

Familiarity in Traditional or Internet Banking: A comprehensive Study of Private and Public Sector bank's Customers in Pune, Maharashtra, India

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Abstract:

The customer whether it may be related to any product or a service, he wants the service at his fingertips. The scenarios have been changed today and due to advancement in the technology and internet the world is getting closer and all products and services are easily available. Same is as the case with the banking industry too. The products and services that were offered to customers traditionally have now been taken and moved to a new phase and due to this there is more ease and convenience in its usage.

The one who provides good, easiest and prompt service is only the preferred banker as selected by the customer. If not the customer switches to new bank immediately and opt for another options that is available at highly competitive way in the market.

Sustainability is the true challenge to today's banking and more of traditional banking has been moved to online or internet banking. It had been observed by the researcher that every individual having a bank account have equal literacy as to traditional as well as online or internet banking. All the products of online and internet banking is well known and aware to the respondents who were taken as sample for this study.

This Current study deals with the "Familiarity in Traditional or Internet Banking: A comprehensive Study of Private and Public Sector bank's Customers in Pune, Maharashtra, India"

Keywords:

Banking, Private Sector, Public Sector, Banks, Investments, Products and Services, Awareness, Usage, Traditional Banking, Internet Banking, Online Banking.

Introduction:

Banking is an activity that refers to the process in which a bank which is a commercial either a Public or Private sector bank. It is an institution which offers various financial services that include activities like lending of money, collecting deposits, issuing currencies along with credit and debit cards, and ultimately transaction processing system etc.

The Indian Banking Regulation Act, 1949 defines Banking Company as an institution which transacts the business and activity of banking in India. Section 5(b) of Banking Regulation Act, 1949, defines Banking as an enterprise who is accepting for the purpose of lend or lending the amount of investment. It may be a deposits of money from the general public, which is repayable on its demand or otherwise and the withdrawals by cheques or draft, and order or otherwise. The historic moment in history of banking in India is the Nationalization of 14 major banks in the year 1969 whereas in the year 1980 six more banks were added on to constitutes the public sector banks.

Today in modern era banks have extended their scope beyond the daily routine activities of just only accepting deposits and then in return lending to different privileged or weaker sections of the society. Introduction of various new and advanced technologies has changed the face of banking in India at both urban and rural level. It has been introduced in the different areas and avenues such as of debit or credit cards, core banking solutions, internet banking or mobile banking or tele-banking etc. As a corporate entity increasing wants to reduce the borrowing from banks, banks are now even compelled to focus on the concept of retail banking. Most banks have focused and have gone aggressive on lending to the personal finances, consumer or micro finance, housing finance and even education sector too. Banks are further more even trying to explore different sources for generating the revenues.

The majority of banks in country work as a profit-seeking enterprises. However, a very handful or few government banks work as an entity of non-profit organizations. Central or government banks function as the government agencies and they usually focus to regulate the different interest rates and flow along with circulation of money in the Indian economy.

Traditional Banking in India:



Under traditional banking we are very well aware that a customer has to personally visit a bank in person and had to undertake all the transaction's or activities by himself. Right from getting into, to the deposit and withdrawal or further transaction, the customer use to undertake all this activities by spending his own time and money. This became outdated from the passage of time and scenario had changed day by day.

The customer had to wait for several minutes or hours to complete a single transaction. Later as the scenario changed and banks became customer centric the various number of products and services has also increased and the way of banking has also drastically changed.

Modern Era or Banking: Internet Banking:



In the modern era of banking we can see that experience that all the transactions are at our fingertips. They can be undertaken i.e. operated from any place and at any point of time. There are no boundaries to such transactions. A customer or end user having an internet connection in his mobile phone or laptop can undergo and do this transaction. It has brought the world much closer and provided the ease of banking to everyone.

The researchers have prepared a questionnaire and have collected the data from the respondents and the detailed tabulated information is as follows. The information regarding their awareness and knowledge towards all the banking transactions was asked.

B. Raghavendra Rau in the research article **“The Banking Habit in India”** has concluded that, hoarding habit is to be uprooted and the banking habit is to take a deep root in the Indian soil. For this few sound banking concerns and steps should be promoted, the branch banking policy should be pursued, a Hindu law of inheritance should be modified so as to permit equal distribution of a father's property among his sons and daughters, confidence in banks and banking should be promoted, banking facilities and facilities for investment should be increased by Reserve Bank of India is reported by Raghevendra.

The data of 800 respondents were collected for Doctoral researcher and from this study of research the conclusion were drawn and found out.

Table showing preference for most admirable services by the respondent

Sr.No.	most admirable banking service, you have come across:	Number	Percentage (%)
1	Deposit	2	0.25
2	ATM	7	0.875
3	ECS	76	9.5
4	Fund Transfer	39	4.875
5	Online Banking	633	79.125
6	Card Service	0	0
7	Loans	0	0
8	Others	0	0
	Total	800	100

Source : Questionnaire

From the above data we can see that around 10% respondents have said that they found ECS are most admirable banking service. 39 respondents i.e. 4.875% have said that they find fund transfer as the most admirable banking service. Major portion that is 633 respondents have said that they find online banking as best and admirable banking service which forms 79.125% of total data collected to students who stay on hostel. There are none or a single respondent who finds loans or card service or any other banking service as admirable one.

Very few respondents find deposits or ATM service as an admirable one. Hence such data is scattered one which relates to preference towards most admirable banking service that is offered to them.

Table showing how respondents are connected with their banks

Sr.No.	How are you connected with your bank:	Number	Percentage (%)
1	Connected through Internet	408	51
2	Use of Electronic or E-mail	29	3.625
3	ATM / Card service (Debit)	0	0
4	Credit Card Services	156	19.5
5	Online /Net banking services	14	1.75
6	e-Payments	0	0
7	NEFT / RTGS	193	24.125
8	Electronic Fund Transfer	0	0
	Total	800	100

Source: Questionnaire

From the above data we can see that almost 51% i.e. 408 of 800 respondents have said that they are connected to their bank with the way of internet. Respondents using E mail and connected through e mail are 29 i.e., 3.625%.

Respondents connected through credit card service are 156 numbers which forms 19.5%. People who are connected with their bank with the mode of NEFT or RTGS are 193 numbers i.e. 24.125 %

No option or preference for payments or EFT is seen as is collected in above data.

Table showing the reason for choosing the service of online banking

Sr.No.	What were your reasons for choosing online banking service:	Number	Percentage (%)
1	Convenience	488	61
2	To save time	136	17
3	24 hour access to accounts	74	9.25
4	Other	102	12.75
	Total	800	100

Source: Questionnaire

Related to above question about reason to choose online banking service it is found that around 61% of respondents i.e. 488 out of 800 respondents have said that they choose online banking service for the feature of its convenience.

136 i.e. 17% of respondents opted for online banking or transaction with a purpose to save time. 24 respondents said that online banking transaction is 24 hours access to account and hence due to this they choose to opt for online banking.

Other factors from above all such as place, duration, quality, feasibility were cited by 102 i.e. 12.75 % of respondents.

Table showing frequency of visit to banks by the respondents

Sr.No.	Frequently do you visit you Bank to transact:	Number	Percentage (%)
1	Everyday	229	28.625
2	Alternate Days	133	16.625
3	Once a Week	327	40.875
4	Once in a fortnight	0	0
5	Once in a Month	0	0
6	Once in Three Month	0	0
7	Once in a year	0	0
8	Anytime as required	111	13.875
9	Do Not Visit	0	0
	Total	800	100

Source: Questionnaire

From the above data we can interpret that almost 29% i.e. 229 respondents say that they visit the bank regularly i.e. every day. All respondents visit the bank is good phenomenon that can be seen from above data that has been collected. 133 respondents i.e. 16.625% of students say that they visit the bank on alternate days. 40.875% i.e. 327 of respondents shared with us that they visit the bank to transact once in a week which comprises a large number nearly 40 % of population.

111 respondents i.e. almost 14% shared that they visit their bank anytime required, which means whenever they have any work they visit the bank. There are no respondent who have said that they visit the bank either once in month or once in three month or do not visit at all.

Conclusion:

Hence awareness as to type of banking is quite in a positive way.

The banking habit is found in our respondents. A person may ideally possess one bank account but around more than 50% of populations possess more than 2 or 3 or more than 3 bank account hence, awareness and practice of banking can be positively seen. Each and every individual has his own bank account in an operating stage as they are using it since couple of years.

Conclusion that can be drawn is respondent receive money by whatever mode it may be. But still there is much more scope for banking transaction. Use of account transfer needs to be increased. Different modes for amount transfer are used by parents also.

The new generation is adaptive to change. Whatever new facility or service comes in to existence they are ready to go for it and accept change. Online banking is mostly preferred because of its convenience and round the clock availability.

Every individual has a willingness to keep him updated about various updates that come in banking sector and industry. Hence they do not hesitate to contact for and ask for different people. The knowledge of online banking is taken from a 360 degree method and respondents keep themselves updated about these services.

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