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COMPARATIVE STUDY ON E-BANKING SERVICES BETWEEN PUBLIC AND PRIVATE BANKS IN INDIA

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ABSTRACT

A bank is a financial institution licensed to receive deposits and make loans. Banks may also provide financial services such as wealth management, currency exchange and safe deposit boxes. 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. E banking is the provision of banking service through electronic channels and the customer can access the data without any time and geographic limitations.

The paper is basically concerned with the customer and employee aspect of electronic banking between public sector bank and private sector bank in India. The top five banks according to their paid up capital from public sector bank and private sector bank is taken for study.

Keywords: E banking, ATM, Public sector bank, Private sector banks

Introduction

Origin of the term “Bank”

The term bank is either derived from Old Italian word banca or from a French word banque both mean a Bench or money exchange table. In olden days, European money lenders or money changers used to display (show) coins of different countries in big heaps (quantity) on benches or tables for the purpose of lending or exchanging. According to some authorities, the word “Bank” itself is derived from the words “bancus” or “bankee,” that is, a bench. The early bankers, the Jews in Lombardy, transacted their business on benches in the market place. There are others, who are of the opinion that the word “bank” is originally derived from the German word “back” meaning a joint stock fund, which was Italianized into “banco” when the Germans were masters of a great part of Italy.

A bank is a financial institution which deals with deposits and advances and other related services. It receives money from those who want to save in the form of deposits and it lends money to those who need it. It deals with deposits and advances and other related services like lending money to grow the economy. Banks act as bridge between the people who save and people who want to borrow i.e., It receives money from those people who want to save as deposits and it lends money to those who want to borrow it. The money you deposited in bank will not be idle. It will grow by means of interest to your bank account they will earn interest in return for lending out the same money to borrowers. This would ensure smooth money flow to develop our economy.

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Meaning of e banking

E-banking is a product designed for the purposes of online banking that enables you to have easy and safe access to your bank account. E-banking is a safe, fast, easy and efficient electronic service that enables you access to bank account and to carry out online banking services, 24 hours a day, and 7 days a week.

Importance Of E-Banking

- It saves time spent in banks
- It provides ways for international banking.
- It provides banking throughout the year 24/7 days from any place have internet access.
- It provides well-organized cash management for internet optimization
- It provides convenience in terms of capital, labor, time all the resources needed to make a transaction.
- Taking advantage of integrated banking services, banks may compete in new markets, can get new customers and grow their market share.
- It provides some security and privacy to customers, by using state-of-the-art encryption and security technologies.

E banking during Covid 19

Digital banking reduces a person's bank visits and manual work, along with saving time. The COVID-19 pandemic has accelerated the process of digital banking due to its numerous benefits. Smartphone usage has resulted in an additional surge in digital banking during the COVID-19 pandemic. Moreover, swift transactions, 24/7 banking facilities, and smooth mobile banking have flourished the digital banking industry.

According to a report published by Research Dive, the global digital banking market is projected to cross the \$1,702.4 billion mark by 2026, from a significant market share of \$803.8 billion in 2018, and exhibit CAGR of 10.0% in the 2018-2026 forecast timeframe.

The Future of E Banking

The digital banking sector will continue to grow in the upcoming years with a few changes in technology. Several banks are already utilizing artificial intelligence for meeting the financial demands and expectations of customers. Today it is artificial intelligence; tomorrow, it will be something else that'll augment digital banking to a greater height.

Laws Formed

- The Consumer Protection Act, 1987
- Information Technology Act, 2000
- The Right to Information Act, 2005

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- The Banking Ombudsman Scheme, 2006

Literature Review

A Comparative Study of E-Banking in Public and Private Sector Banks with Special Reference to (SBI and HDFC) -Prof.(Dr) Ashok Kumar Chandra (2015) has identified the comparative analysis of difference between public sector banks and private sector banks in Korba region in terms of E-banking.

A Comparative Study On Satisfaction Of Customers Of Public Sector And Private Sector Banks Towards E Banking In Tirunelveli District - K .ThangaGlara(2017) has exposed public sector banks are still need to put more efforts to make this sector to survive in the present world of e-banking competition.

E-banking and its growth in India Suhas. D (2018) has noted Virtual banking is given a momentum for banks to provide quality service through Information technology.

Objectives

1. To study the nature of E banking services provided by the selected public and private banks in India.
2. To Evaluate, analyze and compare the opinions and satisfaction level of customers of E banking services by public and private banks in India.
3. To understand and compare the problems faced by the customers of public and private banks in using E banking.
4. To offer suggestions to improve the e-banking customer services.

Sample

The total no. of bank is the universe of the study. At this stage researcher has decided to take top five banks according to their paid up capital from public sector bank, private sector bank in India.

Top five public sector banks in India.

1. State Bank of India
2. Punjab national Bank
3. Bank of Baroda
4. Canara Bank
5. Union Bank

Top Private sector banks in India

1. The Housing Development Finance Corporation Limited (HDFC)
2. Industrial Credit and Investment Corporation of India Limited (ICICI)
3. Axis bank
4. Kotak Mahindra bank
5. Yes bank

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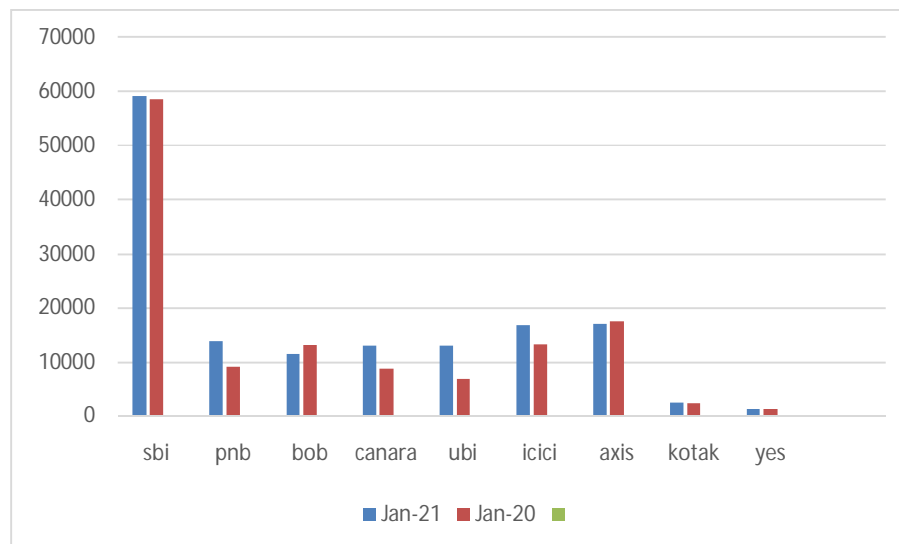
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Number of ATM deployed by the bank.

PUBLIC SECTOR BANK	Jan-21	Jan-20	change in one year
SBI	59064	58504	560
PNB	13900	9119	4781
BOB	11603	13167	-1564
CANARA	13129	8820	4309
UBI	13065	6841	6224
TOTAL ATM	110761	96451	14310
PRIVATE SECTOR BANK			
HDFC	14529	13916	613
ICICI	16761	13364	3397
AXIS	17135	17505	-370
KOTAK	2574	2467	107
YES	1334	1337	-3
TOTAL ATM	52333	48589	3744

Source: (RBI DATABASE)



The above chart shows that ATM deployed by public sector banks compare to private sector banks from last one year is almost 3 times which shows that e banking service of public sector is more in use.

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Conclusion

The results obtained show that there is a high growth in the usage of Indian ATMs, especially after the demonetization scheme. It was also found that the awareness level about cashless transactions among the public is significantly growing high in the past few years. It is the joint responsibility of the Government and public to drift the country in the trail of cashless economy.

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