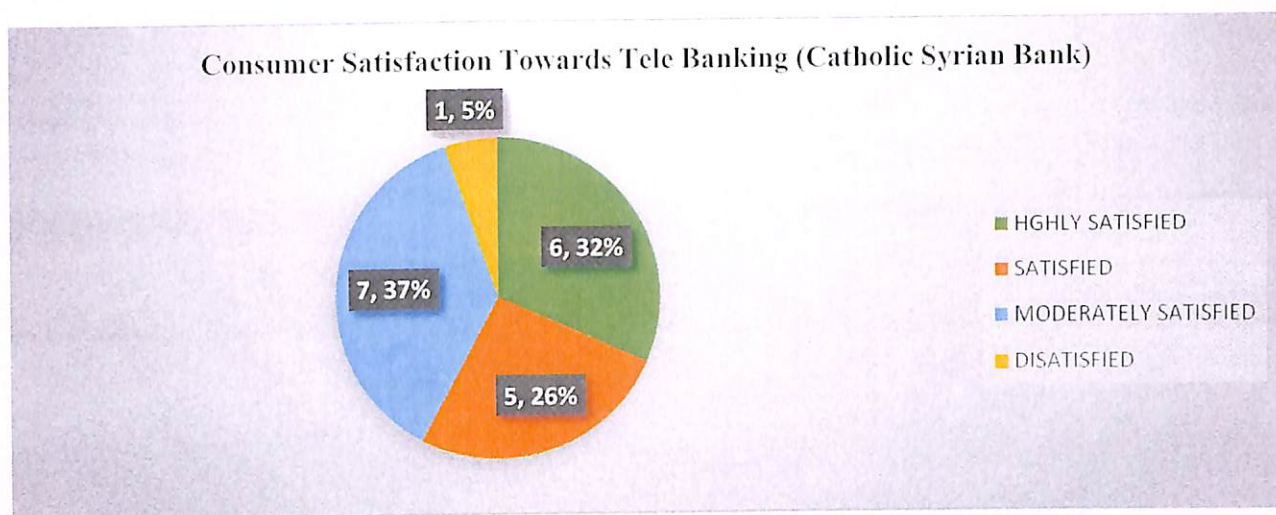
Source: Primary Data

**Fig 3.20**



Source: Primary Data

**Fig 3.21**



**Source: Primary Data**

Table 3.15 shows the level of consumer satisfaction Tele-Banking provided by both Union Bank of India and Catholic Syrian Bank. It shows five levels of satisfaction. They are highly satisfied, satisfied, moderately satisfied and dissatisfied. The table also reveals that 73.33% respondents of Union Bank of India and 63.33% of Catholic Syrian Bank uses tele banking services provided by these banks.

The Figure 3.20 shows that out of 22 respondents of Union Bank of India who uses tele banking, 82% of them are highly satisfied , 9% of them are satisfied , 4.5% of them are moderately satisfied and 4.5% of them are dissatisfied.

The Figure 3.21 shows that out of 19 respondents of Catholic Syrian Bank who uses tele banking, 32% of them are highly satisfied, 26% of them are satisfied, 37% of them are moderately satisfied and 5% of them are dissatisfied .

**CHAPTER IV**  
**FINDINGS, RECOMMENDATIONS**  
**AND CONCLUSIONS**

The main purpose of this chapter is to present a brief summary of findings and conclusions of this study and thereafter to provide certain suggestions for overcoming the problems, being identified in this study.

#### **4.1 FINDINGS**

- Union Bank of India provides more number of e-banking services to their customer than Catholic Syrian bank.
- It is the customers between the age group 21-30 use e-banking more both in public and private sector banks.
- The study shows that males use e-banking more than females in both public and private sector banks.
- ATM is the most frequently used e-banking services in both public and private sector banks.
- More than 50% of the customers prefer both e-banking and branch banking because it saves time and money and is more comfortable than branch banking.
- No customers prefer e-banking alone.
- Customers are more satisfied with the e-banking services offered by Union Bank of India.

#### **4.2 SUGGESTIONS**

- Registration of an account while using internet banking of Union Bank of India should be complete with 2 hours.
- Minimum amount of fund transfer in Union bank of India should be 100.
- NEFT of Union Bank of India should be made available to customers 24/7 hours.
- The customers of both UBI and CSB are not much aware of the availability and usage of certain e-banking products. Hence it is suggested that the banks should develop new ways of working to improve efficiency in marketing.
- Customer grievances should be redressed speedily and customers' satisfaction should always be the top priority.
- Banks should conduct a periodical survey to understand the customers' views regarding the simplicity and easy understanding of the operations of their websites and other e-banking services.
- Costs on Online banking system should be reduced and should be reached to the common man.

- ATMs should be installed at locations where conveyance is available and at comfortable places.
- Customers should be imparted proper information and training on utilizing the services of E-banking.
- The government must take steps to monitor and curtail E- Banking Frauds.

### **4.3 CONCLUSION**

E-Banking is the future of banking, going online for banking has become a trend among the customers and also it helps in improving the relationship between bankers and customers. E-banking offers consumers and organizations many benefits, including 24/7 access to accounts and services. As financial institutions continue to develop online banking, customers are using more services, such as bill payment across industries, money transfer and mobile e-banking using cell phones and hand-held devices. Customers are inclined towards mobile banking now in particular from PC banking.

## APPENDIX

### QUESTIONNAIRE FOR CATHOLIC SYRIAN BANK CUSTOMERS

#### Part – I

Please make a ( ✓ ) mark in the appropriate space provided

1. Name : \_\_\_\_\_
2. Age : Below 20   
21 to 30   
31 to 40   
41 to 50   
Above 50
3. Gender : Male   
Female
4. Qualification : School level   
Graduate   
Post Graduate   
Professional   
Others
5. Employment status : Salaried   
Business   
Professional   
Retired   
Housewife

6. Marital status : Single   
Married   
Others

7. No. of Dependents :

8. Status of spouse : Employed   
Unemployed

9. Income level (annual) : Less than Rs.1,00,000/-   
Between Rs. 1,00,000 – 3,00,000/-   
Above 3,00,000/-

## Part II – Customer Usage of Products & Service

Please make a ( ✓ ) mark in the appropriate space provides

10. Your usage of services in CSB : Very Frequently   
: Frequently   
: Rarely

11. Mode of Products / Services use : e-banking   
: Visiting branches   
: Both

**Part III– Customer satisfaction on selected e-banking products and services Of Catholic Syrian Bank**

12. Please make a ( ✓ ) mark in the appropriate space provides

PRODUCTS	HIGHLY SATISFIED	SATISFIED	MODERATELY SATISFIED	DISSATISFIED	HIGHLY DISSATISFIED
ATM SERVICES					
DEBIT/CREDIT/SLIM CARDS					
EFT					
E-PAYMENTS					
MOBILE BANKING					
INTERNET BANKING					
TELE BANKING					

**13. State your Grievances if any towards the services of CSB?**

**14. Give your suggestion to improve the e-banking service of CSB?**



## QUESTIONNAIRE FOR UNION BANK OF INDIA CUSTOMERS

### Part – I

Please make a ( ✓ ) mark in the appropriate space provided

1. Name : \_\_\_\_\_
2. Age : Below 20   
21 to 30   
31 to 40   
41 to 50   
Above 50
3. Gender : Male   
Female
4. Qualification : School level   
Graduate   
Post Graduate   
Professional   
Others
5. Employment status : Salaried   
Business   
Professional   
Retired   
Housewife

6. Marital status : Single   
Married   
Others

7. No. of Dependents :

8. Status of spouse : Employed   
Unemployed

9. Income level (annual) : Less than Rs.1,00,000/-   
Between Rs. 1,00,000 – 3,00,000/-   
Above 3,00,000/-

## Part II – Customer Usage of Products & Service

Please make a ( ✓ ) mark in the appropriate space  
provides

10. Your usage of services in UBI : Very Frequently   
: Frequently   
: Rarely

11. Mode of Products / Services use : e-banking   
: Visiting branches   
: Both

**Part III– Customer satisfaction on selected e-banking products and services Of Union Bank of India**

12. Please make a ( ✓ ) mark in the appropriate space provides

PRODUCTS	HIGHLY SATISFIED	SATISFIED	MODERATELY SATISFIED	DISSATISFIED	HIGHLY DISSATISFIED
ATM SERVICES					
DEBIT/CREDIT/SLIM CARDS					
EFT					
E-PAYMENTS					
MOBILE BANKING					
INTERNET BANKING					
TELE BANKING					

**13. State your Grievances if any towards the services of UBI?**

**14. Give your suggestion to improve the e-banking service of UBI?**

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