

# Analytical Study on E-Banking Financial Services in Public and Private Sector Banks

Md. Soaib Alam<sup>1</sup>, Dr. Rupak Shrivastava<sup>2</sup>

<sup>1</sup>Research Scholar, OPJS University, Churu, Rajasthan

<sup>2</sup>Assistant Professor, OPJS University, Churu, Rajasthan

## Abstract

A survey of public and private sector bank customers who utilize E-Banking is being done. To sum up, this research looked at the elements that influence use of E-banking services and the impact on customers thereafter. With the advent of online banking, customers now have wider access to a variety of financial services. In order to keep and win over new clients, it's imperative that you upgrade your service offerings. The Indian banking industry is a very important part of the country's monetary system. As a result, financial institutions should think about putting in place steps to improve the security of their present operations. In the month of December 2017, the value of e-transactions in India doubled from Rs.0.10 trillion to Rs.0.20 trillion as a result of the demonetization in November 2016. After then, the value increased fourfold to Rs.0.48 trillion in the next month. With the passage of time, the value seems to have levelled out at around Rs0.40 trillion. These instruments, RTGS, NREFT, USSD and mobile banking have all performed extremely well in providing an excellent foundation for completing digital transactions. This is a positive sign." Demonetization and e-monetization have a direct association.

**Keywords:** Financial, Inclusion, Economic, Growth, E-Banking, Consumer, Internet.

## 1. INTRODUCTION

India's banking history dates back to the latter half of the 18th century, when the first banks opened their doors. The State Bank of India, India's biggest commercial bank, was founded in June 1806 and is the country's oldest surviving financial institution. The Reserve Bank of India is in charge of the nation's monetary policy. Imperial Bank of India was demoted to commercial banking duties when the Reserve Bank of India was established in 1935. The Reserve Bank of India (RBI) was nationalized and granted more authority after India's independence in 1947. In 1969, the government nationalised the 14 biggest commercial banks; in 1980, the government seized the six next-largest. There are now 96 scheduled commercial banks (SCBs) in India, including 27 public sector banks, 31 private banks, and 38 foreign banks. Over 53,000 branches and 17,000 ATMs are part of their combined network. Rating agency ICRA Limited estimates that public sector banks control approximately 75% of the banking industry's total assets, with private and foreign banks each controlling 18.2% and 6.5 percent of that total, respectively.

There's nothing new about using web-based technology to boost a company's performance nowadays. Electronic commerce (also known as e-commerce) had rapid growth in the commercial world from 1998 to 2008. E-commerce has several advantages, including lower costs, more business prospects, and the ability to provide individualized service to clients. Online banking is a hybrid of traditional banking and online technologies that is becoming more popular among financial sectors throughout the globe. Improved service quality and delivery have been a result of the introduction of IT tools such as online banking. Even while affluent countries like the United States, Estonia, and other European countries have already introduced internet banking, there seems to be a rising tendency among emerging countries to do so as well. According to Statista's worldwide online banking penetration data, 423.5 million individuals (28.7 percent of the internet public) used online banking web sites globally as of April, 2012. Penetration statistics by region for 2014 show a low proportion of online banking in the Asia-Pacific area (merely 32 percent of internet users). Herein lies the chance for banks to draw in internet users (particularly those from developing and emerging countries) who are presently underserved by traditional financial institutions.

## 2. LITERATURE REVIEW

**Meenakshi Sharma & Akanksha Choubey (2021):** The environmental concern is on the increase in all kinds of company, but banking has a distinct niche because of its effect on the country's economic growth and development. There are three green banking efforts, namely, green product creation, green corporate social responsibility and green internal process, that are studied in this research. The influence of these three initiatives on two potential outcomes, namely green trust and green brand image, is examined. Using semi structured in-depth interviews performed with 36 media to senior level managers of twelve public and private Indian banks, the research is qualitative in nature. Increasing access to capital and meeting the demands of a "green economy" are two important roles that the banking industry may play in greening the financial system overall. The results of the survey showed that 63 percent of the total respondents, 53 percent of the bankers, and 78 percent of the respondents claimed that their bank engages in a variety of green banking products and services, as well as green internal procedures in their daily operations. According to the findings of this study, more over 60% of those polled agreed that green banking activities may help rebuild consumer trust by improving the image of the green brand. For the first time, a qualitative study on green banking for sustainable development has been conducted in India, a country with a scarcity of studies on the subject.

**Mrs. Aishwarya. S, Dr. Vidya.M(2021):** For years banks have been foreseeing the next trends and opportunities in order to bring out new electronic banking services and engage their consumers with a significant digital experience they can relate to. E-Banking is a web-based banking administration designed to allow consumers to view their ledgers in a secure and easy manner. It aids in the provision of services such as account access, money transfers between accounts, and electronic payments. The two most common approaches to online banking are provided by financial institutions. Branchless or virtual banking systems developed by computers are another option. To better understand the factors that lead people to use electronic banking services, as well as the effects of such services once they've been used, this research compares the determining factors across a sample of public and private sector banks. In the investigation, a non-probability, easy sampling strategy was used. The replies were tallied and analysed using Percentage analysis, Chi-square, ANOVA, and the Spearman's Rank Test using Google forms. The findings of the research show that banks must take safety and security measures into account when introducing new banking procedures.

**Sadhvi Singh and Dr. Ashoke Kumar Sarkar (2020):** Jharkhand's economic progress is examined in this article by building an index for financial inclusion that covers numerous financial inclusion factors. An example of panel data is a combination of cross-sectional and time-series datasets. Financial inclusion measures such as credit flows to Jharkhand districts, bank deposits, and the number of bank branches per 1,000 square kilometres are also examined in the analytical research, as are development indicators such as the Jharkhand gross domestic product (GDP). Limitation/implications: Of India's 29 states, just one is the focus of this report: Maharashtra. The empirical impact of financial inclusion is evaluated statistically in this data study. Jharkhand's financial inclusion is being studied by creating the IFI index for each district.

**Prof. (Dr.) Dinesh C. Agrawal et. al, (2017):** Today, e-banking serves an important role. No bank can function without the use of e-banking. Do public and private sector banks utilise more or less of e-banking? The study's goal is to find out how satisfied customers are with e-banking and how bank workers feel about it in public and private sector banks. Primary and secondary methods are used in the research. Internet banking customers have strong opinions about the quality of the service they receive and their employees' job satisfaction, according to a new study. In addition, this research compares the working styles of SBI and HDFC banks in the public and private sectors.

**Arup Mukherjee (2012):** Financial inclusion is a pressing social and economic issue across the world. Commercial banks in India are tasked with the main role of fostering financial inclusion, and they do it under the direction of the central bank (RBI). Since the country's population is so large and diverse, commercial banks have relied on a variety of different social and financial organisations including co-ops, regional rural banks, self-help groups, and other non-banking financial institutions (NBFCs). With an eye on fostering financial inclusion in the state of Jharkhand, this essay aims to look at the role and effectiveness of commercial banks operating in the region. Financial inclusion is also examined in this article, with a focus on other institutions listed before.

### 3. METHODOLOGY

In order to save money, time, and effort, the survey participants were chosen by convenience sampling. Analysis is based on a combination of primary and secondary data sources. The study's sampling method is a non-

probability, easy-to-sample approach. Because the remaining replies were either prejudiced or incomplete, the study's sample size was reduced to 221 participants. The following is a list of the public and private sector banks that were included in the investigation. Banks owned by the government: Canara Bank, Indian Bank, State Bank of India, and others ICICI, HDFC, IDBI, and Karur Vysya Bank are all private sector banks.

#### 4. ANALYSIS

SPSS was used to analyse the data. It was necessary to code, tabulate, and update the information gathered during the interview schedule. The data was analysed with the use of percentage analysis, Chi-Square, Anova, and Spearman's Rank Test.

**Table: 1 Occupational Status and Type of Account**

Factors	Value	Df	Asymp.Sig (2 sided)
Pearson Chi-Square	318.758 <sup>a</sup>	12	.000
Likelihood Ratio	106.041	12	.000
Linear-by-linear Association	.698	1	.403
N of valid case	221		

According to the table-1, Pearson chi-square value is 318.758 with Df- 12 and significant value is 0.000, which is less than 0.05. (i.e.)

**Table: 2 Purpose of Usage towards E-Banking services**

E-Banking Services	Mean	Rank
Managing the account	2.88	2
Managing the cash and withdrawal purpose	1.99	1
Payment of bills	2.91	3
Investment purpose	3.23	4
Request for loan and approvals	4.14	5
Brokerage services	5.81	6

According to the data in Table 2, the most popular reasons for using E-Banking services are: managing cash and withdrawals (with a mean value of 1.99), managing an account (with a mean value of 2.88), paying bills (with a mean value of 2.91), investing (with a mean value of 3.23), and applying for loans and approvals.

**Table: 3 Anova Test - Between Duration of Using E-Banking Services and Post Consumption Effect on Customer**

Factors		Sum Squares	Of df	Mean Square	F	Sig.
Availability of cash in ATM	Between Groups	2.856	2	1.428	1.148	0.319
	Within Groups	271.262	218	1.244		
	Total	274.118	220			
Interest levied on credit card dues	Between Groups	0.385	2	0.193	0.586	0.557
	Within Groups	71.615	218	0.329		
	Total	72	220			
Charges on Third party (other bank) transactions	Between group	2.877	2	1.438	1.426	0.243
	Within Groups	219.929	218	1.009		
	Total	222.805	220			
Client relationship	Between Groups	10.574	2	5.287	4.535	<b>0.012</b>
	Within Groups	254.177	218	1.166		
	Total	264.751	220			
Charges on Exceeding transactions limit	Between Groups	9.119	2	4.559	6.893	0.001
	Within Groups	144.193	218	0.661		
	Total	153.312	220			

A significant value less than 0.05 indicates a significant relationship between the length of time a customer has access to E-Banking services and the post-consumption effect on that customer, as well as all other variables, such as the availability of cash at an ATM, interest on past-due credit card balances, and fees for third-party transactions.

## 5. CONCLUSION

A survey of public and private sector bank customers who utilise E-Banking is being done. To sum up, this research looked at the elements that influence use of E-banking services and the impact on customers thereafter. With the advent of online banking, customers now have wider access to a variety of financial services. In order to keep and win over new clients, it's imperative that you upgrade your service offerings. The Indian banking industry is a very important part of the country's monetary system. As a result, financial institutions should think about putting in place steps to improve the security of their present operations. Web-based banking is transforming the banking business throughout the globe. Customers may now get banking services for a fraction of the cost and have unparalleled control over their financial service providers just to the touch of a mouse. As Internet banking becomes more widespread, it is altering the relationship between businesses and their clients. Internet banking's global reach opens up new avenues for expansion and acts as a stimulus for the development of new technology and business models. The growth of India's telecommunications infrastructure has led to a dramatic rise in the accessibility of Internet banking.

## 6. REFERENCES

- [1] Sharma, M., Choubey, A. Green banking initiatives: a qualitative study on Indian banking sector. *Environ Dev Sustain* 24, 293–319 (2021). <https://doi.org/10.1007/s10668-021-01426-9>
- [2] Mrs.Aishwariya. S, Dr. Vidya.M (2021),” An Analytical Study of E-Banking Services with Selected Banks in Coimbatore City” *Nat.Volatiles&Essent.Oils*,2021;8(5):4797–4803
- [3] SADHVI SINGH and DR. ASHOKE KUMAR SARKAR (2020),” Index of Financial Inclusion (IFI) and Banking Penetration in Jharkhand” *ISSN: 0971-2143 Vol-31-Issue-12-April-2020*
- [4] Prof. (Dr.) Dinesh C. Agrawal et. al, (2017),” A Comparative Study of E-Banking in Public and Private Sectors Banks (with special reference to SBI and HDFC bank in Haridwar)” *Volume I, Issue III, February 2017*, pp. 01-18
- [5] Mukherjee, Arup. (2012). Financial Inclusion of the Poor and Marginalized in Jharkhand: Analysis of the Existing Model. *International Journal of Research & Development – A Management review*. 1.
- [6] Anjalika, W.P.W., Priyanath, H.M.S (2020) Effect of service quality of customer satisfaction -An empirical study of customers who have bank accounts in both public and private banks in Sri Lanka. *International Journal of Marketing and Technology*, ISSN: 2249-1058, Vol: 8, Issue: 1, January 2020, PP:65-72.
- [7] Youssef Abdul Khalek., Ahmad Bakri (2019) The E-Banking in emerging markets. *International Journal of Development Research*, Vol; 7, Issue: 11, November 2019, PP:17186-17192.
- [8] Wakil Ghori. (2017). Security issues on online transaction of digital banking. *International Journal of Scientific Research in Computer Science and Engineering*, Vol: 5, Issue: 1, February 2017, PP:41-44.
- [9] Veena, K.P., Suheel, S. (2016). Customer perception towards E-Banking services - A study with reference to Vijayabank, Mysuru city, *WorldWideJournal of Multidisciplinary and Research and Development*, ISSN: 2454-6615, Vol:5, Issue: 2 July, 2016, PP:38-42.
- [10] Krishnamurthy, V. and R. Srinivasan (2013), Internet Banking as a tool for Customer Relationship Management – A Study on Customer Perspective, *Indian Journal of Research*, Volume 2, Issue 2, pp 187-190
- [11] Sharma, H. (2011), Banker's Perspective on E-Banking, *NJRIM*, Volume 1, No. 1, pp 1 Retrieved on January 13th, 2011 from <http://www.articlesbase.com/bankingarticles/online-banking-provides-satisfaction-and-convenience-for-users-505412.html>
- [12] Safeena, Rehmath (2014), Customer perspective on E-Business Value: A case study on Internet Banking, *Volume 1, No. 1*, pp 1 –
- [13] Bismark Ameyaw and Eric Ashalley (2015), A study on electronic banking and customer satisfaction *Volume 20, No. 2*, pp 12
- [14] Andrew Musllme and MallngaRamadhan (2011), Internet Banking, customer adoption and customer satisfaction *Volume 3, No. 10*, pp 261-269.