

An Analysis Of Awareness And Effectivity Of Digital Services Of HDFC Bank

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ABSTRACT:

Online banking services of HDFC Bank is largest digital banking offered to the customers. Through digital mode customer can control their funds and services can be accessed from anywhere. HDFC provides a host of features such as viewing a/c balances & statements, transfer funds between accounts, create fixed deposits online, request a demand draft, pay bills etc.

The present study was conducted in HDFC bank and the objective of the study was to analyze about the awareness and effectivity of digital services of the bank. An intensive literature review was done, besides this the internet banking and other operations of HDFC were studied to come to a right conclusion. An appropriate research methodology was used to achieve the set objective. The study was conducted in Gwalior. Data was taken with the help of structured questionnaires; those were induced to respondents after pretesting. The results revealed that self employed and salaried customers are the major users of digital services of HDFC and a large number of customers are not aware about the digital services of bank. The study further revealed that most of the customers are willing to remain associated with HDFC bank in near future.

Key words: financial, investors, perception, preferences, questionnaire, deposits.

INTRODUCTION:

Bank is an organization which is established and authorized by government to accept deposits that can be withdrawn on demand, pay interest, clear cheques, take loans, act as an intermediary in financial transactions which creates money by lending to a borrower and to provide other financial services to its customers. Traditional Banking: It is the type of banking in which the customer visits the branch of the bank in person to perform the various operations of bank like

enquiry for account opening, transfer of funds, withdrawals of cash, applying for loans etc. Hence visiting the bank physically is essential for customer to avail services provided by bank.

Some of the banking activities are: a) Opening an account Creating of deposits b) Renew of fixed deposits c) Withdrawals Apply for loans Transfer funds between accounts within the banks

Impact of Technology in Banking Sector

Technology plays a very important role in banking sector as it has revolutionized various aspects of life. The relationship between Banking and IT sector is interconnected because its ultimate aim is to reduce costs and facilitate customized products. Information technology has been of great essence in banking system. Today both public and private sector banks are trying to rapidly transform itself from traditional banking to relationship banking by establishing direct relationship with customers through the introduction of IT in banking known as “DIGITAL BANKING”.

Migration of banking towards technology

With the introduction of computers and ATMs in 1970s there is rapid transformation in banking sector which India has experienced. 10 years back banking sector was limited to the sarkari and co-operative banks. Then multi-national banks came but these were limited to serving an elite few. The opening up of the Indian banking sector to private players acted as 'the tipping point' for this transformation. The efforts were made by many financial institutions (like HDFC and ICICI) and non-financial institutions. The focus on individual consumer was taken in a big way after the entry of private players into retail banking. The first time consumer experienced choice of conducting transactions either in traditional way (through branch), through ATMs, through telephone or through Internet. Technology plays a vital role in providing this multi-service platform. Wide range of products and services were offered by banks online. This led to creation of new business models involving banks and non-banks entity such as internet service providers and other technology firms.

Digital banking

Digital Banking also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of bank or other financial institution to conduct a range of financial transactions through the financial institution's website. It includes the system that enables the customers, individuals, or businesses to access accounts and obtain information regarding financial products and services through electronic device, such as computer, personal digital assistant, automated teller machine, kiosk or touch tone telephone. Some of the modes of

E-Banking are: Automated Teller Machines, Internet Banking, Mobile Banking, Phone Banking, SMS Banking.

Features of E-banking: Viewing account balances, Viewing recent transactions, Downloading bank statements, (for example in PDF format), Viewing images of paid cheques, Ordering cheque books, Download periodic account statements, Downloading applications for M-banking, E-banking etc. Bank customers can transact banking tasks through online banking, including – Funds transfers between the customer's linked accounts Paying third parties, including bill payments (see, e.g., BPAY) and third party fund transfers (see, e.g., FAST), Investment purchase or sale Loan applications and transactions, such as repayments of enrollments, Credit card applications, Register utility billers and make bill payments

HDFC Bank with Digital Banking

Online banking services of HDFC Bank are largest digital banking offered to the customers. Through digital mode customer can control their funds and services can be accessed from anywhere. HDFC provides a host of features such as view a/c balances & statements, transfer funds between accounts, create fixed deposits online, request a demand draft, pay bills, order a cheque book, request stop payment of a cheque, apply for a personal loan or an auto loan or many more. E-Net facilities is also provided by HDFC to their corporate clients as this is a fully secured internet based service, real time and electronic delivery channel, and providing secure and convenient access to their banking information over the internet. E-Net allows multi-branch connectivity and can integrate with heterogeneous core bank end system across branches in India. Hence, HDFC Bank is trying its best every-day to convert its banking services completely to a digital banking platform by introducing various types of digital services like net banking, phone banking, sms banking and various mobile banking applications like chiller application, payzapp and many more to come through which customer can access banking according to their convenience without even visiting the branch. Therefore, digital banking is intertwined with HDFC bank which is aiming to become a pioneer in providing financial services to its customers through digital channels

LITERATURE REVIEW

1. “**User Friendly E-Banking**”, **Rourke, Chris (2004)** ,This article discusses the importance of usability within the e-banking sector and identifies common usability problems and ways to resolve them. Research shows 50% of perspective customers registering for online banking bail out before signing up, mostly due to problems navigating the site, completing online form,

security fears, and understanding content and feedback. It is widely recognized that online banking provides more revenue per customer and costs less per transaction than any other channel, including phone banking. Banks aiming to profit the most from the increase in online banking volumes should consider the usability and accessibility of all aspects of their site to welcome them.

2. “Online Frauds in Banks and Commerce”, Singh, N. P. (2007) ,Hi-tech fraudsters have urbanized a new way of tricking on line banking customers. One such most well known and fast growing technique is *phishing*. **Phishing:** Phishing is derived from the word fishing. Phishing also called brand spoofing, is a term used for a sort of fraud where phishes send out spoof email to a random database to fool the recipient in to divulging personal information like credit cards details, usernames and passwords, that can be used for identity theft. Online banking is designed mainly to achieve two objectives. First, increased convenience for the customer and second, reducing the cost of operations to the banks. Numerous benefits such as lower fee to go online, higher interest rates, online viewing of account details and statement information, pay bills, transfer money between applying for accounts, scheduling automatic periodic payments such as rent or loan payments, applying for accounts or loans and managing loyalty points to achieve first objective. In the process banks are able to reduce cost of operations to some extent. The study opined that there is a sharp rise in phishing statistics as it evident from the values in various tables. May it be number of hosting of phishing sites, or mails received about phishing monetary loss either of the customers or of organizations. The main reason for losses/success of frauds is ignorance on part of customer as well as service providers (bankers, retailers, etc.). It requires stringent methods of educating customers and regular review of security related information of individual customers.

“Online Banking Provides Satisfaction and Convenience for Users” Knapp, Ann (2008) With all attention online banking has received in the last couple of years, it seems there are new online banks popping up everywhere. Users are choosing online banking for its ease and convenience. And while issues of identity theft are important factors to consider with online banking, it has not stopped people from utilizing the web to streamline their finances. Recent studies suggest that internet banking does not just make life easier, customers who choose it seem to be more satisfied with their bank. As a result, banks are seeing tremendous growth in online service. One major commercial bank cited that in 2004, there were 3.4 million customers paying bills online, followed by an increase to 6 million online bill payers just a year later.

“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. The result of this study viewed that adult customers are more reluctant to join new technologies or methods that might contain little risk. It is also important to note that some adult customers are interested in online banking; however, they do not possess the necessary computer literacy to conduct it. In addition banks should design the website to concern security and privacy issues.

“Customer Perspective on E-Business Value: Case Study on Internet Banking”, Safeena, Rehmath (2010): In this research paper she has determined the consumer’s perspective on internet banking adoption. Though customer acceptance is a key driver in determining the rate of change in the financial sector, this study aims at examining the impact of perceived usefulness, perceived ease of use, consumer awareness on internet banking and perceived risk on the acceptance of internet banking by the consumers. The result of this study concludes that majority of customers are accepting online banking because of many favourable factors. Analysis concluded that usefulness, ease of use of the system awareness about online banking and risks related to it are main perusing factors to accept online banking system.

“Banker’s Perspectives on E-Banking”, Sharma, Himani (2011): This research paper is about the banker’s perspectives on e-banking activities of respondents, impact of e-banking and promotional measures used by banks to promote e-banking. The survey data used in this research are collected through a questionnaire in Northern region of India by administering to 192 bankers. The enquiry reveals that customers generally use e-banking services on persuasion of bankers. The bankers are convinced that e-banking helps in improving the relationship between bankers and customers and that it would bring patent improvement in the overall performance of banks.

“Internet Banking as a tool for Customer Relationship Management” Study on Customer Perspective”, Krishnamoorthy, V. and R. Srinivasan (2013): This study intends to throw light on customer perception on internet banking which serves as a tool for Customer Relationship Management. Data was collected from 154 respondents who are exposed to Internet Banking.

This study clearly indicates that banks are finding difficulty in retaining their existing customers, for which either they need to come up with innovating, customized products or they need to develop trust with their customers and maintain the relation with them. losses/success of frauds is ignorance on part of customer as well as service providers (bankers, retailers, etc.). It requires stringent methods of educating customers and regular review of security related information of individual customers.

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bankers and customers and that it would bring patent improvement in the overall performance of banks.

OBJECTIVES OF RESEARCH PAPER:

An analysis of awareness and effectivity of digital services of HDFC bank

BENEFITS OF STUDY:

The study will reveal about the awareness and effectivity of HDFC banks digital marketing practices which will further help bank to review its present practices and improving them further, also the findings will help bank to chalk more innovative digital marketing practices.

RESEARCH METHODOLOGY:

Area of study: Gwalior: Research was carried in Gwalior due to the easy approachability for researcher.

Organization selected for research: HDFC Bank :Online banking services of HDFC Bank is largest digital banking offered to the customers, henceforth bank was selected for study

Population: All customers of HDFC Branch at Gwalior

Sampling unit: Customer of HDFC

Sampling Design: Descriptive:

The research design is descriptive in nature; Descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way.

Sample size: 220: Sample size was calculated statistically and its came out to be 220 at 95% confidence level

Sampling technique used: Convenience sampling:

Respondents were the customers of any bank those were approached and interviewed with a structured questionnaire

Type of data used: Primary: The research is based on primary data

Data Collection tools: Questionnaire

Statistical tools used: Frequency analysis, graphs and charts

DATA ANALYSIS:

Specific Information of the Respondents

1. Are you a customer of HDFC?

Table 1:- HDFC Bank customer

Are you a HDFC customer	No. of Respondents
Yes	124
No	96

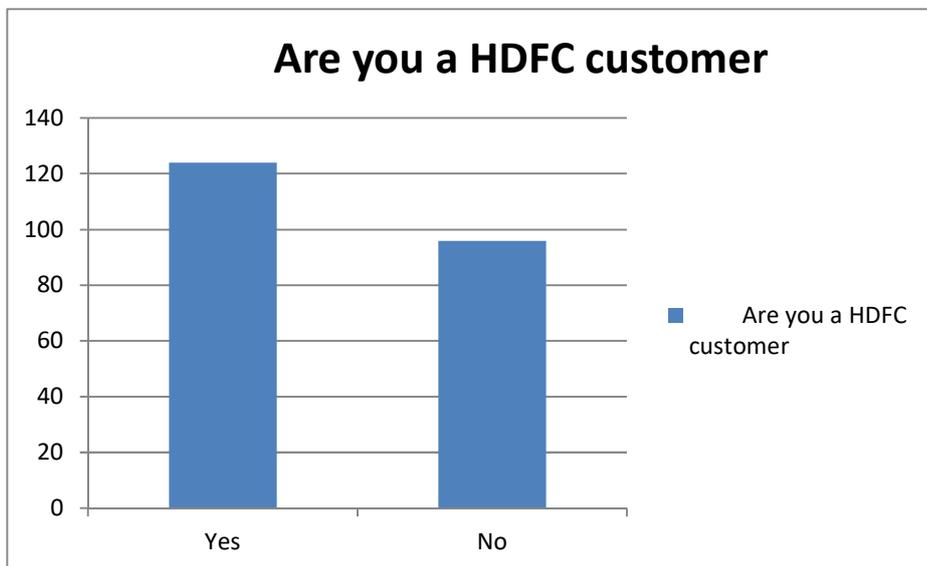


Fig.-1: HDFC bank customer

Interpretation: The above table reveals that only 56 % of the people are the customers of HDFC Bank where as a significant 44% of people are still do not have any account with HDFC Bank.

2. How frequently do you visit HDFC branch.

Table:2 Frequency of visits

Frequency of visits	No. of Respondents
Less than 1 time	21
1 to 3 times	76
3 to 8 times	1
8 to 12 times	9
Over 12 times	17

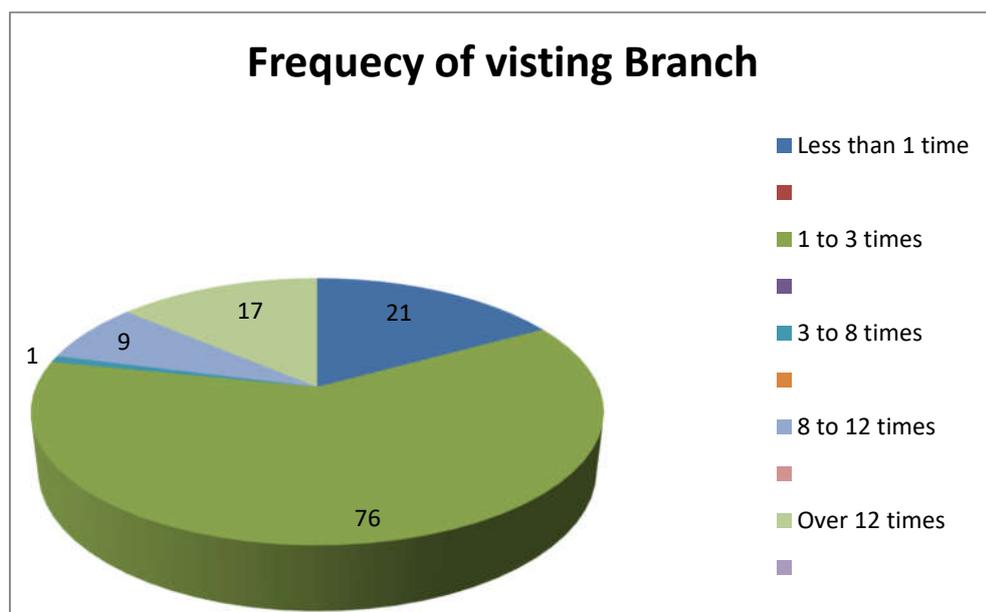


Figure: 2 Frequency of visits

Interpretation: The above result depicts that out of 124 customers 61% of the customers visiting the branch 1 to 3 times in a month also 14% of the customers are visiting the branch more than 12 times, 7% of the customers visit more than 8 times and 17% of the customers visit the branch occasionally

3. Are you using online banking services?

Table 3:- Using online banking service?

Are you using online banking services	No. of Respondents
Yes	41
No	83

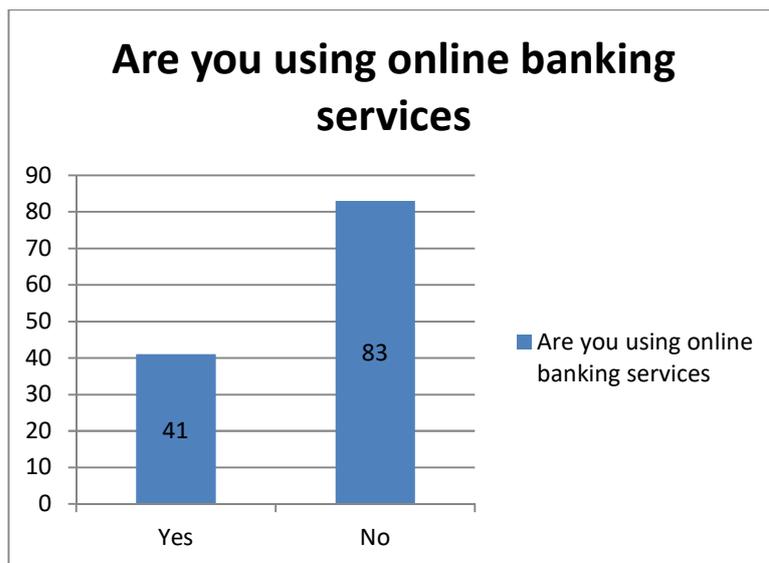


Figure 3:- Using online banking service?

Interpretation: The above table reveals that out of 124 customers only 33% of the people are using internet banking services where as a significant 67% of people are still not availing these services due to various reasons.

Question: 4:- What types of online services you has availed?

Table: 4 Types of Online Services

Types of Online Services	No. of Respondents
Net banking	33
Mobile banking	32
Telephone banking	0
SMS banking	12

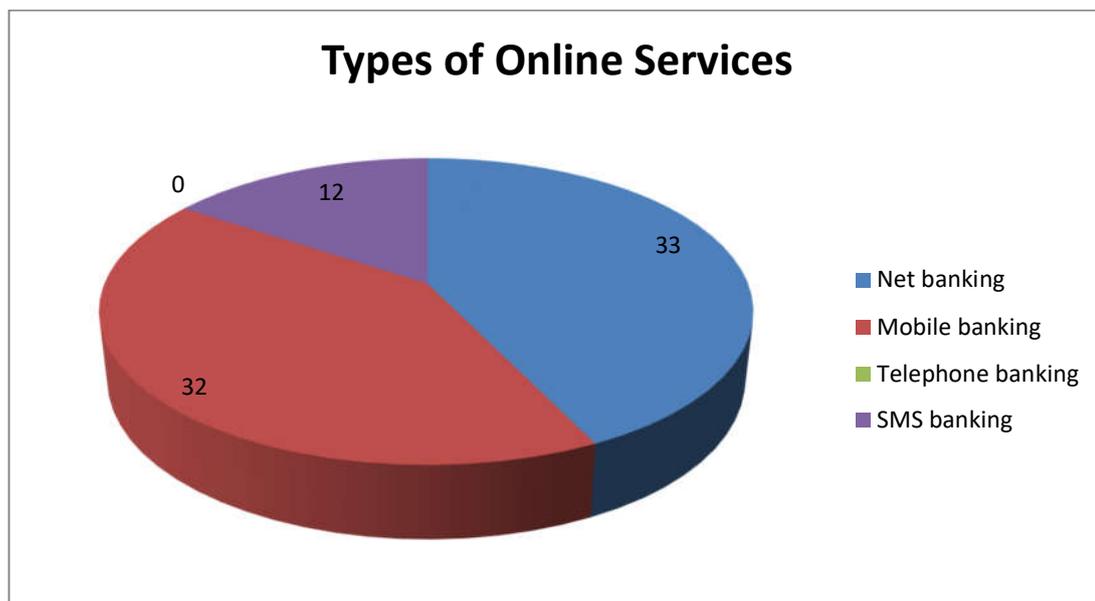


Figure: 4 Types of Online Services

Interpretation: The above result depicts that out of 41 online services users 43% avail net banking along with this 41% avail mobile banking services while only 16% users avail SMS banking services.

5. Mostly used online service:

Table 5 : Mostly used online service:

Mostly used online services	No. of Respondents
Fund transfer	11
Bill payment	21
E-statement	1
Balance Enquiry	4
All of the above	4

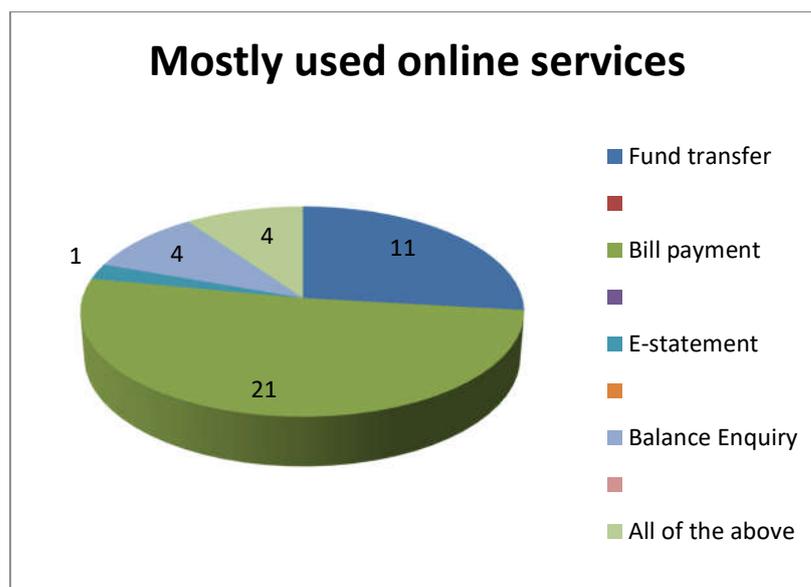


Figure: 5 Mostly used online services

Interpretation: The above result depicts that out of 41 online services users 51% use online service for bill payments while 27% use these services for funds transfer, 10% of the users prefer all the online services and 2% of the users use these services of E-statement

10. What is the reason for not using net banking

Table 10:- Reasons for Non users of net banking

Particulars	No. of Respondents
Lack of Face to Face interactions	32
Low security password threshold	13
Not aware	37
Poor service	1

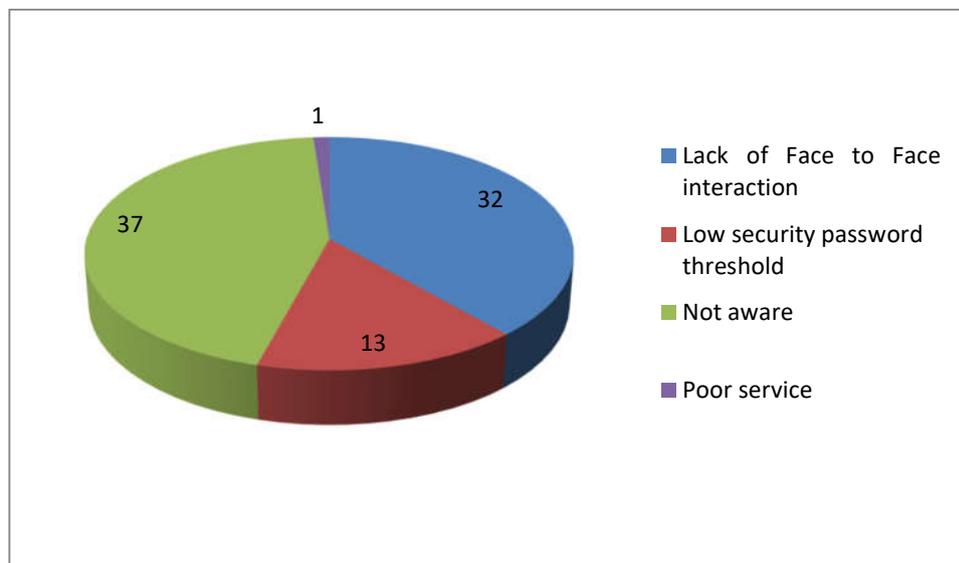


Figure 10:- Reasons for Non users of net banking

Interpretation: The above result depicts that out of 83 non-users of net banking 45% people are not aware about net banking services also 38% won't use such service because there is lack of

face to face interaction while 16% thinks there is low security in password threshold, only 1% people thinks that this is a poor service.

11. Will you bank with HDFC in near future?

Table: 11 Banking with HDFC Bank in near future

PARTICULARS	No. of Respondents
Yes	186
No	34

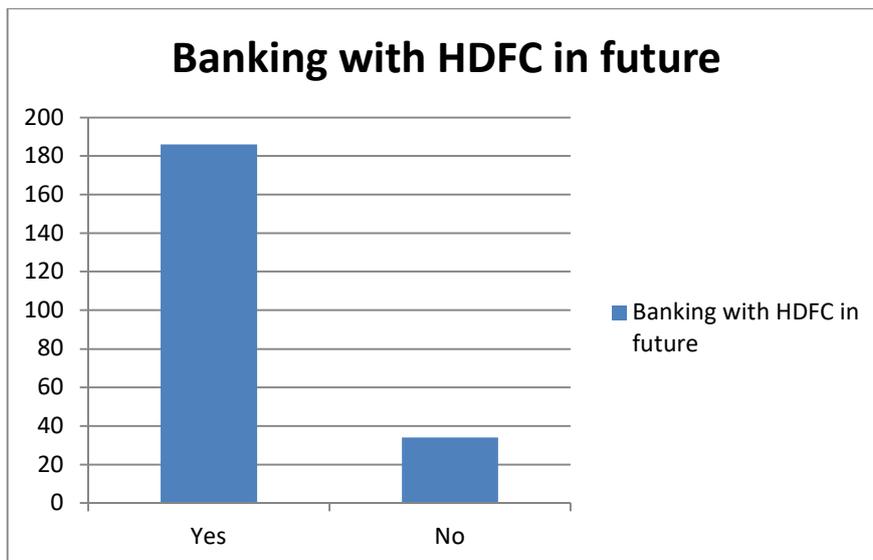


Figure 11: Banking with HDFC Bank in Near future

Interpretation: The above result depicts that out of 220 respondents 85% of the people are interested in banking with HDFC Bank while some of them are already the customers who will continue banking with the HDFC Bank and 15% of the people will go for other banks.

FINDINGS

- In the bankers' view regarding preference in the digital banking usage based on occupation, this study revealed that self-employed are at the top and then it is the salaried class who makes the greatest use.
- The study states that most of the respondents are banking with HDFC Bank holding the large percentage of Regular savings account.
- Large number of customers visits the branch 3 times in a month.
- The study depicts that large number of customers are not using online banking services because they are not aware and there is lack of face to face interaction.
- The customers who use digital banking services mostly prefer both net banking and Mobile banking services as there is no charge on transaction done online.
- Most of the people are ready to do Banking with HDFC Bank in near future.

RECOMMENDATIONS:

- To increase the share in market, HDFC Bank can either reduce its charges or it have to make people understand that the higher charges are due to better services and other factors which are not offered by nationalized banks.
- As most of respondents are concerned about the security of mobile payments, the security system should be strengthen so that people won't scare about their money and transactions.
- The usage of Payzapp is still at nascent stage only therefore the companies should promote the same through their marketing and advertising campaign.
- Banks should educate the customers regarding uses of online banking as well as security and privacy of their accounts by organizing seminar and conferences.
- Automatic cash deposit machines needs to be introduced so that it become convenient for the people to deposit money without filing up the Cash deposit slips.

LIMITATIONS OF THE STUDY

The study is only for the HDFC Bank confined to a particular location i.e Murar, Gwalior and a very small sample of respondents. Hence the findings cannot be treated as representative of the entire banking industry. The study can also not be generalized for public and private sector banks of the country. There are many reason for this, some of them are as under:

- Some respondents might have given biased answers for the required data.
- Some of the respondents did not like to respond. Respondents tried to escape the Personal Interview by simply answering “They have no Time or they don’t know exact information or they are not supposed to reveal such Information”.
- The time constraint has been a major limitation of this study.
- The study being part of behavioral research and primary data was collected through Questionnaire as such suffers from the subjectivity biases of the respondents.

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ANNEXURE

Personal Information:

Customer Name: _____

Contact No. _____ Age _____ Gender _____

Occupation:

- Salaried
- SelfEmployed
- Professional
- Student
- Housewife
- Other _____

d. Cheque book request

e. Bill payments

f. All of the above

Q7. If no, what are the reasons of not using net banking?

a. Not aware

b. Low security password threshold

c. Lack of face to face interactions

d. Poor services

Q8. Which mode of payment do you prefer the most?

a. Debit card

b. Credit card

c. Mobile wallet

d. Net banking

Q11. Would you like to do banking with HDFC Bank in near future?

a. Yes

b. No

1. Data analysis revealed that investors are more dependent on their parents, friends and personal experiences for investment which is not a right way to invest and may lead to a loss to investor, therefore investor must be educated to take professional advice so that his/her investment don't sinks and instead it grows.
2. Data analysis revealed that investor is not fully educated regarding investment hence there is a need to come up with a system which educate investor regarding when, how and where to invest.
3. Data analysis concluded that investors are only investing in traditional methods of investment like gold, real estate and fixed deposits. Henceforth there is a need to educate and make investor more aware about investing in other investments like mutual funds, and stock market.
4. Data analysis shows that investors don't want to take a risk and want to invest only when market is bullish. Henceforth there is a need to educate the investors regarding investing when market is low.
5. All investors were aware that investment leads in saving tax

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4. Marital Status

Married

Unmarried

5. Rank your most influential to least influential source of advice when you are making a financial decision.

a. Parents

b. Friends

c. Personal Experience

d. Professional advisor

6. How much are you educated when we talk about investment?

a. Very educated

b. Somewhat educated

c. Less educated

d. Not educated at all

7. Which is your favorite area of investing?

a. Mutual Funds

b. Stock Market

c. Gold, real estate, FD etc

d. Do not invest

8. Do you think investment can help in tax rebate?

a. Yes

b. No

9. For long term period which asset will give you highest return?

a. Saving account

b. Gold

c. Real estate

d. Stocks

10. When would you invest more?

a. When market is high

b. In stable market

c. When market is low
