

Comparative Assessment OF E-Banking Services: A Focus ON SBI AND ICICI Banks

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ABSTRACT

Electronic banking (e-banking) services have become ubiquitous in both private and public sector banking institutions. There is a prevailing belief that private sector banks excel in providing these services to customers compared to their public sector counterparts. This research aims to compare the e-services offered by both sectors and determine which sector offers superior services. The study employs a combination of primary and secondary data sources. Primary data is collected through a structured questionnaire distributed to respondents, while secondary data is gathered from various sources to analyze and compare e-services provided by both types of banks. The research seeks to explore customers' perceptions of e-services offered by both sectors.

Keywords: E-Banking, Internet, Intranet, Customer, Public Sector, Private Sector, E-Services

INTRODUCTION:

Banks hold a pivotal role in the Indian financial landscape, serving as major sources of credit and mobilizing significant portions of the population's savings. The development of a robust banking sector is imperative for the economic progress of any nation, acting as both a catalyst and a gauge for its overall economic well-being. Within India, the banking industry stands out as one of the most resilient and influential sectors.

The structure of the banking industry is continually influenced by the evolving economic environment. In the Indian context, pivotal changes such as nationalization phases, the advent of Regional Rural Banks (RRBs), the entry of private sector and foreign banks, and the emergence of e-banking have significantly shaped the landscape and operations of banks over time. Under the framework of the Reserve Bank of India Act, 1934, Indian banks are broadly categorized into "Scheduled Commercial Banks" and "Non-scheduled Commercial Banks."

For the purposes of this study, we focus on two prominent banks: the State Bank of India (SBI), representing the public sector, and ICICI Bank, representing the private sector. These banks were selected due to their status as leaders in their respective sectors, as evidenced by factors such as branch network, customer base, and financial strength.

The successful reform initiatives undertaken by public sector banks exemplify a pragmatic blend of public and private ownership within the banking sector. Notably, the banking reforms in India have seen the emergence of newly licensed private sector banks, many of which have attained global standards in terms of technology, service offerings, and operational sophistication. In various performance metrics, these domestically promoted banks have outperformed branches of foreign banks in India, thus serving as potential benchmarks for the broader banking industry.

OBJECTIVES OF THE STUDY:

- To analyze and compare the E-Banking services provided by Public and Private Sector Banks.
- To gauge customer satisfaction levels across both sectors in relation to E-Banking services.
- To assess employee satisfaction levels within Public and Private Sector Banks regarding E-Banking services.
- To identify and explore the factors influencing the delivery of E-Banking services by both sectors.

- e. To examine the perceived benefits associated with E-Banking services from the perspectives of customers and employees.
- f. To evaluate the cost-effectiveness of E-Banking services offered by Public and Private Sector Banks.

REVIEW OF LITERATURE:

In the research paper titled "Effect of IT based services on customer satisfaction in banking industry" by Sachin Mittal and Rajnish Jain (2010), the focus is primarily on conducting a literature review of the banking industry, particularly examining the impact of IT-based services on customer satisfaction. The study emphasizes the satisfaction levels of young customers within the banking sector. Through a survey, the authors identify a disparity between customers' expectations and their actual perceptions regarding IT-based banking services. The findings underscore the necessity to enhance IT-based services in order to improve overall customer satisfaction within the banking industry.

“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.

“Internet Banking , Consumer adoption and Customer satisfaction” : Andrew Musllme and MallngaRamadhan (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.

“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.

Sample Design:

For this study, a sample size of 100 respondents was selected. A structured questionnaire was administered to these respondents to assess their perception levels regarding E-Banking Services. Additionally, various demographic factors were taken into account during the analysis of the collected information.

DATA ANALYSIS:

Significant transformations occurred within the Indian financial system during the 1980s and 1990s following the deregulation and liberalization of government economic policies. These changes were accompanied by various policies aimed at driving economic growth and restructuring money and capital markets. The introduction of marketing concepts in the banking sector sought to enhance customer satisfaction, while the privatization of banking services aimed to stimulate competition in the industry. Additionally, the emergence of financial services such as Internet banking, Portfolio Management, and Venture capital was a response to the evolving needs of the public. Today, a key priority for every banker is achieving greater operational efficiency and ensuring customer satisfaction.

AGE DISTRIBUTION:

Age Range (Years)	Percentage of Respondents
18-25	25%
26-30	15%
31-35	10%
36-40	20%
41-50	10%
51-55	10%
56-60	5%
ABOVE 60 YEARS	5%

The data suggests a higher proportion of younger individuals utilizing E-Banking Services. Consequently, there is a responsibility for bankers to educate older generations on the usage of E-Banking Services to ensure inclusivity and accessibility across all age groups.

GENDER

Particulars	No. Of Respondents	Percentage
Male	53	53%
Female	67	67%

Based on the provided table, it can be inferred that more than 67% of the respondents who use E-Banking services are women. This observation suggests a higher adoption rate of technology among women, indicating their greater flexibility in embracing technological advancements.

1. The respondents were surveyed to determine which category of banks they perceive as the most technologically advanced.

Sectors	No. of Respondents	Percentage
PUBLIC	44	44%
PRIVTE	66	66%

Close to 66% of the respondents expressed the opinion that Private Sector Banks are more advanced in their adoption of technology compared to Public Sector Banks. This suggests that Private Sector Banks are perceived to be planning ahead and prioritizing technological advancements more effectively than their counterparts in the Public Sector.

2. The respondents were asked about which attributes of the bank do their value the most.

Reasons	NO. OF RESPONDENTS	PERCENTAGE
Quality of Services	32	32%
Technology Used	28	28%
Trust	30	30%
Location	10	10%

From the provided data, it can be inferred that the majority of customers prioritize the quality of services provided by banks and the level of trust established by bankers. These attributes appear to hold significant importance to customers when evaluating banking services.

3. The respondents were questioned about their level of familiarity with the computer usage practices of their bank.

Reasons	No. of respondents	Percentage
No Computer Knowledge	20	20%
Beginner	34	34%
Average Knowledge	26	26%
Advance Computer Knowledge	12	12%
Expert	8	8%

Based on the provided data, it can be concluded that more than 54% of the respondents have not yet been exposed to E-Banking Services. This suggests that there is a significant portion of the customer base that remains unfamiliar with such services. Consequently, bankers are advised to explore various strategies to educate their customers about the usage and benefits of E-Banking Services.

4. The respondents were asked about customer level of usage of technology.

Reasons	No. of Respondents	Percentage
Connected to Internet at home	16	16%
Uses E-Mail	24	24%
ATM/Debit Card Services	25	25%
Online Banking Services	10	10%
E-Payments	10	10%
NEFT/RTGS	15	15%

Once more, it can be inferred from the provided table that internet usage at home remains relatively low. However, most of the E-Services offered by banks are well-received by customers. Specifically, more than 25%

of customers are utilizing ATM and Debit Card services, indicating a significant adoption of these electronic banking features.

5. The respondents were asked about differentiating strategies between public and private bank.

Reasons	No. of Respondents	Percentage
More Information Technology	12	12%
Providing better qualities of service	22	22%
Innovating products and services	32	32%
More labour-intensive techniques	12	12%
Recruiting young people	10	10%
Expanding branch network	8	8%
Pitching into mergers and acquisitions	4	4%

Based on the data presented in the table, it can be concluded that customers are less concerned about the mergers and acquisition plans of banks. Instead, their focus lies more on improvements in technology and innovations in products/services offered by the banks. This suggests that customers prioritize advancements that directly impact their banking experience, such as technological enhancements and innovative service offerings.

FINDINGS AND CONCLUSIONS:

- A larger proportion of individuals in this study hold accounts with Public Sector Banks.
- Participants in the study express satisfaction with the services provided by Public Sector Banks.
- There is a perception among respondents that Public Sector Banks are competing effectively with Private Banks.
- Private Banks are observed to be significantly ahead in investing in the development of new products and services.
- A majority of respondents express satisfaction with the e-Banking services provided by their banks.
- Most respondents indicate a reluctance to switch their loyalty from their current bank.

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