

# **A STUDY ON ONLINE BANKING SERVICES PROVIDED BY PRIVATE SECTOR BANKS**

Submitted in partial fulfilment of the requirement for the award of

**Bachelor of Business Administration**

by

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**DEPARTMENT OF BUSINESS ADMINISTRATION  
SCHOOL OF MANAGEMENT STUDIES**

## **SATHYABAMA**

**INSTITUTE OF SCIENCE AND TECHNOLOGY**

**(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC**

**JEPPIAAR NAGAR, RAJIV GANDHI SALAI,  
CHENNAI - 600 119**

**MARCH 2021**



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## DEPARTMENT OF BUSINESS ADMINISTRATION

### BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **IRFAN ASHRAF** (Reg. No.) **38280044** who have done the Project work entitled **A STUDY ON ONLINE BANKING SERVICES PROVIDED BY PRIVATE SECTOR BANKS** under my supervision from January 2021 to March 2021.

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I IRFAN ASHRAF (Reg. No.) 38280044 hereby declare that the Project Report entitled A STUDY ON ONLINE BANKING SERTVICES PROVIDED BY PRIVATE SECTOR BANKS done by me under the guidance of Dr. / Prof. KUMARSAMY P. (Internal Guide) and Dr. Ilam Kadir (External Guide) is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

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## **ABSTRACT**

Financial liberalization and technology revolution have allowed the developments of new and more efficient delivery and processing channels as well as more innovative products and services in banking industry. Banking institutions are facing competition not only from each other but also from non-bank financial intermediaries as well as from alternative sources of financing. Another strategic challenge facing banking institutions today is the growing and changing needs and expectations of consumers in tandem with increased education levels and growing wealth. Consumers are becoming increasingly discerning and have become more involved in their financial decisions. For many consumers, electronic banking means 24-hour access to cash through an Automated Teller Machine (ATM) or Direct Deposit of pay checks into checking or savings accounts. But electronic banking involves many different types of transactions. Electronic banking, also known as electronic fund transfer (EFT), uses computer and electronic technology as a substitute for checks and other paper transactions. EFTs are initiated through devices like cards or codes that let you, or those you authorize, access your account. Many financial institutions use ATM or debit cards and Personal Identification Numbers (PINs) for this purpose. Some use other types of debit cards such as those that require, at the most, your signature or a scan. For example, some use radio frequency identification (RFID) or other forms of “contactless” technology that scan your information without direct contact. The federal Electronic Fund Transfer Act (EFT Act) covers electronic consumer transactions.

In Today's scenario role of e-banking is very valuable. Without e-banking no banks can work. In this study we analyse, how much e-banking used in Private sectors bank? Objective of the study is to find the consumer satisfaction in respect of e-banking in Private sectors banks. The method of the study is Primary and Secondary both. Study showed perception of customer regarding service quality in internet banking services.

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# CHAPTER 1

## 1.1 INTRODUCTION

Banks play a very important role in the Indian financial market as they are the biggest purveyors of credit and attract most of the savings from the population. Banking is necessary for the economic development of all the nations of the world because a developed banking system holds the key as well as serves as a barometer for the economic health of a country. Banking Industry is one of the most successful and strong industries in our country. The banking structure is affected by the changing environment of an economy. In the Indian context, there were two phases of nationalization, the introduction of RRBs, entry of private sector banks and foreign banks, and now e-banking is important and major changes that affect the structure as well as the functioning of the banks from time to time. On the basis of the Reserve Bank of India Act, 1934, Indian banks are two categorized under two terms, one is the "Schedule Commercial Bank" and another one is "Non-scheduled Commercial Bank". A noteworthy feature of banking reforms in India is the growth of newly licensed private sector banks, some of which have attained globally the best standards in terms of technology, services, and sophistication. In many respects related to performance, these domestically promoted banks have surpassed branches of foreign banks in India and could be a role model for other banks.

A sound and effective banking system is the backbone of an economy. The acceleration in technology has produced an extraordinary effect upon our economy in general has had a particularly profound impact in expanding the scope and utility of financial products over the last ten years. Information technology has made possible the creation, valuation, and exchange of complex financial products on a global basis and even that just in recent years. Derivatives are obviously the most evident of the many products that technology has inspired, but the substantial increase in our calculation has permitted a variety of other products and, most beneficially, new ways to unbundled risk. Technology will break all boundaries and encourage cross border banking business. E-banking helps us in overcoming the drawbacks of manual system, as computers are capable of storing, analysing, consolidating, searching and presenting the data as per the user requirements with lot of speed and accuracy. The technology has the potential to change methods of marketing, advertising, designing, pricing and distributing financial products and services and cost savings in the form of an electronic, self-service product-delivery channel. The technology holds the key to the future success of Indian Banks. Thus, "Electronic Banking" is the need of the hour, which cannot be lost sight of except at the cost of elimination from the competition. The existence of Electronic banking also becomes inevitable due to the standards required to be matched at the international level. Thus, the domestic as well as the international standards mandates the adoption of Electronic banking at the earliest possible moment.

## 1.2 Industry Profile

In India e-banking was introduced in 1991 instantly after the recommendations of Narsimham Committee. The introduction of IT in banking sector of India made banking more reliable and sophisticated, now because of e-banking the remote areas of India are also connected to all banks branches even though they are in metropolitan cities. According to expert studies by 2020 average of India will be 29 year and these young Indian consumers are entirely based on internet banking. Therefore, Indian banks are in desperate need to do innovation and provide Indian consumers a world class internet banking capability. The present paper mainly focused on the need of innovation in India in field of e-banking and also try to put light on the available benefits, opportunities and current challenges faced by banking sector to boost up E-banking in India. In India innovation in banking sector was began since 1991 with introduction of liberalization and globalization processes as result of its E-Banking came into progress. This Information Technology revamps the entire banking sector. E-banking drastically and rapidly altered the way of client banking, banks started providing different services related to cash deposits, cash withdrawals that to through electronic means. Due to this I.T revolution the number of electronic transactions is increasing day by day and world has emerged as a cyber world where each and every one is connected through internet. E-Banking made the mobility of foreign funds and investment possible which turned world into global market and this market is growing so fast that it has almost abolished the effect of national boundaries. It is not wrong to say that this I.T innovation in banking sector in form of E-banking has introduced new business paradigm in country like in India.

In past three decades the operational efficiency of Indian banks has increased to several folds, now the time taken by the banks in performing different transaction has been reduced, with this advancement competition among banks has also increased. Every bank is trying to use as much latest technological innovations in order to facilitate its customers. One of the key features in this regard is innovation banking or e-banking, which a lot of banks are currently providing in India. Internet Banking or E-Banking refers to a system that allowing individual customers to perform various banking activities from different sites like their home, office and other locations via internet based secured networks. Through Internet or online banking traditional banks are enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments and stop-payment requests, and some even offer online loan and credit card applications. Internet banking is a web-based service that enables the banks authorized customers to access their account information. It permits the customers to log on to the banks website with the help of banks issued identification and personal identification number (PIN). The banking system verifies the user and provides access to the requested services, the range of products and service offered by each bank on the

internet differs widely in their content. The popular services provided by E-banking are ATMs, telebanking, internet banking, mobile banking, anywhere and anytime banking etc. Technology adoption in banks has shifted banking more of a capital intensive, fixed cost industry from a labour intensive, variable cost industry. The concept of e-banking is till date evolving, it still involves lot of innovation that are taking place every day. There are many opportunity and challenges which are available in e- banking in Indian banking systems.

## **CHAPTER 2**

### **Review Of literature**

#### **2.1 Introduction**

**“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 between customer's expectations and perception with respect to IT based banking services. Findings indicated need to improve the IT based services for enhancing customer satisfaction.

**“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 customers satisfaction as well as satisfaction in internet banking service provided by the public sector bank 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 privates sector banks

**“Internet Banking, Consumer adoption and Customer satisfaction”: Andrew  
Musllme and Mallnga Ramadhan (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 banks serve also as gateways offering identification and authorization services to a number of third-party service providers. 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.

**“Customer Perspective on E-Business Value: Case Study on Internet  
Banking”, Safeena, Rehmath (2010)**

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

#### **“Banker’s Perspectives on E-Banking”, Sharma, Himani (2011)**

This research paper is about the banker's perspectives on e-banking activities of respondents, impact of e-banking and promotional measures used by banks to promote e-banking. The survey data used in this research are collected through a questionnaire in Northern region of India by administering to 192 bankers.

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 would bring patent improvement in the overall performance of banks.

#### **“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.

#### **“A study on electronic banking and customer satisfaction”, Bismarck Amiya 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.

**V. Raja, Joe A. (2012)**, “Global e-banking scenario and challenges in banking system”, This paper is an attempt to explore the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted by different banks for secured banking transactions. It also analyses how E-banking can be useful for banking industry during this global financial meltdown.

**Ahmed S. M, Shah J. R., Md. A. I., Samina M., (2011)**, “Problems and prospects of mobile banking in Bangladesh” This study revealed that 61 % respondents think it saves time than traditional banking, the highest number of respondents use mobile banking for Top Air service, that is 21%, out of 120 respondents 56% replied it is less costly than traditional banking, 100% respondents did agree that it is speedy, and 38% respondents are upper class. Although this concept is new in Bangladesh but its potentiality is high. From this research, other researchers and policy makers will get an insight about the problems and prospects of mobile banking.

**Mishra (2011)** delivered a useful advice to safeguard the safety of internet-based transactions (IBT). The customer of the banks should not reply to any SMS, calls or Emails, requesting for password and not to connect on any link for banks website. E-Banking has arisen from such an advanced improvement.

**Dr. Karunagupta, Mr. Ravindraarya, (2017)** focused on emerging trends in the banking sector in India, he focused on the banking sector with reference to digitalization. The digitalization of banking system leads to a strong foundation in of economy and to ready to become cashless economy to transform the Indian banking industry.

**Sudhakar A. M., Suryanarayana, (2011),** “Emerging mobile banking scenario and its adoption in India: a study”, With broadband communication technological developments and mobile phones penetration (481 million by June 2009) into common man's life have triggered major thrust in the Banking service sector of India. With Mobile Banking- a revolutionary approach to banking transactions has created a strong connectivity between customers and the banks as both will transact with minimum cost and in minimum time. It is a timely and its cost-effective services can deliver mobile money to non-banked poor people and will induce economic growth of the country. This article discusses the status of Mobile Banking in India and other countries with emphasis on data security and standards and its implication on banking sector.

**Agarwal R., Rastogi S., Mehrotra A., (2009),** “Customers” perspectives regarding e-banking in an emerging economy” Determining factors affecting customer perception and attitude towards and satisfaction with e-banking is an essential part of a bank's strategy formulation process in an emerging economy like India. To gain this understanding in respect of Indian customers, the study was conducted on respondents taken from the northern part of India. The major findings depict that customers are influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking.

**Khan M. S., Mahapatra S. S., (2009),** “Service quality evaluation in internet banking: an empirical study in India” Demographic analysis of data reveals that gender is hardly a bias for use and evaluation of service quality of I-banking in most of the cases across various categories of customers. A valid mathematical model is proposed to assess the overall service quality using regression analysis. The results show that customers are satisfied with quality of service on four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfilment, but least satisfied with the 'user-friendliness' dimension. The empirical findings not only prioritise different parameters but also provide guidelines to bankers to focus on the parameters on which they need to improve.

The analysis showed that three variables (relative benefits, propensity to trust and structural assurances) had a significant effect on initial trust in mobile banking. Also, the perception of initial trust and relative benefits was vital in promoting personal intention to make use of related services. However, contrary to our expectation, the reputation as a firm characteristic's variable failed to attract people to mobile banking.

**Suoranta M., Mattila M. (2004),** “Mobile banking and consumer behaviour: New insights into the diffusion pattern”, provided an indication of the characteristics of potential subsequent adopters of mobile banking, and of differences between user

segments. Consequently, the authors are able to comment on the influence of certain demographic characteristics and the preferred communication mode of customers on the adoption and future usage of mobile banking services. The quantitative survey that sheds more light on this researched issue employed a traditional method of postal questionnaire. The data were collected in Finland during May–July 2002 and include 1,253 survey responses.

**Avinandan M., Prithwiraj N., (2003)** "A model of trust in online relationship banking", observed that shared value is most critical to developing trust as well as relationship commitment. Communication has a moderate influence on trust, while opportunistic behaviour has significant negative effect. Also finds higher perceived trust to enhance significantly customer's commitment in online banking transaction. An important contribution concerns how trust is developed and sustained over different levels of customer relationship in online banking. The future commitment of the customers to online banking depends on perceived trust.

**Aladwani A. M. (2001)**, "Online banking: a field study of drivers, development challenges, and expectations", the results of a quantitative study of the perceptions of bank's executive and IT managers and potential customers with regard to the drivers, development challenges, and expectations of online banking. The findings will be useful for both researchers and practitioners who seek to understand the issues relevant to online banking.

**Madhukar G. Angur, R. N., John S. Jahera Jr, (1999)** "Service quality in the banking industry: an assessment in a developing economy", examines the applicability of alternative measures of service quality in the developing economy of India and assesses related issues in that context. Based on data gathered from customers of two major banks, overall results support a multidimensional construct of service quality and suggest that the SERVQUAL scale provides greater diagnostic information than the SERVPERF scale. However, the five-factor conceptualization of SERVQUAL does not seem to be totally applicable, and no significant difference was found in the predictive ability of the two measures. Further, although SERVQUAL and SERVPERF have identical convergent validity, SERVPERF appears to have higher discriminant validity than SERVQUAL.

**Sannes, (2001); Reibstein, (2002):** E-banking is an innovation when new information technologies merge into traditional banking services. Operating costs minimization and revenue maximization are the major drivers that boost e-banking services.

**Parasuraman et al, (2005); Ibrahim et al., (2006)** A basic Electronic Service Quality standard is developed with four dimensions: efficiency, fulfilment, system availability and privacy.

**Ritu Sehgal and Sonia Chawla (2011)** in their paper attempted to identify the customers' preferences towards internet banking and to analyse their satisfaction

level and also the relationship between various demographic variables and satisfaction level of customers.

**Roshan Lal and Rajni Saluda (2012)** have highlighted the challenges faced by Indian banks in adoption of technology and recommendations are made to tackle these challenges.

**Vrushali M. Ramdasi and Shridhar Sarmalkar (2015)** have attempted to study the use of e-banking services provided by some private and public sector banks in India with the result of the study clearly showing that the usage of E-services differs according to different demographic factors like age, occupation, education and gender and also usage of E-services differs according to public and private sector banks in India.

**(Vasanthakumari and Sheela rani, 2010)** E-banking includes the systems that enable financial institutions, customers, individuals or businesses whether small or big or medium scale to access accounts, carry out transactions or obtain information on financial products and services through a public or private network using Internet.

**Daniel (1999)** has defined electronic banking as providing banking information, products and services by a bank to customers using a number of different delivery platforms that can be used with different terminal devices such as a personal computer, mobile phone, desktop software, telephone or digital television. Electronic banking is also frequently known as internet banking or e-banking or PC banking or Home banking or Phone Banking or tele banking.

**(Gupta, 2008)** Internet banking involves providing information about bank products as well carrying online transactions such as transfer of funds, setting up direct debit, buying and selling of products etc. It involves computer networks and telecommunication networks. The basic aim of e-banking is to provide services to end consumer so that they can carry out banking transactions through PC or mobile. e-banking has attracted attention of banks, securities trading firms, individual businesses, insurance companies, medium and largescale businesses etc. e-banking is growing because e-commerce has grown at a rapid rate. Internet banking can help in building sound strategies as its impact on cost savings, revenue and satisfaction of customer is tremendous. E-banking influences business models of various banks, insurance companies, brokerage houses etc.

**Krishnan (2001)** examined the evolution of E-banking in Malaysia and analyzed the various electronic delivery channels used by local banks to assess the consumer reaction to these delivery channels. The objective of the study was to present progressive development of e-banking, electronic delivery channels and some pertinent issues for successful implementation of E-banking. The study was based on a sample of 300 bank customers, and revealed that 90 per cent of respondents visit their bank branches at least once every month, 63.3 per cent customers indicated four or more visits to ATMs every month, 20 per cent of the respondents were using tele-banking services. Only 6.7 per cent customers indicated that they would not be interested at all using these services. The 52 results showed that among different channels of e-banking like mobile banking, internet banking, ATM's, PC banking; ATMs were widely accepted by the people. The researcher also found that bank branches and interaction with human tellers were still important. 60 per

cent of the respondents had internet access at home and it presents a positive indication of PC banking in future. The author concluded that for successful implementation of e-banking, the major pre-requisites were legal and physical infrastructure because e-banking requires a lot of tangible and technological changes in banks.

**Jain, Megha & Popli, G.S.** in their article “Role of Information Technology in the development of Banking Sector in India”, have tried to analyse the banking innovations and the extent of computerization in the public sector banks of India. They have also identified certain challenges being faced in the implementation of IT solutions in various spheres of banking. Their study shows that 97.8 percent were fully computerized at the end of March 2010 whereas all branches of SBI were fully computerized. It also reveals the increase in the spread of NEFT to 86,449 branches and RTGS to 84,638 branches as at the end of May 2012. As at end-March 2012, 49 banks with a customer base of 13 million provided mobile banking service in India. Also noted that during the year 2011-12, 25.6 million mobile banking transactions valued at 18.2 billion were observed. It proves Indian Banking industry has come a long way providing greater convenience, transparency, new segments and improved bank-customer relationship. However, having discussed the blessings of Internet banking we also need to note the threats and challenges faced by E-banking. Such as, the potential for frauds, money laundering and system failure needs to be ruled out which requires huge investments by government. Lal, Roshan & Saluja, Rajni, E-Banking: The Indian Scenario. The authors have tried to address.

**Aggarwal (2003)**, in his paper, looked for such avenues where e-banking could play significant role in e-democracy. The author discussed two case studies on the implementation of e-banking in digital democracy. One was farmer service and other was e-seva. While applying e-banking in e-democracy, services become more secure, efficient, transparent and fast. It becomes a win-win situation for all, for banks its low cost, for government its better service, for business its fast and secure, and for citizens its transparent and efficient. The author evaluated that e-banking could be used for successful e-banking for online bill payment, online brokerage, online account management, anywhere banking, etc. The author concluded that e-banking services provide one stop service and informational unit that provides great benefits to banks, customers, employers and government.

**Arora (2003)** made an attempt to prove that technology had a definitive role in facilitating transactions in the banking sector; and the impact of technology had resulted into the introduction of new products and services by various banks in India. The author discussed various initiatives taken by the banks to manage transformation and these initiatives had brought customers the convenience of anywhere, anytime banking. The author concluded that technology was a facilitator for advancement in the core business of banking and not an end in itself. Hogarth and Hilbert (2004) highlighted that electronic banking technology.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1 NEED FOR STUDY

The word "research" is used to describe a number of similar and often overlapping activities involving a search for fact. A search is concerned with information rather than knowledge or analysis and answers can normally be found in a single source.

**Problem Identification, Need and Relevance of the Research** It is evident from the literature reviewed, that E-banking has emerged to be beneficial for both the financial institutes and the customers. Also, for a bank to survive in this cut-throat competition it is important to offer the best products, with quick service, with complete security features and to be up-to-date with the RBI guidelines, so a study was required to see the effectiveness of the online banking of the private sector banks.

#### 3.2 SCOPE OF THE STUDY

1. To study private sector banks from the e-banking perspective.
2. To assess the customers' satisfaction level with the current banking facilities.
3. To find the most important factor that is inducing people towards e-banking.
4. To understand the benefits of e-banking as compared to traditional banking, in terms of cost, efficiency, time, secrecy, quality of service, and complaint resolution.
5. To investigate whether e-banking is cost-effective for the customers or not.

#### 3.3 OBJECTIVE OF THE STUDY

The project is mainly developed to identify the perception and evaluate customer response towards online banking services provided by Private Banks and to provide appropriate suggestions based on the study.

##### **3.3.1 Primary objective: -**

A study on customer's response towards the online banking functions provided by the private sector banks.

##### **3.3.2 Secondary objectives: -**

- Perception of respondents towards accessibility of banks through online medium.
- To understand what attracts the respondents towards a particular bank.
- To understand why online banking is more preferred than traditional banking.
- To understand why the respondents, go to the bank despite having online banking services
- To understand if all queries of the Respondents is answered to by the bank without the customer physically going to the bank.

### 3.4 RESEARCH DESIGN

#### 3.4.1 Descriptive Research Design

Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

### 3.5 SOURCES OF DATA

Data collection is the term used to describe a process of preparing and collecting data.

**Primary Data** – Questionnaire given to 150 respondents.

**Secondary Data** - Websites and online journals, Published reports & Review of literature from published articles.

### 3.6 TOOLS FOR DATA COLLECTION

Survey method is employed to collect the data from the respondents and the data are collected with the help of questionnaires. Questionnaire is administered for the respondents. Questionnaire is a standardized form for collecting information to elicit data from the respondents. A questionnaire consists of a set of questions presented to a responded for his or her answers. The questionnaire prepared in this study was mainly aimed at personal interview, multi-choice questions, and also checklists.

### 3.7 DATA EDITING AND STATISTICAL TOOLS

Primary data source was applied for the collection of the data. Data collected are edited and coded by using the tabular columns. This helps in converting the gathered data into a tabulated grouped data.

- Percentage Analysis is applied to create a contingency table from the frequency distribution and represent the collected data for better understanding.
- Chart Analysis is applied for better understanding of the percentage analysis and it is done via pie, bar charts etc.

### **3.8 QUESTIONNAIRE DESIGN**

The questionnaire for the research study is to be structured in which different types of questions like open ended and close ended are covered. The questions will be designed as an opinion, multiple choices. A closed-ended question is one where the respondent is given a range of answers and has to make a choice of one or more. The questions in the questionnaire were arranged in a sequential manner grouped under the different factors of study.

The instruments used in the study are research instrument are the instruments which is used for gathering or collecting information. The instruments used in the study are,

1. Direct questions
2. Close end questions
3. Dichotomous questions
4. Multiple choice questions

#### ***3.8.1 MULTIPLE CHOICE QUESTIONS***

A multiple-choice question refers to one which provides several set alternatives for its answers. Thus, it is a middle ground between free answers and dichotomous question.

#### ***3.8.2 DICHOTOMOUS QUESTION***

The dichotomous question is a question which can have two possible answers. Dichotomous questions are usually used in a survey that asks for a Yes/No, True/False or Agree/Disagree answers. They are used for clear distinction of qualities, experiences or respondent's opinions.

### **3.9 SAMPLE SIZE:**

It refers to the number of elements of the population to sample. Sample size here is 150.

### **3.10 PERIOD OF STUDY**

The duration of study is from January 2021 to February 2021 which is two months of study.

### **3.11 LIMITATIONS OF THE STUDY**

- ☐ The analysis of the present study has been carried out based on the information Collected by my friends, colleagues and their colleagues.
- ☐ Due to time constrict only respondents were considered.
- ☐ The result fully depends on the information given by the respondents which may be biased.

## CHAPTER 4

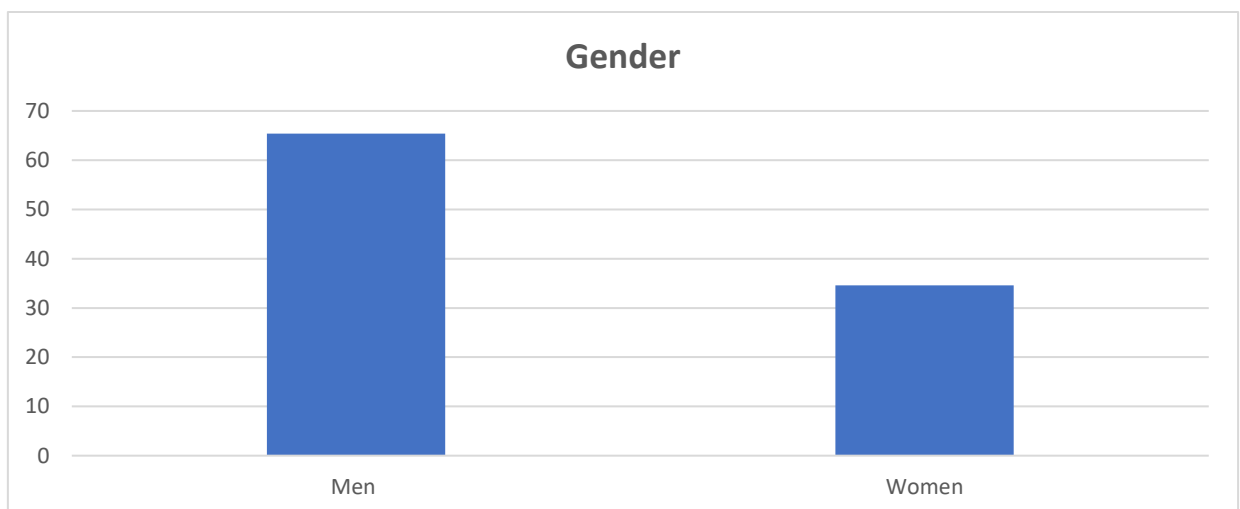
### DATA ANALYSIS AND INTERPRETATION

#### 4.1 Percentage Analysis

**Table 4.1.1 Gender of Respondents**

| Particulars | No. of Respondent | %age  |
|-------------|-------------------|-------|
| Male        | 98                | 65.4% |
| Female      | 52                | 34.6% |
| Total       | 150               | 100%  |

Source: Primary Data



**Chart 4.1.1**

#### Interpretation

From the above table it is interpreted that the number of male respondents is 65.4% and the female respondents are 34.6%.

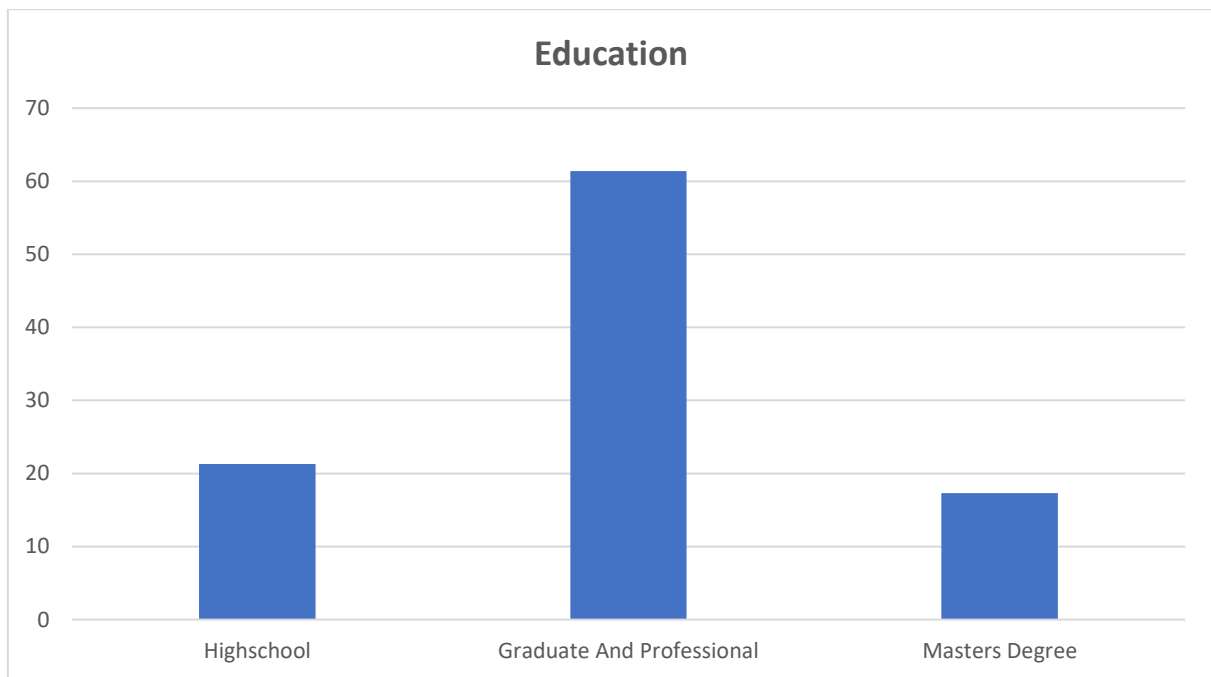
#### Inference

Majority (65.4%) of the respondents are male.

**Table 4.1.2 Educational Qualification of Respondents**

| Particulars              | No of Respondents | Percentage (%) |
|--------------------------|-------------------|----------------|
| Highschool               | 32                | 21.3%          |
| Graduate or Professional | 92                | 61.4%          |
| Master Degree            | 26                | 17.3%          |
| Total                    | 150               | 100%           |

**Source: Primary Data**



**Chart 4.1.2**

### **Interpretation**

From the above table it is interpreted that the number of High schoolers is 21.3%, the number of Graduate and Professionals are 61.4% and the number of Master Degree people are 17.3%.

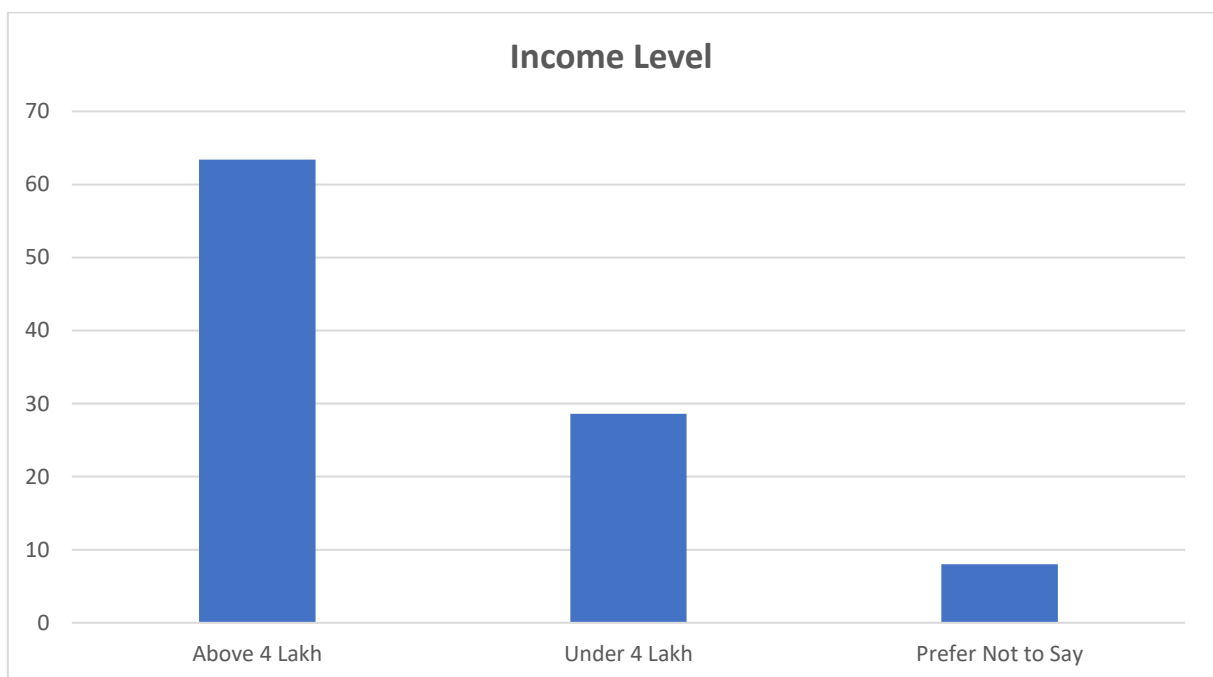
### **Inference**

Majority (61.4%) of respondents are Graduate and Professionals.

**Table 4.1.3 Income Level of Respondents**

| Particulars       | No of Respondents | Percentage (%) |
|-------------------|-------------------|----------------|
| Above 4 Lakh      | 95                | 63.4%          |
| Below 4 Lakh      | 43                | 28.6%          |
| Prefer not to Say | 12                | 8%             |
| Total             | 150               | 100%           |

**Source: Primary Data**



**Chart 4.1.3**

### **Interpretation**

From the above table it is interpreted that the number of respondents with income Above 4 Lakh are 63.4%, the number of respondents with income Under 4 Lakh are 28.6% and the number of respondents who prefer not to tell their income are 8%.

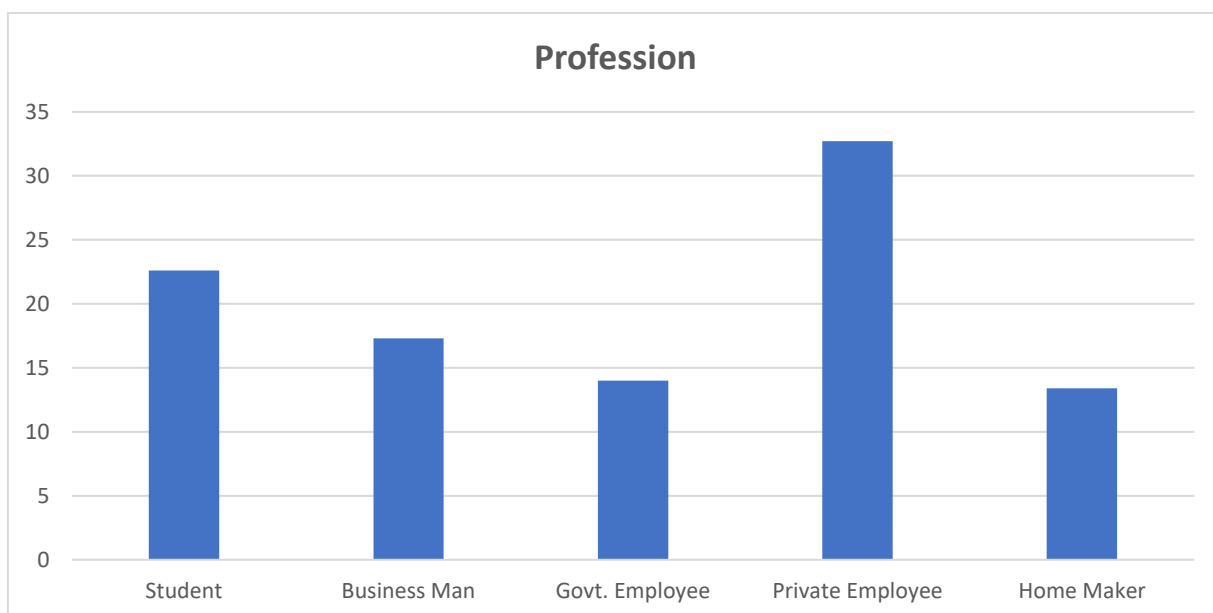
### **Inference**

Majority (63.4%) have income over 4 lakhs.

**Table 4.1.4 Profession of Respondents**

| Particulars      | No. Of Respondents | Percentage (%) |
|------------------|--------------------|----------------|
| Student          | 34                 | 22.6%          |
| Business Man     | 26                 | 17.3%          |
| Govt. Employee   | 21                 | 14%            |
| Private Employee | 49                 | 32.7%          |
| Home Maker       | 20                 | 13.4%          |
| Total            | 150                | 100%           |

**Source: Primary Data**

**Table 4.1.4**

**Interpretation:** From the above table it is interpreted that the number of respondents who are students is 22.6%, the number of respondents who are Business men is 17.3%, the number of respondents who are Govt. Employees are 14%, the number of respondents who are Private Employees are 32.7% and the number of respondents who are homemakers is 13.4%.

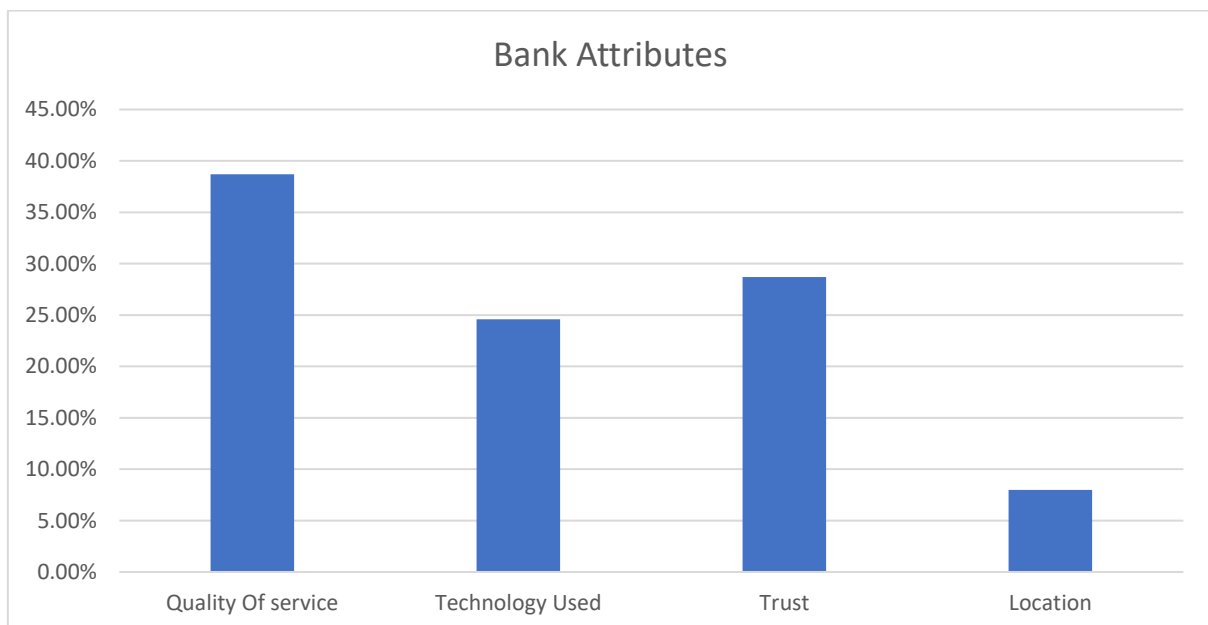
### **Inference**

Majority (32.7%) of respondents are Private Employees.

**Table 4.1.5 Attributes of the bank preferred by the respondents**

| Particulars        | No of Respondents | Percentage (%) |
|--------------------|-------------------|----------------|
| Quality of Service | 58                | 38.7%          |
| Technology Used    | 37                | 24.6%          |
| Trust              | 43                | 28.7%          |
| Location           | 12                | 8%             |
| Total              | 150               | 100%           |

**Source: Primary Data**



**Chart 4.1.5**

### **Interpretation**

From the above table it is interpreted that the number of respondents who prefer the quality of service is 38.7%, the number of respondents who prefer the Technology used by the bank is 24.6%, the number of respondents who prefer the Trust is 28.7%, and the number of respondents who prefer the Location of the bank are 8%.

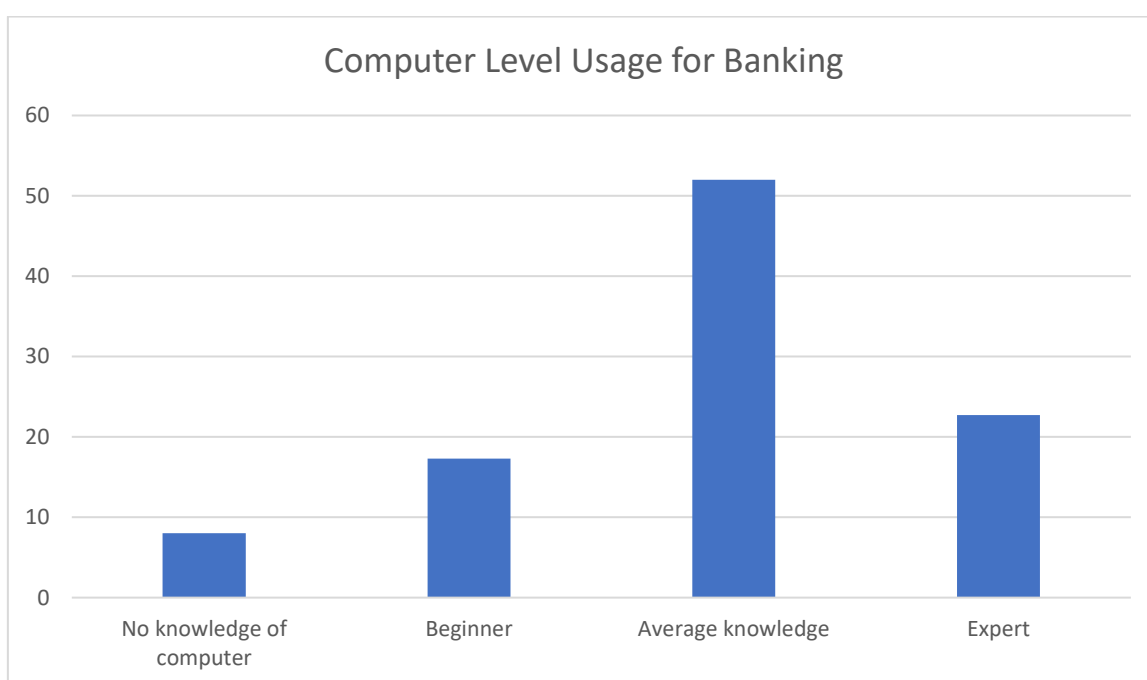
### **Inference**

Majority (38.7%) of respondent's value quality of service of a bank.

**Table 4.1.6 Computer Level Usage for E-Banking**

| Particulars              | No. of Respondents | Percentage (%) |
|--------------------------|--------------------|----------------|
| No knowledge of computer | 12                 | 8%             |
| Beginner                 | 26                 | 17.3%          |
| Average knowledge        | 78                 | 52%            |
| Expert                   | 34                 | 22.7%          |

**Source: Primary Data**



**Chart 4.1.6**

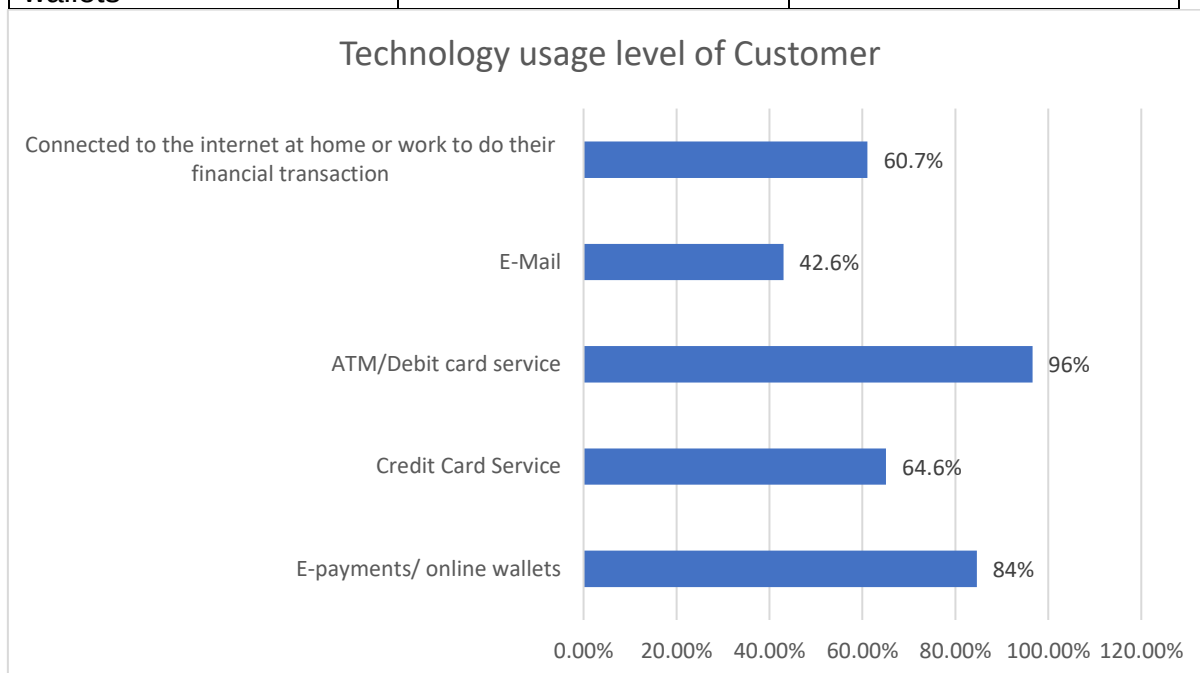
### **Interpretation**

From the above table it is interpreted that the number of respondents who have no knowledge of computers is 8%, the number of respondents who have beginner level of computer usage for online banking is 17.3%, the number of respondents who have Average knowledge of computers of Online Banking is 52%, and the number of respondents who have expert level computer knowledge for online Banking is 8%.

**Inference:** Majority (52%) of respondent's have average computer knowledge for Online Banking.

**Table 4.1.7 Level of Usage of E-Banking Technology**

| Particulars                                                                 | No. of Respondents | Percentage (%) |
|-----------------------------------------------------------------------------|--------------------|----------------|
| Connected to the internet at home or work to do their financial transaction | <b>91</b>          | <b>60.7%</b>   |
| E-mail                                                                      | <b>64</b>          | <b>42.6%</b>   |
| ATM/Debit card service                                                      | <b>144</b>         | <b>96%</b>     |
| Credit Card service                                                         | <b>97</b>          | <b>64.6%</b>   |
| E-payments / online wallets                                                 | <b>126</b>         | <b>84%</b>     |



**Chart 4.1.7**

### **Interpretation**

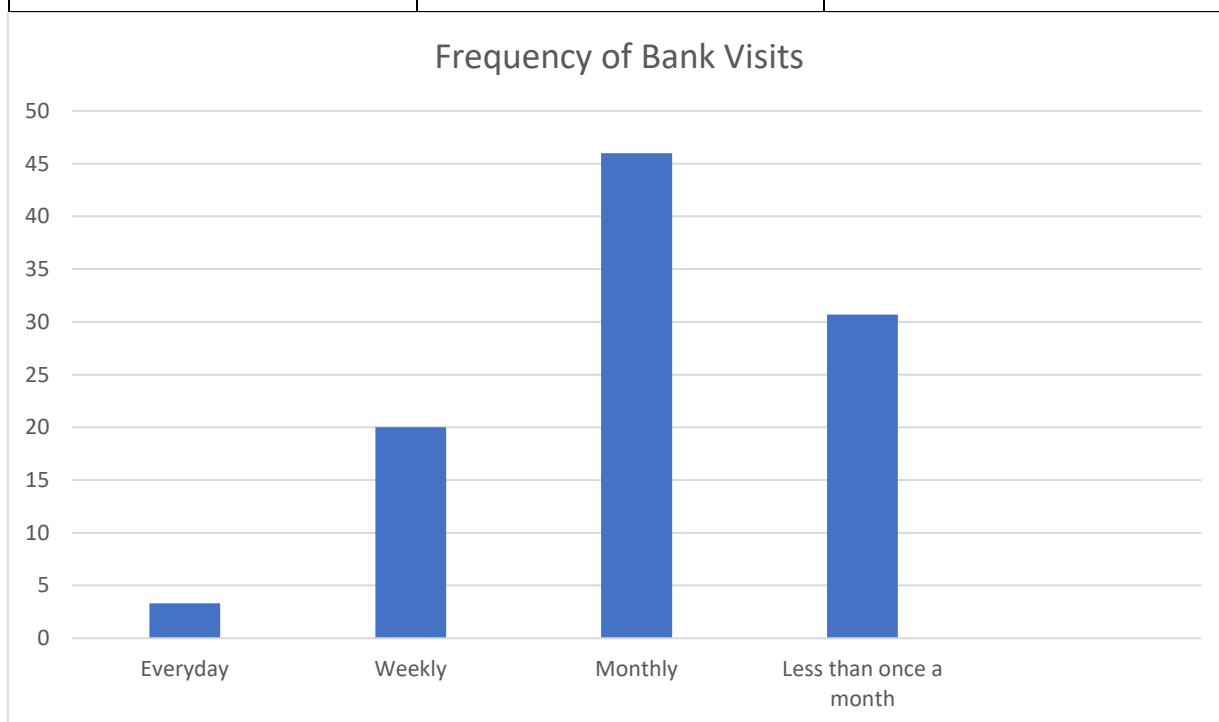
From the above table it is interpreted that the number of respondents Connected to the internet at home or work to do their financial transaction is 60.7%, the number of respondents who use e-mail for banking is 42.6%, the number of respondents who use ATM/ Debit Card is 96%, the number of respondents who use Credit Card Services is 64.6% and the number of respondents.

### **Inference**

Majority (96%) of respondent's use ATM/Debit card services.

**Table 4.1.8 Frequency of Bank Visits**

| Particulars            | No. of Respondents | Percentage (%) |
|------------------------|--------------------|----------------|
| Everyday               | 5                  | 3.3%           |
| Weekly                 | 30                 | 20%            |
| Monthly                | 69                 | 46%            |
| Less than once a month | 46                 | 30.7%          |
| Total                  | 150                | 100%           |



**Chart 4.1.8**

### **Interpretation**

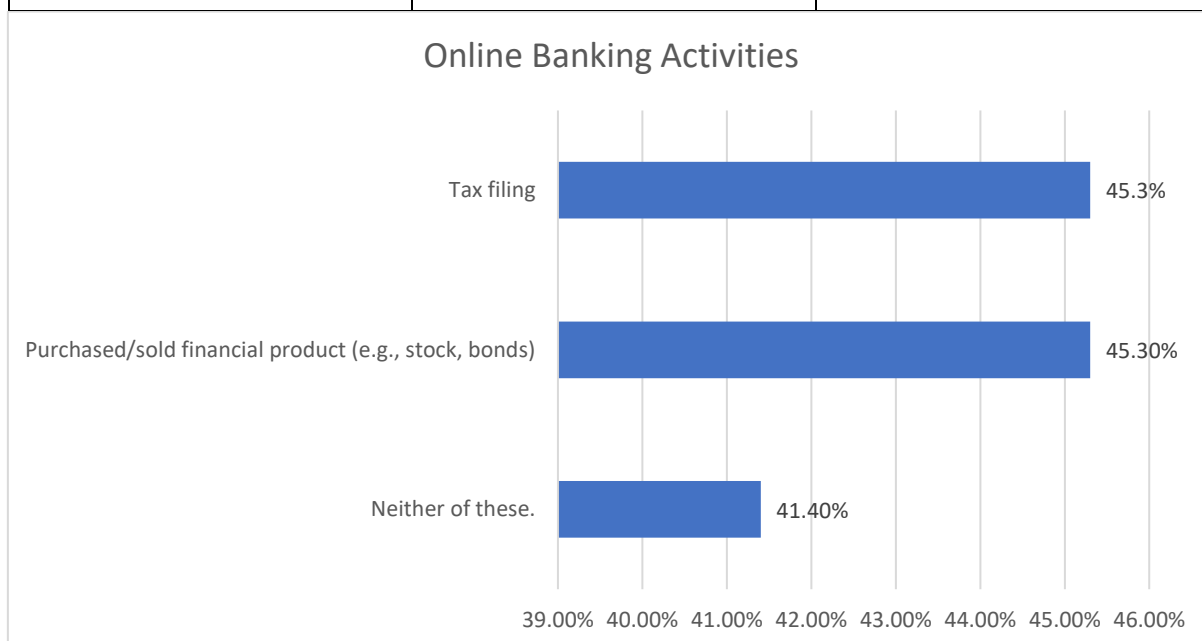
From the above table it is interpreted that the number of respondents who visit the bank every day is 3.3%, the number of respondents who visit the bank weekly is 20%, the number of respondents who visit the bank monthly is 46%, and the number of respondents who visit the bank less than once a month is 30.7%.

### **Inference**

Majority (46%) of respondent's visit the monthly.

**Table 4.1.9 If Respondents performed certain banking services online.**

| Particulars                                           | No. of Respondents | Percentage (%) |
|-------------------------------------------------------|--------------------|----------------|
| Tax filing                                            | 68                 | 45.3%          |
| Purchased/sold financial product (e.g., stock, bonds) | 68                 | 45.3%          |
| Neither of these.                                     | 62                 | 41.3%          |



**Chart 4.1.9**

### **Interpretation**

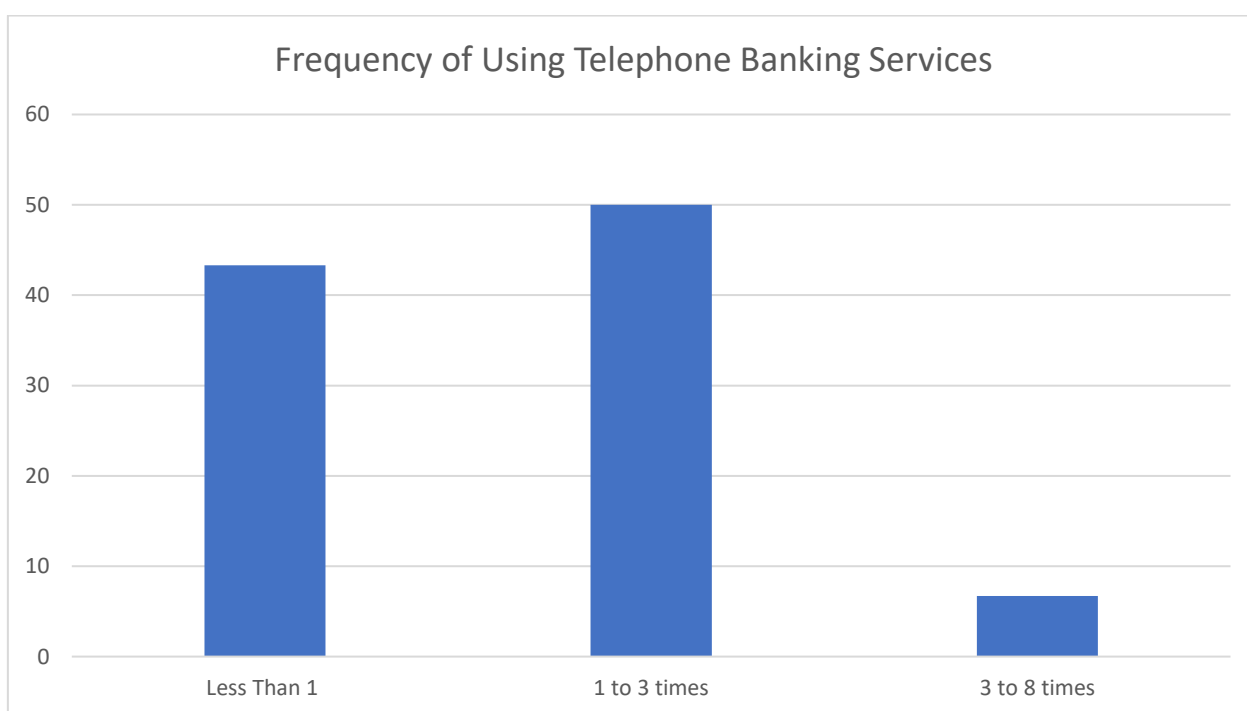
From the above table it is interpreted that the number of respondents Filed Taxes online is 45.3%, the number of respondents who purchased/sold financial products online is 45.3% and the number of respondents who did neither of this online is 41.4%

### **Inference**

Majority (45.3%) of respondent's performed Tax Filing and Purchased/sold financial products online.

**Table 4.1.10 Frequency of Using Telephone Banking Services**

| Particulars  | No. of Respondents | Percentage (%) |
|--------------|--------------------|----------------|
| Less Than 1  | 65                 | 43.3%          |
| 1 to 3 times | 75                 | 50%            |
| 3 to 8 times | 10                 | 6.7%           |



**Chart 4.1.10**

### **Interpretation**

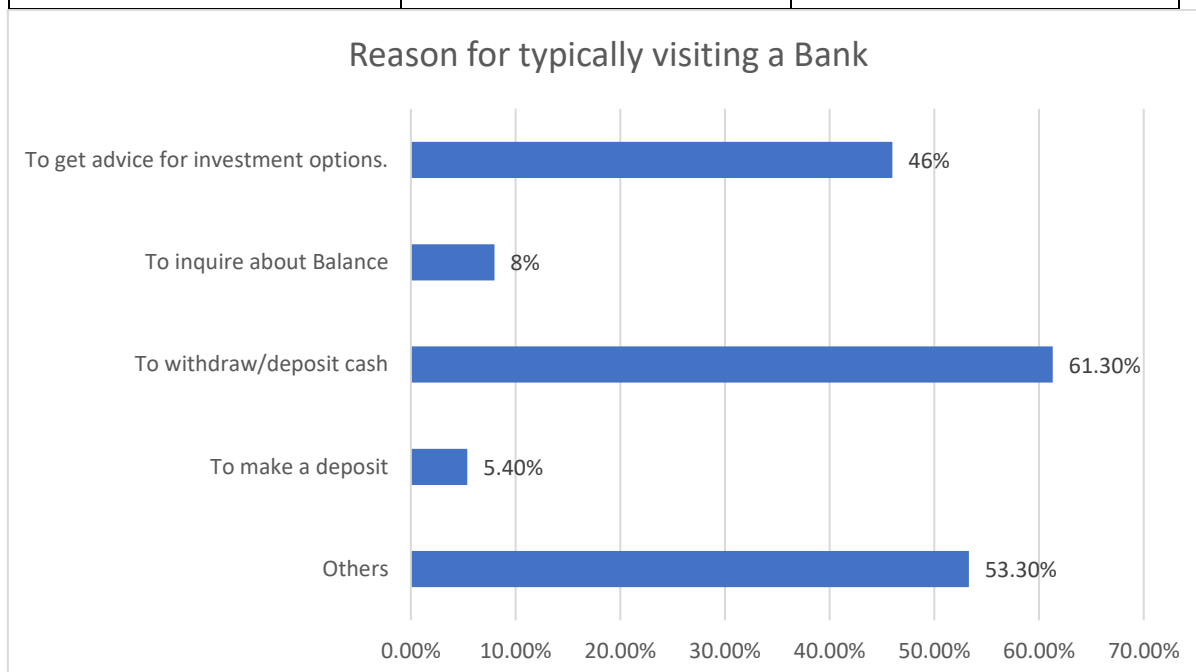
From the above table it is interpreted that the number of respondents using telephone Banking Services less than once a month is 43.3%, the number of respondents who use telephone banking services 1 to 3 times a month is 50% and the number of respondents who did neither of this online is 41.4%.

### **Inference**

Majority (50%) of respondent's use telephone banking services 1 to 3 times a month.

**Table 4.1.11 Reason for visiting the Bank.**

| Particulars                           | No. of Respondents | Percentage (%) |
|---------------------------------------|--------------------|----------------|
| To get advice for investment options. | 69                 | 46%            |
| To inquire about Balance              | 12                 | 8%             |
| To withdraw/deposit cash              | 92                 | 61.3%          |
| To make a deposit                     | 8                  | 5.4%           |
| Others                                | 80                 | 53.3%          |



**Chart 4.1.11**

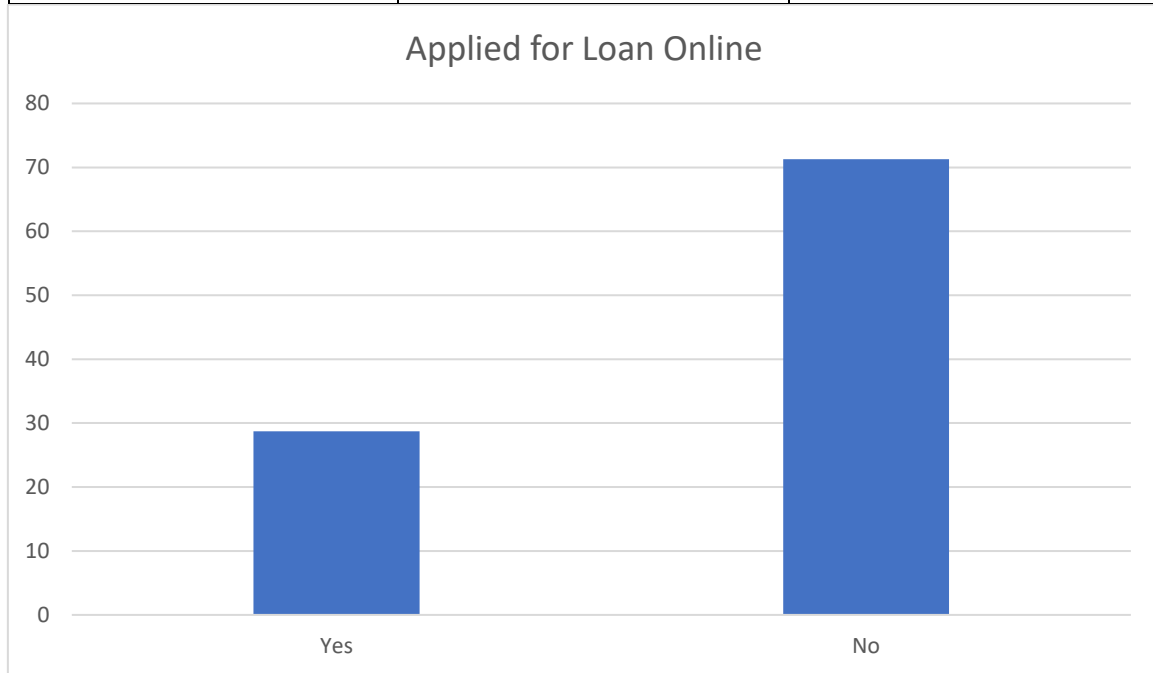
### **Interpretation**

From the above table it is interpreted that the number of people who visit the bank to get advice for investment options is 46%, the number of people who visit the bank to inquire about balance is 8%, the number of people who visit the bank to withdraw/deposit cash is 61.3%, the number of people who visit the bank to deposit money is 5.40%, and 53.3% of the respondents visit the bank for other purposes.

**Inference:** Majority (53.3%) of respondent's visit the bank for other purposes.

**Table 4.1.12 If Respondents applied for a loan online.**

| Particulars | No. of Respondents | Percentage (%) |
|-------------|--------------------|----------------|
| Yes         | 43                 | 28.7%          |
| No          | 107                | 71.3%          |



**Chart 4.1.12**

#### **Interpretation**

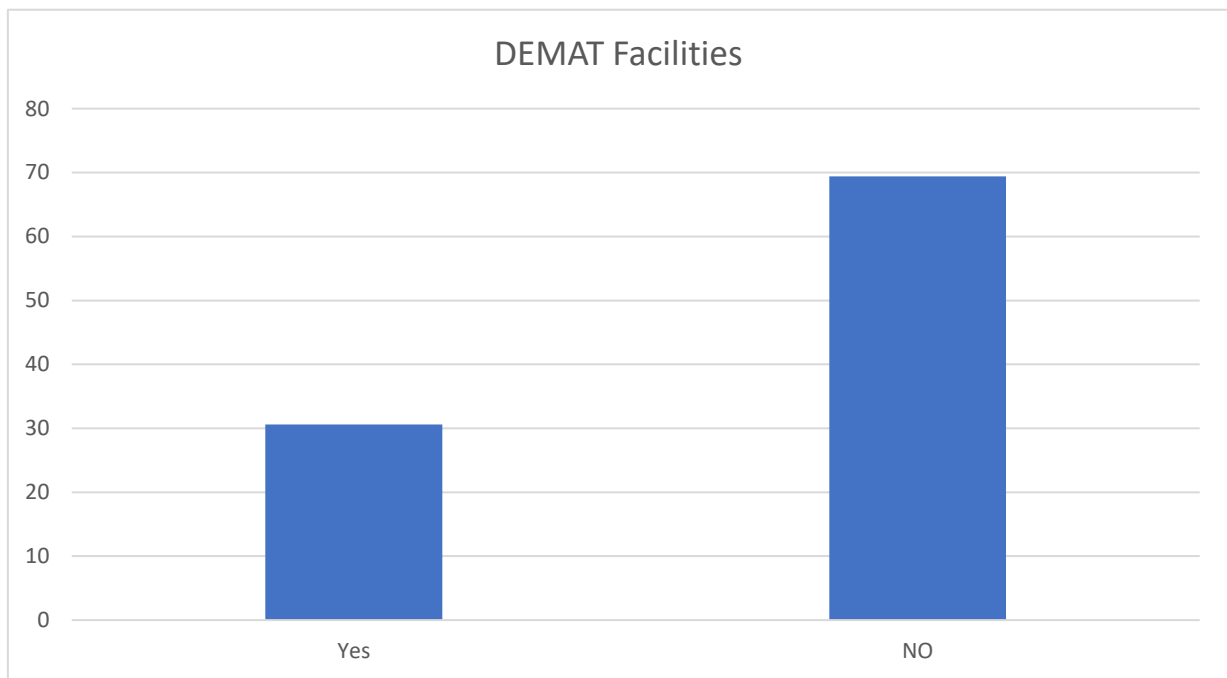
From the above table it is interpreted that the number of people who applied for a loan online is 28.7% and the number of people who did not apply for a loan online is 71.3%.

#### **Inference**

Majority (71.3%) of Respondents did not apply for a loan online.

**Table 4.1.13 The respondents were asked if they used Online DEMAT facilities provided by the bank.**

| Particulars | No. of Respondents | Percentage (%) |
|-------------|--------------------|----------------|
| Yes         | 46                 | 30.6%          |
| No          | 104                | 69.4%          |



**Chart 4.1.13**

### **Interpretation**

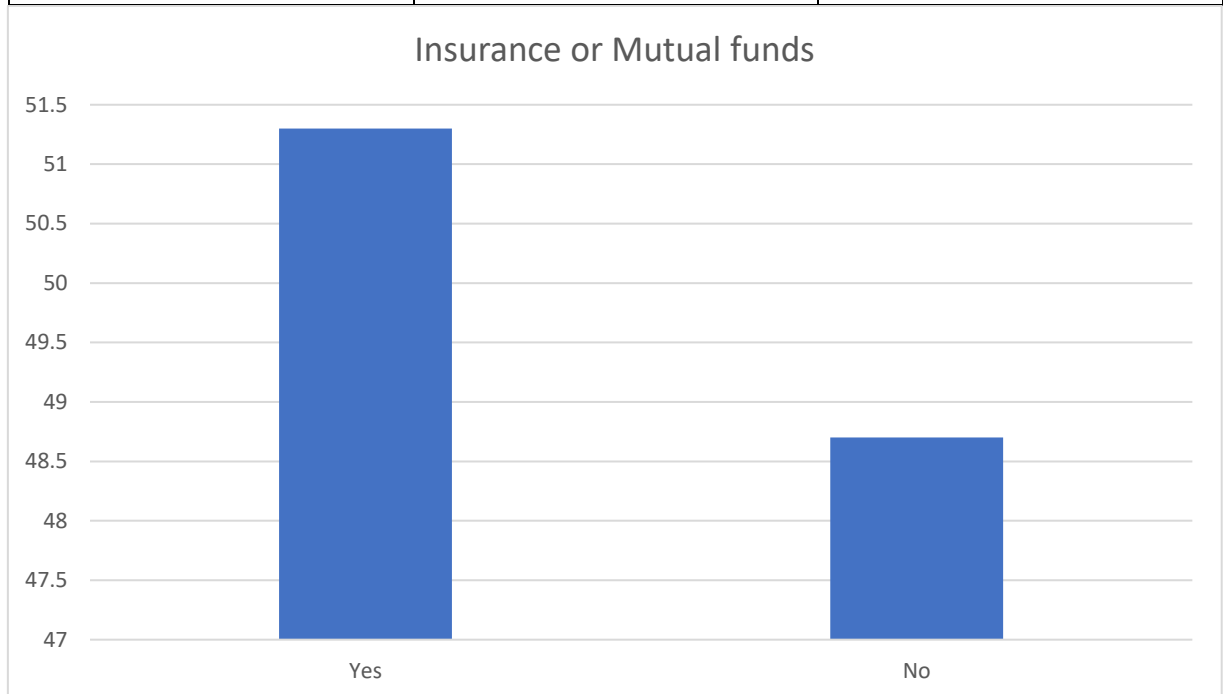
From the above table it is interpreted that the number of respondents who use online DEMAT facilities provided by the bank is online is 30.6% and the number of number of respondents who don't use online DEMAT facilities provided by the bank is online is 69.4%.

### **Inference**

Majority (69.4%) of the respondents Do Not Use Online DEMAT facilities provided by the bank.

**Table 4.1.14 The respondents were if they used, they used the Mutual Funds Or insurance provided by the bank**

| Particulars | No. Of Respondents | Percentage |
|-------------|--------------------|------------|
| Yes         | 77                 | 51.3%      |
| No          | 73                 | 48.7%      |
| Total       | 150                | 100%       |



**Chart 4.1.14**

### **Interpretation**

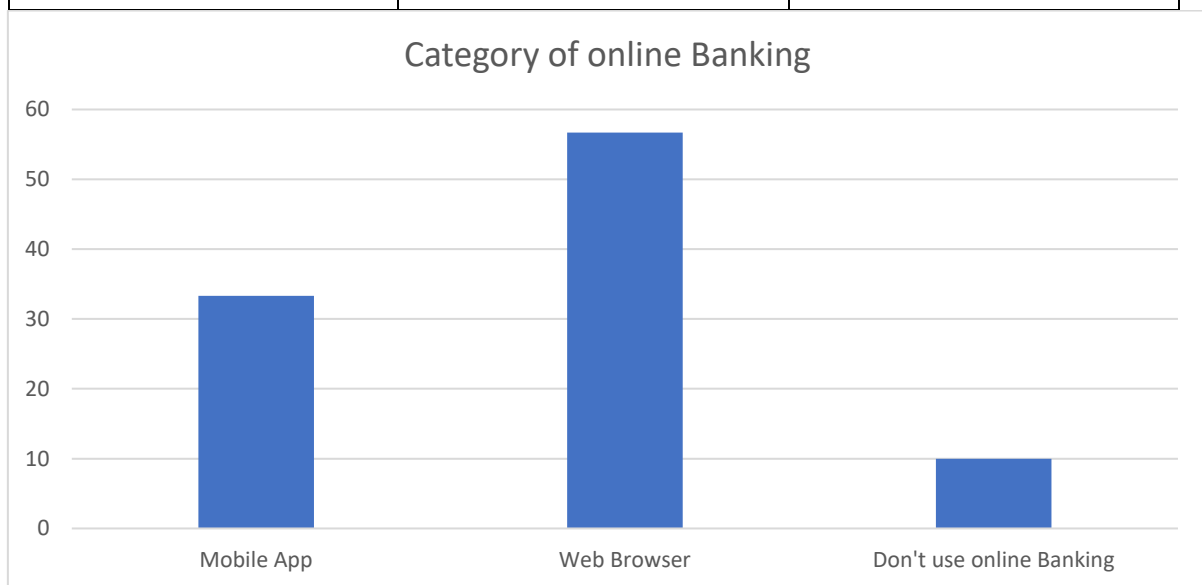
From the above table it is interpreted that the number of respondents who use Mutual funds or Insurance provided by the bank is 51.3% and the number of respondents who use Mutual funds or Insurance provided by the bank is 48.7%.

### **Inference**

Majority (51.3%) of the respondents Use Mutual Funds and insurance provided by the Bank.

**Table 4.1.15 The respondents were asked which category of online banking they fall into.**

| Particulars                                                                                                          | No. Of respondents | Percentage (%) |
|----------------------------------------------------------------------------------------------------------------------|--------------------|----------------|
| Mobile App                                                                                                           | 50                 | 33.3%          |
| You use a Web browser, but the actual banking software resides on the bank's server in the form of bank's home page. | 85                 | 56.7%          |
| Don't use on-line banking                                                                                            | 15                 | 10%            |



**Chart 4.1.15**

### Interpretation

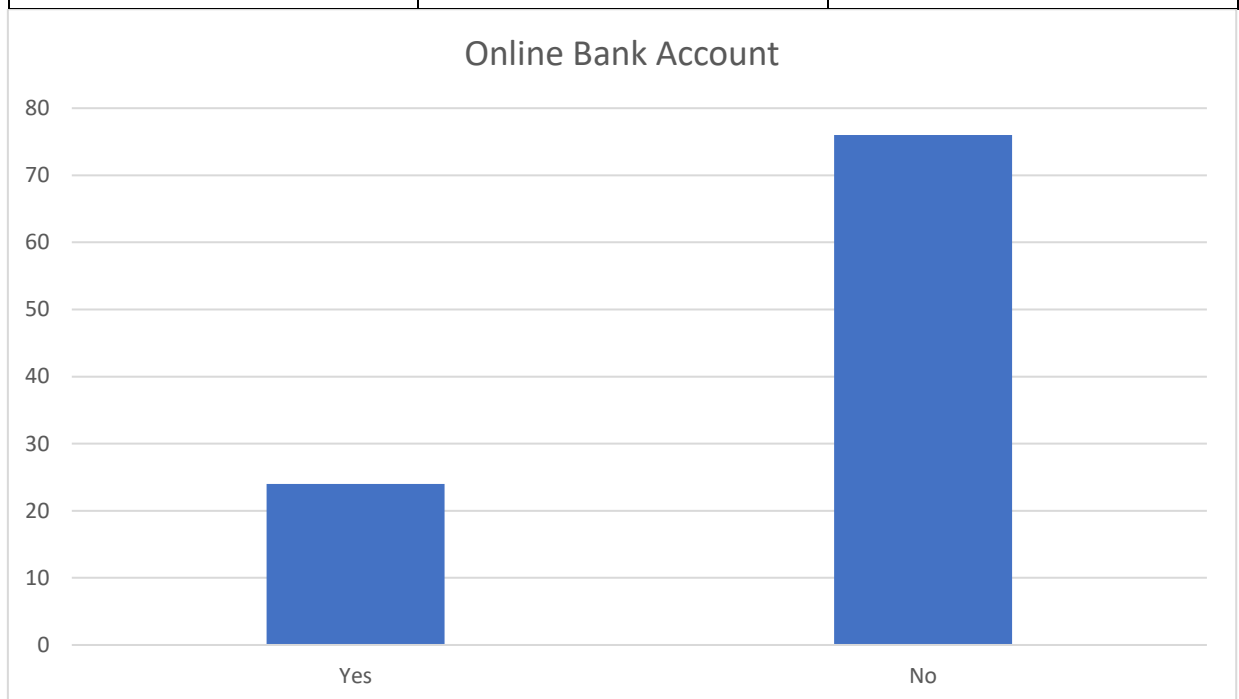
From the above table it is interpreted that the number of respondents who Mobile App for online banking is 33.3% and the number of respondents web browser (but the actual banking software resides on the bank's server in the form of bank's home page.) is 56.7% and 10% of the respondents don't use inline banking.

### Inference

Majority (56.7%) of the respondents use web browser (but the actual banking software resides on the bank's server in the form of bank's home page.) for doing their online Banking.

**Table 4.1.16. The respondents were asked if they had an account in which they could interact with their bank only through the internet (Online Bank Account).**

| Particulars | No. of Respondents | Percentage (%) |
|-------------|--------------------|----------------|
| Yes         | 36                 | 24%            |
| No          | 114                | 76%            |
| Total       | 150                | 100%           |



**Chart 4.1.16**

### **Interpretation**

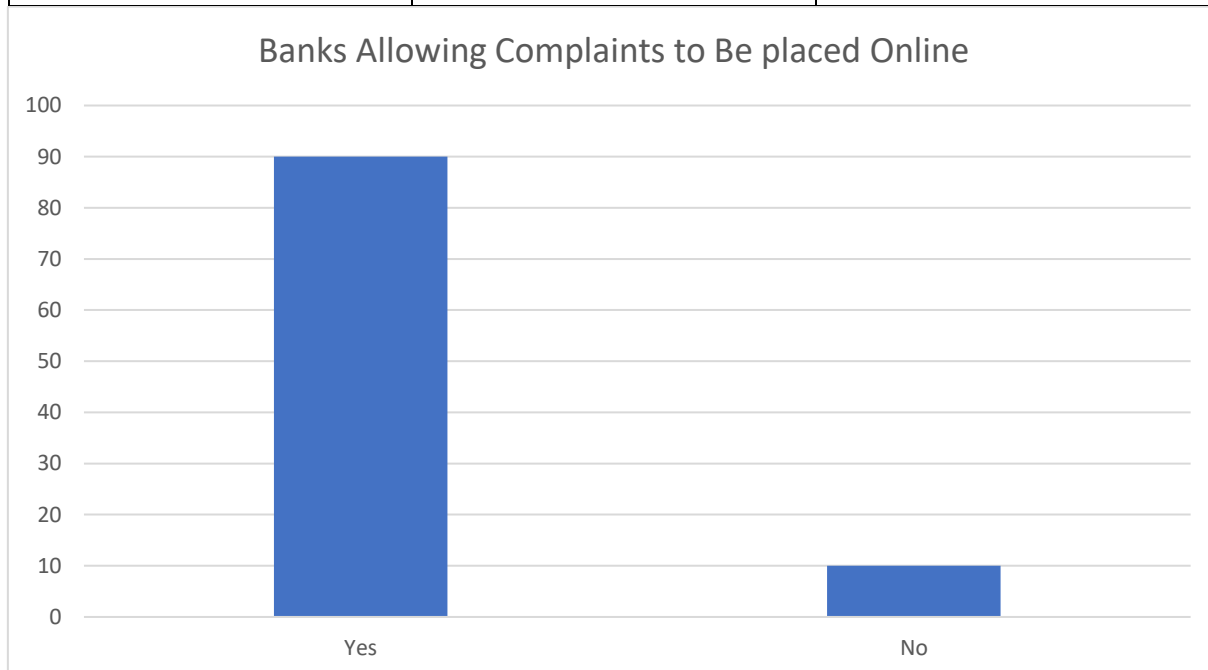
From the above table it is interpreted that the number of respondents who have an online bank account is 24% and the respondents who do not have an online bank account is 76%.

### **Inference**

Majority (76%) of the respondents Do Not Have an only Online Bank account.

**Table 4.1.17. The respondents were asked if their Bank allowed them to place a complaint online.**

| Particulars | No. of Respondents | Percentage (%) |
|-------------|--------------------|----------------|
| Yes         | 135                | 90%            |
| No          | 15                 | 10%            |
| Total       | 150                | 100%           |



**Chart 4.1.17**

### **Interpretation**

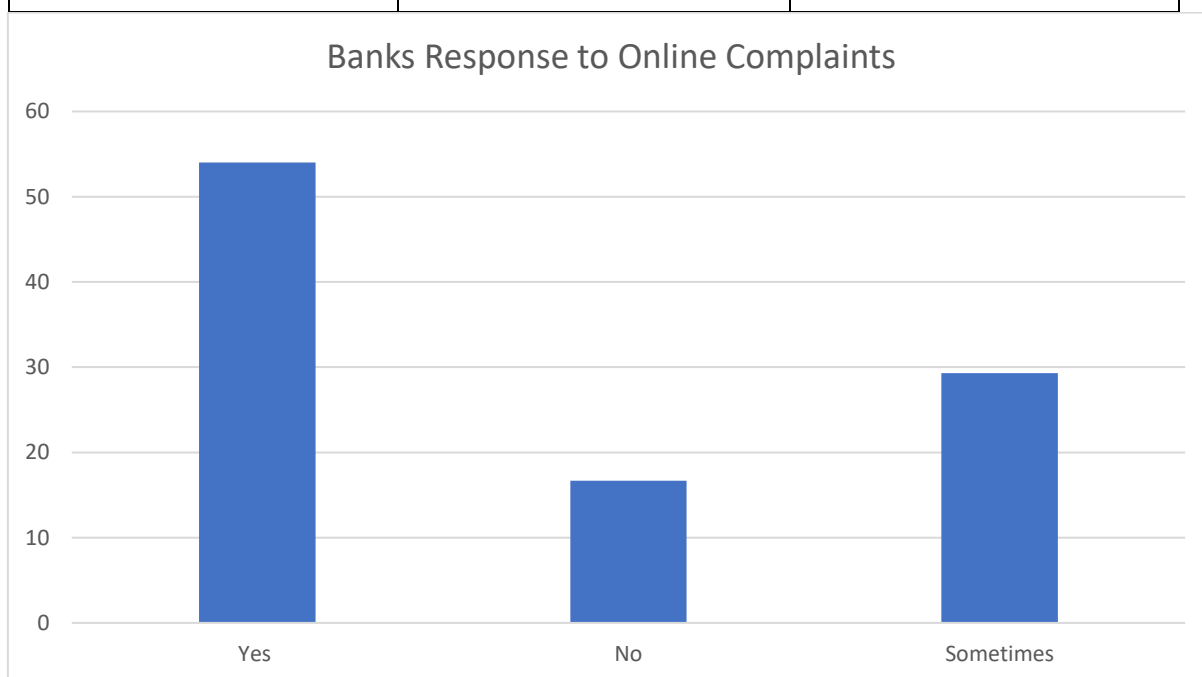
From the above table it is interpreted that 90% number of respondents say that their banks allow them to place a complaint online and 10% of respondents say that their bank doesn't allow them to place a complaint online.

### **Inference**

Majority (90%) of the respondents say that their banks allow them to place a complaint online.

**Table 4.1.18. The respondents were asked if their Bank respond to their complaint place online.**

| Particulars | No. of Respondents | Percentage (%) |
|-------------|--------------------|----------------|
| Yes         | 81                 | 54%            |
| No          | 25                 | 16.7%          |
| Sometimes   | 44                 | 29.3%          |
| Total       | 150                | 100%           |



**Chart 4.1.18**

#### **Interpretation:**

From the above table it is interpreted that 54% of respondents say that their banks reply to their complaints placed online, 16.7% say that their banks do not respond to their complaints place online and 29.3% of people say that their banks sometimes respond to their online complaints.

#### **Inference**

Majority (54%) of respondents say that their banks respond to their online complaints.

## **Chapter 5**

### **5.1 Findings**

- 1) Majority (65.4%) of the respondents are male.
- 2) Majority (61.4%) of respondents are Graduate and Professionals.
- 3) Majority (63.4%) have income over 4 lakhs.
- 4) Majority (32.7%) of respondents are Private Employees.
- 5) Majority (38.7%) of respondent's value quality of service of a bank.
- 6) Majority (52%) of respondent's have average computer knowledge for Online Banking.
- 7) Majority (96%) of respondent's use ATM/Debit card services.
- 8) Majority (46%) of respondent's visit the monthly.
- 9) Majority (45.3%) of respondent's performed Tax Filing and Purchased/sold financial products online.
- 10) Majority (50%) of respondent's use telephone banking services 1 to 3 times a month.
- 11) Majority (53.3%) of respondent's visit the bank for other purposes.
- 12) Majority (69.4%) of the respondents Do Not Use Online DEMAT facilities provided by the bank.
- 13) Majority (69.4%) of the respondents Do Not Use Online DEMAT facilities provided by the bank
- 14) Majority (56.7%) of the respondents use web browser (but the actual banking software resides on the bank's server in the form of bank's home page.) for their online Banking.
- 15) Majority (76%) of the respondents Do Not Have an only Online Bank account.
- 16) Majority (90%) of the respondents say that their banks allow them to place a complaint online.
- 17) Majority (54%) of respondents say that their banks respond to their online complaints.

### **Suggestion**

- The respondents preferred the quality of service the main reason to choose their bank which on turn states that if the quality of the bank deteriorates, they may shift to bank which has a superior quality of catering to consumer needs.
- Most of the respondents had average knowledge on online banking, i.e., being able to navigate the online banking system with but there is still a need to educate people on the advantages of online banking and teach them use it.
- Most of the respondents were very familiar with the technological instruments used by the banks and used many of them used all the facilities available to them but the ATM/Debit card facility was the most used facility among the respondents.
- Majority of the respondents visited the bank only once a month, it implies that most of their bank related work was catered by the e-banking services provided by the bank.
- The major reason for the bank visit among the respondents was to deposit/withdraw money.
- The banks provide various services other than loan, money withdrawal/deposit, etc, like purchasing/selling of financial products, Tax filing are used at a very good level by the respondents.
- Just above half of the respondents use the banks insurance and mutual funds services, which either implicates that the banks make these services better or they require to market these products to improve the knowledge about these products in the public.
- Only a small Majority of respondents use the DEMATS facilities, implying that the public need to be further educated about the financial service product market.
- The banks allow their customer to place a complaint online but the response is not always very given back, the banks must focus more on the consumer grievance so that the consumers have a better experience and can resolve their problems better.

## **Conclusion**

The private sector has accelerated in the online banking service and offers a lot of services which makes banking activities very easy for their customers. They have made banking so easy to do it may not be required to go to bank in the near future. But the banks have to still improve some of their functions and services and respond to all their complaints and queries.

## APPENDIX(Questionnaire)

### 1) Personal Details

Gender (a) Male (b) Female

### 2) Educational Qualification

(a) High School (b) Graduate Or Professional  
(c) Master's Degree

### 3) Income

(a) Under 4 Lakh (b) Above 4 lakh

### 4) Profession

(a) Student (b) Business Man (c) Govt. Employee  
(d) Private Employee (e) Home Maker

### 5) Which Attributes of The Bank Do you value the most?

(a) Quality Of Service (b) Technology Used (c) Trust  
(d) Location

### 6) How Familiar are you with Computer level usage of banks?

(a) No Knowledge of Computers (b) Beginner  
(c) Average Knowledge (d) Expert

### 7) What is your level of usage of technology?

(a) Connected to the internet to do financial transactions  
(b) e-mail (c) ATM/Debit Card Service  
(d) Credit Card Service (e) E-payments/ Online Wallets

### 8) How frequently do you go to the bank in a month?

(a) Everyday (b) Weekly (c) Monthly  
(d) Less than once a month

### 9) Have you performed any of the following activities on-line?

(a) Tax filing  
(b) Purchased/sold financial product (e.g., stock, bonds)  
(c) Neither of these.

- 10) How frequently do you use telephone banking services per month (for example, balance inquiry, fund transfer between accounts)?
- (a) Less than 1                      (b) 1 to 3 times                      (c) 3 to 8 times
- 11) What is the main reason that you typically visit your bank branch?
- (a) to get advice for investment options
- (b) to inquire about a balance
- (c) to withdraw/deposit cash
- (d) Others
- 12) Have you applied for a loan online?
- (a) Yes                                      (b) No
- 13) Do you use the DEMAT facilities provided by the bank?
- (a) Yes                                      (b) No
- 14) Do you use mutual funds or insurance provided by the bank?
- (a) Yes                                      (b) No
- 15) For your on-line banking, which of the following category best explains your situation?
- (a) Mobile App
- (b) You use a Web browser, but the actual banking software resides on the bank's server in the form of bank's home page.
- (c) Don't use on-line banking
- 16) Do you have a bank account for which you interact with your bank mostly through a WWW browser? (Internet bank account)
- (a) Yes                                      (b) No
- 17) Does your bank allow you to place complaint through online platform?
- (a) Yes                                      (b) No
- 18) Does your Bank respond to your complaints placed online
- (a) Yes                                      (b) No                                      (c) Sometimes

## References

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