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"A RELATIVE STUDY ON E-BANKING SERVICES PROVIDED BY SELECTED PUBLIC AND PRIVATE SECTOR BANKS IN GUJARAT"

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ABSTRACT

Banking sector is one of the core sectors of Indian Economy to cope up with the international market. The researcher has chosen this particular sector as it was observed that after demonetization E-banking services have become essential. In this paper researcher has explored various E-banking services and tried to cover overall aspect of E-banking services with ANOVA and Wilcoxon Test on the basis of Primary data collected with the help of a structured questionnaire.

INTRODUCTION

MEANING OF BANKING

In simple words, Banking can be defined as the business activity of accepting and safeguarding of money owned by other individuals and entities and then lending out this money in order to earn a profit. (Haque, 2009) However, with the passage of time, the activities covered by banking business have widened and now various other services are also offered by banks. The banking services these days include issuance of debit and credit cards, providing safe custody of valuable items, lockers, ATM services and online transfer of funds across the country/world. (htt1)

DEFINITION OF BANKING

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The Indian Banking Companies Act, 1949, defines a "banking company as a company which transacts the business of banking in any State of India," and the word banking has been defined as "the acceptance, for the purpose of lending or investment, of deposits of money from the public repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise."(Mistry, 2015) Under the provisions of Section 6 of the Act, in addition to the business of banking company may engage in other forms of business mentioned in this section.(Bankrate.com)

E – BANKING

Electronic banking (E-banking) is a generic term encompassing internet banking, telephone banking, mobile banking etc. In other words, it is a process of delivery of banking services and products through electronic channels such as telephone, internet, cell phone etc. The concept and scope of E-banking is still evolving.(Liao, 2001)

Several initiatives taken by the Government of India as well as the Reserve Bank of India (RBI) have facilitated the development of E-banking in India. As a regulator and supervisor, the RBI has made considerable progress in consolidating the existing payment and settlement systems, and in upgrading technology with a view to establishing an efficient, integrated and secure system functioning in a real - time environment, which has further helped the development of E-banking in India. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000, which provides legal recognition to electronic transactions and other means of electronic commerce.(Abou-Robieh, 2005)

EVOLUTION OF E-BANKING IN INDIA

Evolution of modern banking technology began in India with the use of Advanced Ledger Posting Machines (ALPM) in the 1980's. ICICI initiated internet banking in 1997 under the brand name 'Infinity'.(Panda, n.d.)

Nationalized banks initially viewed online banking as insecure and counterintuitive and were therefore hesitant. But eventually, SBI, Canara Bank, Allahabad Bank, Punjab National Bank, Bank of Baroda, Syndicate Bank and others introduced it. SBI launched internet banking in 2001 and experienced good response. In general, internet banking saw an exponential rise in users. Today, banks encourage their customers to use online banking. Besides cost and revenue impacts, this paradigm shift is because they also recognize that self-control transactions have greater potential for customer satisfaction and retention. Online banking has thus come to be among essential banking services. The approach to adopting online banking however is often to merely stay abreast of industry and technology and online banking is becoming a separate business unit driven by technological possibilities. The user often has minimal place in such an approach as evidenced by non-human centric experiences that flourish. However, the cultural and organizational shift needed by Indian banks to draw old customers into this new banking channel as well as to draw new

customers requires a user centric focus. But how much have banks paid attention to the user? How is the overall experience and how do customers perceive their bank as they struggle unaided in the comfort of their homes? How cognizant are banks that customers silently leave after getting frustrated? Do they measure how much revenue they are losing because of a technology focused approach to online banking? How do Indian consumers behave in this dichotomy between technology barrier and convenience? (htt3)

VARIOUS E-BANKING SERVICES

Sr. No.	Types of Service	Sr. No.	Types of Service
1.	ATM	8.	Internet Banking
2.	Debit Card	9.	E – Statement
3.	Credit Card	10.	ECS
4.	NEFT	11.	Bill Payment and Recharge
5.	RTGS	12.	Online Fixed Deposit
6.	Mobile Banking	13.	Demate
7.	Cheque Book Request	14.	Mutual Fund
15.			Insurance

ADVANTAGES OF E-BANKING

- 1) It removes the traditional geographical barriers as it can reach out to customers of different countries or legal jurisdiction.
- 2) It has added a new dimension to different kind of risks traditionally associated with banking, heightening some of them and throwing new risk challenges.
- 3) Security of banking transactions, validity of electronic contract, customer's privacy etc. which have all along been concern both, bankers and supervisors, have assumed different dimension to control by any single authority or group of users.
- 4) It poses a strategic risk of loss of business to those banks who do not respond in time to this new technology, being the efficient and cost effective delivery mechanism of banking services.
- 5) A new form of competition has emerged both from the existing players and new players of the market who are not strictly dealt by banks.

REVIEW OF LITERATURE

ARPITA KHARE (2010) Online Banking in India: An approach to establish CRM her research corroborates that there is immense potential of online banking in India. There is acceptance of the online banking in India. There is acceptance of the online models and the fears of the customer may be handled by counseling and guidance. They are accustomed to using web-based services and are therefore positive about the Internet banking benefits. The online banking is no longer restricted to major cities of the country but has expanded its reach across the country's cities and regions.

NAVEEN SHARMA AND GEETA SHARMA (2011) Customers' Perspective Regarding e-banking: An Empirical Investigation have investigated with the help of T-test that there is no significant mean difference between male and female regarding the adoption of i-banking.

They have indicated that the customers of i-banking give weightage to all dimensions like Reliability, Accessibility, User-friendly, Privacy, Efficiency, Fulfillment. An area where there is a cause for concern is the security of Internet transactions. In the light of the fact that many online retailers' websites have been attacked by hackers, security and confidentiality must be of paramount concern for the banks and customers alike.

(Naveen Sharma)

JASPAL SINGH AND PARMINDERJIT KAUR (2013) Customers' attitude towards technology based services provided by selected Indian banks have done factor analysis and concluded that time saving is considered an essential feature of e-banking services. Bank can give detailed information of their products or services on their websites, thus saving the time of both the customers and employees of the bank. The result of the study shows that ease of use, low transaction cost and security are the important determinants of overall satisfaction of customers as regards technology based services provided by banks in India.(Jaspal Singh, 2011)

RESEARCH METHODOLOGY

RESEARCH GAP

These studies have been conducted in the various parts of India & abroad, but no study has come in the cognizance of the researcher, which deals with eco-friendly practices of Gujarat. Some crucial issues which need to be investigated are the analysis of customers' perception on E-Banking services provided by selected public and private bank in North Gujarat Region in terms of their efficiency, impact of various attributes on customers' perception on E-Banking services provided by selected public and private bank in North Gujarat Region.

OBJECTIVES OF THE STUDY

- To analyze E-Banking services provided by selected public and private sector banks and its quality as per customers' perception.
- Is there any relation between demographic variable and respondents' perception about e-banking?
- To study the dimension of service quality between Public and Private Banks.
- To identify the areas as per the need for customer and to identify the means of improving service quality provided by selected public and private sector banks.

HYPOTHESIS OF THE STUDY

- **H₀₁:** There is no significant difference amongst customers' perception on e-banking services provided by selected public and private bank of north Gujarat region.
- **H₀₂:** There is no association among the demographic variables by selected public and private bank of North Gujarat Region
- **H₀₃:** There is no significant difference between Gender and overall expectation rate of uses of E – banking services (Public & Private Bank).

SOURCES AND COLLECTION OF DATA

✚ Sample Selection

The present study is an analytic study to understand the E-Banking Services in India with aspect like leading players, present scenario, and its performance analysis. The research on the topic is based on both the primary and secondary database.

The primary data required for this research has to examine the perception on E-Banking services provided by selected public and private bank in North Gujarat Region as per Customers' view. To have such information, a detailed questionnaire was prepared.

✚ Sampling Technique : Convenience Random Sampling Method

✚ Sampling Frame

Table 1: Sampling Frame

Bank Name	No. of Respondents	Bank Name	No. of Respondents
BOB	301	AXIS	198
SBI	422	HDFC	255
BOI	217	ICICI	178
IDBI	192	KOTAK	163
PNB	244	YES	272
Other			65

(Source: Primary Data)

In addition to this, sample shall be selected considering Age, Gender, Income, Educational Qualification, Occupation/Profession and Caste Profile of the respondents. The sampling frame was selected for the study. Out of the selected banks for the research study, 5 banks are from Private Sector and 5 banks are Public Sector. The sample frame is adequate for the present study in order to justify the population view.

DATA ANALYSIS

✚ GENDER

Table No. 2: Gender-Wise Statistics

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	798	65.2	65.2	65.2
Female	425	34.8	34.8	100.0
Total	1223	100.0	100.0	

(Source: PrimaryData)

✚ DISTRICT

Table No. 3: District-Wise Statistics

District	Frequency	Percent	Valid Percent	Cumulative Percent
Arvalli	106	8.7	8.7	8.7
Banaskantha	467	38.2	38.2	46.9
Mehsana	272	22.2	22.2	69.1
Patan	192	15.7	15.7	84.8
Sabarkantha	186	15.2	15.2	100.0
Total	1223	100.0	100.0	

(Source: PrimaryData)

✚ AGE

Table No. 4: Age-Wise Statistics

Age	Frequency	Percent	Valid Percent	Cumulative Percent
15 Years to 30 Years	739	60.4	60.4	60.4
31 Years to 45 Years	281	23.0	23.0	83.4
46 Years to 60 Years	154	12.6	12.6	96.0
Above 60 Years	49	4.0	4.0	100.0
Total	1223	100.0	100.0	

(Source: PrimaryData)

EDUCATION

Table No. 5: Education-Wise Statistics

Education	Frequency	Percent	Valid Percent	Cumulative Percent
Under Graduate	226	18.5	18.5	18.5
Graduate	537	43.9	43.9	62.4
Post Graduate	367	30.0	30.0	92.4
Professional Degree	93	7.6	7.6	100.0
Total	1223	100.0	100.0	

(Source: PrimaryData)

OCCUPATION

Table No. 6: Occupation -Wise Statistics

Occupation	Frequency	Percent	Valid Percent	Cumulative Percent
Service	546	44.6	44.6	44.6
Business	225	18.4	18.4	63.0
Farmer	29	2.4	2.4	65.4
Student	186	15.2	15.2	80.6
Housewife	132	10.8	10.8	91.4
Other	105	8.6	8.6	100.0
Total	1223	100.0	100.0	

(Source: PrimaryData)

ANNUAL INCOME

Table No. 7: Annual Income –Wise Statistics

Annual Income (in Rs.)	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 2,50,000	490	40.1	40.1	40.1
2,50,001-5,00,000	291	23.8	23.8	63.9
5,00,001-10,00,000	274	22.4	22.4	86.3
Above 10,00,000	168	13.7	13.7	100.0
Total	1223	100.0	100.0	

(Source: PrimaryData)

BANK ACCOUNT

Table No. 8: Bank Account –Wise Statistics

Bank Account	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	1212	99.1	99.1	99.1
No	11	0.9	0.9	100.0
Total	1223	100.0	100.0	

(Source: Primary Data)

ACCOUNT TYPE

Table No. 9: Account Type –Wise Statistics

Account Type	Frequency	Percent	Valid Percent	Cumulative Percent
Saving	1161	94.9	94.9	94.9
Current	51	4.2	4.2	99.1
No Bank Account	11	0.9	0.9	100.0
Total	1223	100.0	100.0	

(Source: Primary Data)

BANK ACCOUNT SECTOR TYPE

Table No. 10: Bank Account–Wise Statistics

Bank Account Sector Type	Frequency	Percent	Valid Percent	Cumulative Percent
Public Sector Bank	406	33.2	33.2	33.2
Private Sector Bank	404	33.0	33.0	66.2
Both	413	33.8	33.8	100.0
Total	1223	100.0	100.0	

(Source: Primary Data)

H₀₁: There is no significant difference amongst customers’ perception on e-banking services provided by selected public and private bank of north Gujarat region.

Cronbach's Alpha	N of Items
0.971	153

(Source: Primary Data Calculation SPSS 25.0)

Interpretation:

From the given above **Table No.11**, here we can see that a reliability analysis was carried out on the perceived task values scale comprising 153 items. Cronbach’s alpha showed the questionnaire to reach acceptable reliability, $\alpha=0.97$. Most items appeared to be worthy of retention, resulting a decrease in the alpha if deleted. So, deletion should be considered for getting the reliableresult.

H₀₂: There is no association among the demographic variables by selected public and private bank of North Gujarat Region

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	38.169	1	38.169	194.882	0.000
	Within Groups	239.141	1221	0.196		
	Total	277.310	1222			
District	Between Groups	6.437	1	6.437	4.343	0.037
	Within Groups	1809.750	1221	1.482		
	Total	1816.186	1222			
Age	Between Groups	7.650	1	7.650	10.526	0.001
	Within Groups	887.426	1221	0.727		
	Total	895.076	1222			
Education	Between Groups	14.782	1	14.782	20.919	0.000
	Within Groups	862.786	1221	0.707		
	Total	877.568	1222			
Occupation	Between Groups	466.225	1	466.225	169.795	0.000
	Within Groups	3352.630	1221	2.746		
	Total	3818.855	1222			
Annual Income (inRs.)	Between Groups	163.569	1	163.569	158.424	0.000
	Within Groups	1260.656	1221	1.032		
	Total	1424.226	1222			

Source:Field Survey, * **Sig.** at 0.05

(Source: Primary Data Calculation SPSS 25.0)

Interpretation:

As the above mentioned **Table No. 12** of Gender, District, Age, Education, Occupation and Annual Income in favour use of E-Banking Services provided by Public and Private Sector Banks of the sampled units indicates that the table value is more than the calculated value so it has drawn the conclusion that the null hypothesis stands. That means it can be states that there would be no significant difference amongst Gender, District, Age, Education, Occupation and Annual Income in favour use of E-Banking Services provided by Public and Private Sector Banks sampled units. Since Gender, District, Age, Education, Occupation and Annual Income P-value are 0.000, 0.037, 0.001, 0.000, 0.000, and 0.000. Hence P-Value is lower than F-Value, from the above table researcher have reveals that here P-Value of all services is lower than F-Value of all services. So, here Null Hypothesis rejected, it is states that there is a significant difference amongst all services given by Public and Private Banks.

H₀₃: There is no significant difference between Gender and overall expectation rate of uses of E – banking services (Public & Private Bank).

Table No. 13: Wilcoxon W- Test Statistics

Overall Expectation Rate of uses of E-Banking Services (Public Bank)	Mann- Whitney U	Wilcoxon W	Z	Asymp. Sig.(2-tailed)
ATM	146111.000	236636.000	-4.159	0.000
Debit Card	121635.000	212160.000	-8.432	0.000
Credit Card	113173.500	203698.500	-9.923	0.000
Mobile Banking	140148.500	230673.500	-5.219	0.000
IMPS	136728.000	227253.000	-5.818	0.000
Cheque Book Request	121041.500	211566.500	-8.583	0.000
E-Statement	115344.500	205869.500	-9.590	0.000
National Electronic Fund Transfer	126405.500	216930.500	-7.686	0.000
Real Time Gross Settlement	144085.500	234610.500	-4.571	0.000
Electronic Clearance Service	139990.000	230515.000	-5.295	0.000
Bill Payment and Recharge	138067.000	228592.000	-5.627	0.000
Online Fixed Deposit	136040.500	226565.500	-5.980	0.000
Demat Account	139251.500	229776.500	-5.428	0.000
Insurance	133892.500	224417.500	-6.367	0.000
Mutual Fund	137680.000	228205.000	-5.702	0.000

(Source: Primary Data Calculation SPSS 25.0)

Table No.14: Wilcoxon W- Test Statistics

Overall Expectation Rate of uses of E-Banking Services (Private Bank)	Mann- Whitney U	Wilcoxon W	Z	Asymp. Sig.(2-tailed)
ATM	96671.000	187196.000	-13.487	0.000
Debit Card	121617.500	212142.500	-8.547	0.000
Credit Card	103799.500	194324.500	-11.629	0.000
Mobile Banking	132006.500	222531.500	-6.661	0.000
IMPS	120955.000	211480.000	-8.714	0.000
Cheque Book Request	113164.500	203689.500	-10.101	0.000
E-Statement	118985.500	209510.500	-9.016	0.000
National Electronic Fund Transfer	112788.500	203313.500	-10.121	0.000
Real Time Gross Settlement	124199.500	214724.500	-8.260	0.000
Electronic Clearance Service	133492.000	224017.000	-6.523	0.000
Bill Payment and Recharge	140128.500	230653.500	-5.237	0.000
Online Fixed Deposit	126472.000	216997.000	-7.683	0.000
Demat Account	134388.000	224913.000	-6.310	0.000
Insurance	132624.000	223149.000	-6.633	0.000
Mutual Fund	135324.500	225849.500	-6.171	0.000

(Source: Primary Data Calculation SPSS 25.0)

Interpretation:

From the *Table No. 13 & 14*, we can see that here all the p - values are 0.000 are less than 0.05; it means that, the null hypothesis is rejected at 5% level of significance. Hence there is significance difference between Gender and overall expectation rate of uses of E – Banking Services (Public bank).

CONCLUSION

E-banking is one of the widely used online services which is been explored more day by day. Banking sector has become most customer friendly sector in today's era. The major evolutions are been brought in this sector due by analyzing customers' perception. This study made an attempt to explore customers' perception in North Gujarat along with analyzing the e-banking services with the help of a comparative study of public and private sector banks. As per the research study, customers prefer the E-banking services of Private sector Banks more when compared with Public Sector Bank.

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