

## **A Comparative Study of Private V/s Nationalized Banks on the satisfaction level from the Internet Banking Services**

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### **Abstract**

Banking sector's growth depends a lot on internet banking services, especially with the commencement of Digital India movement. Banks need to have a very strong in-house research and market intelligence units in order to face future challenges and competition, especially customer retention. Thus, marketing depends on the demand of the customers and supply of the financial products and services, customer services need to be satisfactory. The study has been conducted in the Jaipur city. Overall 200 customers were targeted, among which 100 were from private banks and 100 were from nationalized banks. The respondents were the non- tax payers who were having annual income below 2.5 lakhs. They were the saving bank account holders. Among the private banks: Kotak Mahindra and HDFC were chosen for the study and among the nationalized banks: Dena bank and Oriental Bank of Commerce were chosen for the study. The satisfaction level was identified by knowing their opinions.

Key words: nationalized banks, private banks, internet banking services, customer satisfaction.

### **Introduction:**

Indian banks have expanded to cover a large geographic and functional area to meet the country's rising needs. They have been managing the full information about the customers including their profile, location, etc. They have been trying to manage a close relationship with their customers and a good knowledge of their needs, requirements and cash positions. The banks have improved their efficiency and providing automated channels such as ATM and online banking. Internet banking means any user with a computer or a browser can get connected to his bank website to perform any of the banking functions.

### **Review of Literature:**

Jain, Rathi and Sharma (2013) stated that there are various technical components of customer relationship management like customer information, sales, marketing trends and marketing efficiency

in order to improve the relationship between the organisations and customers. It involves the capturing of customer data from across the organisation and consolidating in a central database. The data is then analysed and the results are distributed through email, websites, etc. the internet has revolutionised the way business is done and has taken the enterprise information system within the reach of the customer.

Vikas Choudhary and Suman Tandon (2011) stated that due to cut throat competition, it was required to have inner strength and control over costs, new techniques of managing various branches, motivating people, proper consideration for innovation, better system and procedures, fixing adequate and reasonable norms and creation of team spirit in bank management. It was observed that Indian banks were considered to have clean, strong and transparent balance sheets in addition to other banks in terms of quality of assets and capital adequacy. It still remained a challenge for the private and foreign banks to extend their hands in the rural areas in terms of policies. The Reserve Bank of India is an autonomous body which was expected to be strong for some time while providing it's banking services, especially retail banking, mortgages and investment services, Mergers & Acquisitions, takeovers, and asset sales.

Powell. Guy. R, 2012 examined that there were three challenges in measuring the marketing productivity. The first challenge was to relate the effects of marketing activities in the long run. The second is the separation of individual marketing activities from other actions. Third, the financial methods have proved inadequate in justifying the marketing investments. The budget of the advertising was falling as compared to the other functions of management such as human resources, information technology, and general counsel functions, etc.

The future of banking will be directed by the young, educated, networked and independent thinking people, who want complete control over their decision, including those related to finance. Therefore, it was highly essential for the bankers to generate the idea regarding the customer satisfaction at each and every level as people were getting diverted towards the banks which provided better facilities. It was examined that a good customer experience kept intact the customer acquisition and helped in promoting the customer retention which lead to the increased profit and growth. The credibility of marketing was under suspect because of perceived lack of accountability that pose a serious question for marketing's standing in the firm. Therefore it was vital for Public and Private Sector banks to reframe and design their marketing strategies through the knowledge of customer's experience and satisfaction data which would help them in upgrading the performance and growth. There was huge pressure for the banks to relate the qualitative data with quantitative performance. Marketing was the major loophole in the performance as such they need to focus well upon the various needs and demand in order to maintain the stability and success.

**Objectives:**

To identify the level of satisfaction from the internet banking services provided by the banks.

**Hypothesis:**

There is no significant difference between the level of satisfaction from the internet banking services provided by private banks and nationalized banks.

**Sample Size:**

200 customers were taken from the banks in Jaipur. 100 respondents were from nationalized sector banks including Dena bank and Oriental Bank of Commerce. 100 respondents were from private banks including Kotak Mahindra and HDFC. They all were having the saving bank account and were non-tax payers having income below 2.5 lakhs.

**Data analysis and Interpretation:****Table 1**

**Scores of level of satisfaction from the internet banking services provided by private banks**

	Highly satisfied	Somewhat satisfied	Dissatisfied	Total
Kotak Mahindra Bank	13	19	18	50
HDFC	15	21	14	50
Total	28	40	32	100
Points Assigned	2	1	0	
Score	56	40	0	96

There were 100 customers who were asked about the level of satisfaction from the internet banking services provided by the Private Banks. 50 respondents were from each of the banks (Kotak Mahindra and HDFC). Table 1 depicts that among the two private banks chosen, the satisfaction level from the internet banking services provided to the customers was little high in HDFC as compared to Kotak Mahindra Bank. Out of 100, 32 customers were dissatisfied with the service provided by the private banks. From the scores it can be said that the level of satisfaction from the internet banking services provided by the private banks is 48%.

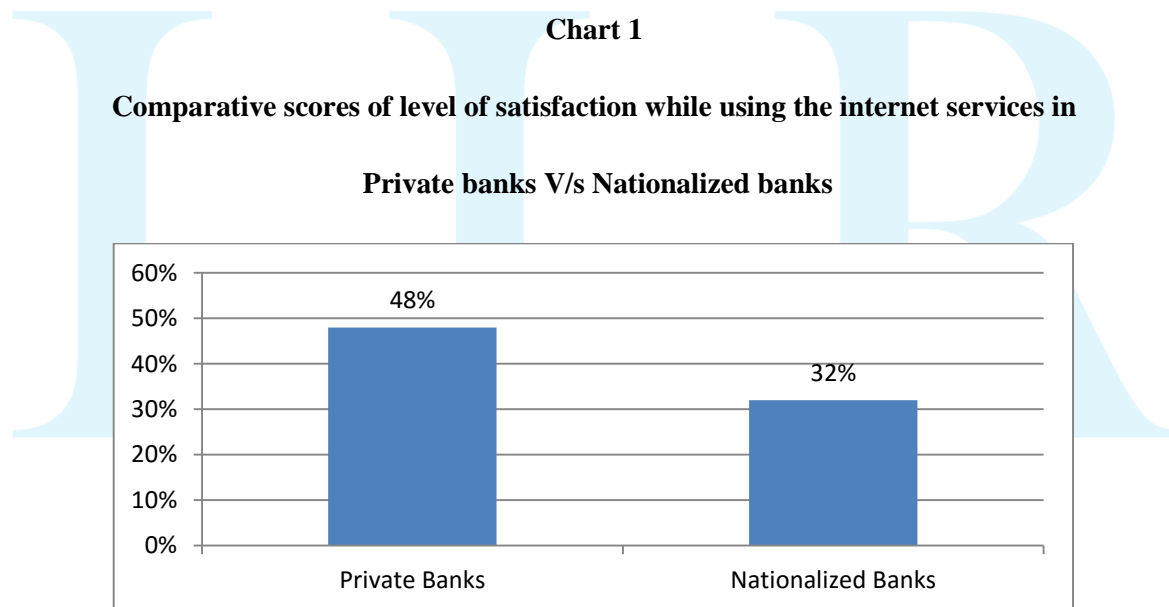
**Table 2**

**Scores of level of satisfaction from the internet banking services provided by nationalized banks**

	Highly satisfied	Somewhat satisfied	Dissatisfied	Total
Dena Bank	7	15	28	50

Oriental Bank of Commerce	8	19	23	50
Total	15	34	51	100
Points Assigned	2	1	0	
Score	30	34	0	64

There were 100 customers who were asked about the level of satisfaction from the internet banking services provided by the nationalized banks. 50 respondents were from each of the banks (Dena Bank and Oriental Bank of Commerce). Table 2 depicts that among the two nationalised banks chosen, the satisfaction level from the internet banking services provided to the customers was little high in Oriental Bank of Commerce as compared to Dena Bank. 15 customers out of the total were highly satisfied and among which 8 were from Oriental Bank of Commerce. Out of 100, 51 customers were dissatisfied with the service provided by the banks. From the scores it can be said that the level of satisfaction from the internet banking services provided by the nationalized banks is 32%.



The chart denotes that the level of satisfaction from the internet banking services provided by the banks were high in the private banks as compared to the nationalized banks. The customers were found more satisfied and comfortable with the private banks as they provided prompt and complete information through online and keep the customers updated. To ascertain whether the difference in satisfaction level is significant Z test was done.

$$|Z| = \frac{P_1 - P_2}{\sqrt{P_0 q_0 \left( \frac{1}{n_1} + \frac{1}{n_2} \right)}} \quad |Z| = \frac{0.48 - 0.32}{\sqrt{0.40 \times 0.60 \left( \frac{1}{100} + \frac{1}{100} \right)}} \quad |Z| = 2.31$$

Since the computed value of  $Z = 2.31$  is higher than critical value of  $Z = 1.96$ . It does not lie in acceptance region at 5% level of significance. Thus, the hypothesis which stated that there is no significant difference between the level of satisfaction from the internet banking services provided by

the private banks and nationalized banks has been rejected. The level of satisfaction from the internet banking services provided by the private banks is significantly higher than nationalized banks.

**Conclusion:** Just 40% is the average satisfaction level for internet banking. From the study it is revealed that the customers of the private banks, who were having saving bank account, were found relatively satisfied by the services provided through internet banking. As per the opinion of the 200 respondents, it was identified that the customers of the nationalised banks were dissatisfied by the services provided. The Private Banks were better in terms of services provided through internet banking. Here, the customers felt satisfied and comfortable which saved their time and energy. Almost every information regarding their account was provided to them timely and accurately.

**Suggestion:** It is recommended that the banks must upgrade the online banking system properly so that the customers do not find themselves in difficulty and which help them in saving their time and energy, specially the nationalised banks. Banks need to improve a lot on their speed of website, it need to be simplified and made user friendly.

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