



A Study on Digital Banking Services of Select Public and Private Sector Banks

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Published Online:
12 July 2024

ABSTRACT: Digital banking is on trend due to the eruption of technology in this digital era. Digital banking also known as E- banking is method of accessing the banking services electronically without going to the banks physically. It has transformed the banking activities from paper work to paperless one. Digital banking helps the customers and banks in conducting the activities speedily and accurately. It has been proven as a time saver and user friendly service to the customers and also banks. Crowding at the banks has been reduced with the help of digital banking. The study on customer perception towards digital banking services of select public and private sector banks has been conducted in Kadapa district of Andhra Pradesh. The data was collected from total number of 120 respondents, 60 from public bank and 60 from private banks of Kadapa district. The study has concluded that the customers of both banks are using digital banking services and agree that the factors of digital banking services help in motivating the customers.

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KEY WORDS: Digital banking, E- banking, Transaction speed, Promptness, Compatibility.

INTRODUCTION

Availing the services of banks virtually is known as digital banking or E- banking. It is a more customer centric approach. Its usage helps in faster movement of services. In India, the implementation and usage of digital banking facilitates the performance of the financial transactions in a smooth manner. The advancement of technology in banking system has aided the issues of the busy bank customers who were unable to visit the bank due to their busy schedules. The benefits of using digital banking services include:

- Transparency
- Speed
- Convenience
- Technical knowledge improvement
- Less crowd at banks
- Mobility

These factors and benefits encourages the usage of digital banking. Traditional banking is not much liked by the people due to various issues. Digital banking has improves these issues and developed the banking system which has lead to E- banking.

LITERATURE REVIEW

Virk, N., & Mahal, P. K. (2012) the study has shown that the private banks managers are more effective in maintaining effective relationships with the customers compared to public banks managers. The research also shows that the customer satisfaction and working environment will be maximum if the facilities are improved by the banks. The study concluded that technological, infrastuctural, sector specific as well as socio economic factors inclunence the internet banking services of the public and private sector banks. **Agrawal, D., & Chauhan, S. (2017)** has studied about the perception of customers with regard to service quality and employee satisfaction with regard to e-banking services. The study has compared and analyzed the working style between private and public sector banks. The study concluded that the private banks have been offering better services to the customers compared to the services of the nationalized banks. **D. B, Dr. P. K., & Dr. Balaji. (2021)** suggests that ATMs must be increased, customer service must be more effective, banks must be more friendlier and problem solver and also suggests that the banks must provide

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training to the customers on usage of digital banking services. **Pavithra, & Geetha. (2021)** focused on the customers perception towards digital banking services and found that the users of digital banking services are influenced by the factors such as transaction speed, compatibility, connectivity, security, convenience and benefits. **Prasad, A. (2022)** has analyzed the differences in risk perceptions between bank customers using e-banking and those who are not using it.

OBJECTIVES OF THE STUDY

1. To understand the concept of digital banking services.
2. To know the perception of customers from public and private sector banks towards digital banking services.
3. To analyse the obstacles faced by the customers of public and private sector banks in Kadapa district.

RESEARCH METHODOLOGY

Table 1 shows the research methodology chosen for the research

Table 1: Research methodology

Data Collection	Primary data was collected through a structured questionnaire. Secondary data was collected through research articles, journals, magazines, newspapers and websites.
Sample Design	Convenient sampling method was used for collecting the responses from the customers of SBI bank and HDFC bank in Kadapa district. Top one banks from public and private sector banks were selected based on the highest number of customers.
Sample size	The questionnaire was circulated to 80 customers from each bank through direct method and E-mail. Only 120 responses were received and remaining 40 responses were incomplete.
Questionnaire structure and design	The questionnaire has three parts. First part contains demographic profile of the customers and second part contains information of respondents about their banking services.
Tools used for data analysis	The research study has used Microsoft Excel and SPSS Software for analyzing the data.
Statistical analysis	<ul style="list-style-type: none">• Simple Percentage analysis• Garrett's rank analysis

The above table shows the research methodology of the research study. The sample design, data collection methods/sources, nature of the research and also data analysis tools used in the research.

Data Analysis

Table 2.1 shows the demographic profile of the respondents

Table 2.1: Demographic profile of respondents

Variables	Attributes	Frequencies	Percentage of respondents (%)
Gender	Female	57	47.5
	Male	63	52.5
	Total	120	100
Age	18-25 Years	20	17
	25-30 Years	49	41
	30-45 Years	36	30
	45-55 Years	09	07
	Above 60 Years	06	05
	Total	120	100

Educational Qualification	High School	23	19
	Intermediate	13	11
	Graduate	73	61
	Post Graduate and above	10	08
	Others	01	01
	Total	120	100
Marital status	Married	72	60
	Unmarried	48	40
	Total	120	100
Occupation	Government Employee	10	08
	Non-Government Employee	11	09
	Business	25	21
	Professional	23	19
	House Wife	18	15
	Student	31	26
	Others	02	02
	Total	120	100
Income	Up to 25,000	38	32
	25,001-50,000	40	33
	50,001-1,00,000	26	22
	1,00,001-5,00,000	16	13
	Above 5,00,000	0	0
	Total	120	100

Source: Primary Data

The above table shows the demographic profile of the respondents which includes gender, age, educational qualification, marital status, occupation and annual income. It is evident from the table that majority of 52.5% of respondents are male and remaining 47.5% of respondents are female. Age classification shows that the majority of the respondents belong to the age group of 25-30 years and least of the respondents are from the age group of above 60 years. The majority of the respondents are married. The occupational classification shows that the respondents are mostly students with 26%. The income of the respondents is maximum at Rs.25,001-50,000.

Table 2.2 shows the banking profile of the respondents

Table 2.2: Banking profile of the respondents

Particulars		Frequencies	Percentage of respondents (%)
Type of bank	SBI bank (Public sector bank)	60	50
	HDFC Bank (Private sector bank)	60	50

	Total	120	100
Type of bank account	Savings account	39	33
	Current account	81	67
	Total	120	100
Years of accessing	1-3 Years	24	20
	4-6 Years	65	54
	7-9 Years	28	23
	10 Years and More	03	03
	Total	120	100
Frequency of usage of digital banking services	Daily	38	32
	Weekly	29	24
	Monthly	28	23
	Yearly	25	21
	Total	120	100

Source: Primary Data

The above table shows the banking profile of the respondents. 50% of the respondents belongs to SBI bank (Public sector) and the remaining 50% belongs to HDFC bank (Private sector). 67% of the respondents have current accounts in their banks. Years of accessing of the respondents is maximum at 4-6 Years with 54%. The frequency of usage of digital banking services by the respondents is daily with 32%.

Table 2.3 shows the customer perception towards digital banking services

Table 2.3: Customer perception towards digital banking services

Digital Banking Services	No. Of responses	Percentage of responses (%)	Rank
Debit and credit cards	79	66	I
ATM Facilities	65	54	II
Transfer funds	60	50	III
Loan facilities	52	43	IV
UPI Payments	47	39	V
Make bill payments	45	38	VI
Digital Lockers	33	28	VII
Insurance facilities	32	27	VIII
View accounts statements	30	25	IX
Net banking	25	21	X

Source: Primary Data

The above table represents the perception of customers towards digital banking services. The respondents use debit and credit cards mostly for various purposes. Debit and credit cards stands top due to easy to carry and easy to operate nature. ATM facilities with 54% transfer funds with 50%, loan facilities with 43% and UPI payments with 39% stands in top five ranks. Bill payments, digital lockers, insurance facilities, viewing accounts statement and net banking comes in the bottom five ranks.

Table 2.4 shows the customer perception towards the motivational factors to adopt digital banking services

Table 2.4: Customer perception towards motivational factors to adopt digital banking services

S.No	Motivational factors	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	Transaction Speed	43 (36%)	15 (13%)	37 (31%)	25 (21%)	02 (02%)
2.	Availability	27 (23%)	26 (22%)	43 (36%)	22 (18%)	02 (02%)
3.	User friendly	14 (12%)	46 (38%)	16 (14%)	36 (30%)	08 (07%)
4.	Promptness	41 (34%)	43 (36%)	16 (13%)	15 (12%)	05 (04%)
5.	Connectivity	13 (11%)	20 (17%)	48 (40%)	28 (23%)	11 (09%)
6.	Data security and privacy	15 (13%)	21 (18%)	48 (40%)	29 (24%)	07 (06%)
7.	Convenience	16 (13%)	26 (22%)	45 (38%)	27 (36%)	06 (36%)

Source: Primary Data

The above table shows the perception of the customers towards motivational factors in adoption of digital banking services. 36% of the respondents strongly agree that transaction speed is the most satisfied motivational factor among the other factors. Availability factor receives a neutral response. Promptness factor receives strongly agree and agree response at maximum. Most of the respondents have shown neutral response towards other factors due to lack of knowledge of the other factors by the respondents.

Table 2.5 shows the problems faced by the customers while using digital banking services

Table 2.5: Problems encountered by customers during digital banking services usage

Problems	No. Of responses	Percentage of responses (%)	Rank
Internet issues	60	50	I
Not easily accessible	47	39	II
Less responsiveness	46	38	III
Low responses	45	37	IV
Time consuming	37	31	V
Delayed services	15	13	VI

Source: Primary Data

The above table shows the problems encountered by the respondents during the usage of digital banking services. It is evident that internet issues stands top with the highest percentage of 50%. Disruption of internet networks leads to inconvenience and interruptions in the transactions. The respondents feel that there is a very low delay in services by the banks with 13%. Difficulty in accessibility, low responsiveness and time consuming factor comes one after another with 39%, 38% and 37%.

Table 2.6 shows the perception of customers on reasons for non-usage of digital banking services by other people

Table 2.6: Customer perception on reasons for non-usage of digital banking services by other people

Reasons	No. Of responses	Percentage of responses (%)	Rank
Data privacy issues	72	60	I

Old traditional banking system is given preference	48	40	II
Lack of computer and technical knowledge	44	37	III
Insufficient services by banks	43	36	IV
Lack of education	25	21	V
Delayed services through online system	19	16	VI

Source: Primary Data

The above table shows the perception of customers towards the reasons for the non-usage of digital banking services by other people. The respondents think that the data privacy issues plays a major role in the non-usage of the digital banking services. Preference to old traditional banking system and lack of computer and technical knowledge stands at second and third with 40% and 37%. Lack of education and delayed services through online system comes in bottom two with 21% and 16%.

FINDINGS

- ❖ 47.5% of the respondents are female and 52.5% of the respondents are male.
- ❖ Majority of 41% of the respondents belongs to the age group of 25-30 years and least 5% belongs to the age group of above 60 years.
- ❖ Major 61% of the respondents are graduates.
- ❖ 60% of the respondents are married.
- ❖ 26% of the respondents are students.
- ❖ 33% of the respondents have the income of Rs.25,001-50,000 and none has the income of above Rs. 5,00,000.
- ❖ 50% of the respondents are the customers of SBI bank and 50% of the respondents are customers of HDFC bank.
- ❖ 67% of the respondents are current account holders and 33% of the respondents are savings account holders.
- ❖ 32% of the respondents use the digital banking services daily for their transactions.
- ❖ Debit and credit cards stands top with 66% of responses in the digital banking services and net banking stands least with 21% of responses.
- ❖ Respondents are highly satisfies with the motivational factor of promptness.
- ❖ Internet issues acts as a key obstacle in using digital banking services.
- ❖ Data privacy issues demotivates people in adopting the digital banking services.

CONCLUSION

The study concludes that most of the customers are aware of digital banking services and are using these services daily for their transactions in their personal and business purposes. Convenient use feature of the digital banking services is the reason for the hike in use of the digital banking. The implementation of E- banking enhances the development of an economy in a smoother way and promotes in digital world. It provides transparency and reliability in transactions for accountability of transactions. It helps the customers in providing instant feedback and instant service by fast and delay less services. E- banking services helps not only customers but also banks to know their customers and let know the customers about their policies, services and other features of the banks to their customers. Hence, it is concluded that digital banking services play a crucial role in economic development as well as personal and professional development of availing banking services.

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