CHAPTER - 3

RESEARCH METHODOLOGY
The Indian banking industry has come a long way from being a sleepy business institution to a highly proactive and dynamic entity. The liberalization and economic reforms have largely brought about this transformation. The entry of private banks has revamped the services and product portfolio of nationalized banks. With efficiency being the major focus, the private banks are leveraging on their strengths. To compete with the private banks, the public sector banks are now going in for major image changes and customer friendly schemes. Increasing competition and technology driven products are some of the trends which the banking industry is currently experiencing. The technology oriented banking has become one of the latest success mantra in market especially to win over the customers. Due to entry of private banks which are known for technical and financial innovation their professional management has gained a remarkable position in banking sector. With entry of private players following changes are noticed:

- The banking sector is increasingly becoming competitive and getting integrated with global banking.
- Customers acquisition is done at a war footing.
- Service standards are being benchmarked to global standards.
- Competitive advantage is coming from technology and marketing.
- Public sector banks have to fight hard on customer relationship management initiatives because public sector banks can score well on private banks if they have good chunk of satisfied customers.
- Employees satisfaction also leads to success or failure of respective bank because only a satisfied employee with a bank can satisfy his customers and make them loyal towards bank.
Banks in India

The Banks in India referred to as Scheduled Commercial Banks (SCB) are categorized into three on the basis of the government stake holding. These are:

- Public Sector Banks
- Private Banks
- Foreign Banks

PUBLIC SECTOR BANKS

All government owned banks fall in this variety. Besides the Reserve Bank of India, the State Bank of India and its associate banks and about 20 nationalized banks, all comprises of the public sector banks. Many of the regional rural banks that are funded by the government banks can also be clubbed in this genre.

PRIVATE SECTOR BANKS

A new wave in the banking industry came about with the private sector banks in India. With policies on liberalization being generously taken up, these private banks were established in the country that also contributed heavily towards the growth of the economy and also offering numerous services to its customers. Some of the most popular banks in this genre are: Axis Bank, Bank of Rajasthan, Catholic Syrian Bank, Federal Bank, HDFC Bank, ICICI Bank, ING Vysya Bank, Kotak Mahindra Bank and SBI Commercial and International Bank. The Foreign Banks in India like HSBC, Citibank, and Standard Chartered bank etc can also be clubbed here.
The research work entitled :” IMPACT OF PRIVATIZATION ON THE PUBLIC SECTOR BANKS” aims to analyze:

- Changes made in public sector banks in terms of arrival of new products and services.
- The customers preference towards public sector banks and private sector banks i.e. which bank they prefer.
- The employees satisfaction working in public sector banks i.e. to find that how they feel being a part of a public sector bank. For employees study PNB and SBI are involved in study.

For this purpose :

- Shahabad city has been chosen for finding customer preferences
- Shahabad city has been chosen to find employees satisfaction. The employees of SBI and PNB were taken as respondents in study.

**OBJECTIVES OF RESEARCH**

1.) To study the applications of Banking.
2.) To know the satisfaction level of the customers from the banking with particular sector i.e. whether private or public.
3.) To know the reason why people are using banking.
4.) To know factors affecting the banking decision of customers.
5.) To know the satisfaction level of the employees from the banking with particular sector i.e. whether private or public.
6.) To study the recent changes made in public sector banks due to competition arising thereof.

**RESEARCH DESIGN**

Research design is mainly of two types:

1. Exploratory Research
2. Descriptive Research
1) **Exploratory:** - Research is usually done to gain insight into the problem. This is generally conducted for a problem, which the researcher knows nothing.

2) **Descriptive Research:** - Research helps in determining the frequency with which something occurs or relationship between two variables of trend of consumption of a project of such characteristics as age, sex, geographic location etc. Descriptive research is generally guided by one or more specific hypothesis.

**COLLECTION OF DATA**

The data can be collected from primary and secondary sources. The basic premises of my study is primary data .Convenient sample that was representative of the target market was chosen, the respondents were contacted personally and the instrument used for collecting data is questionnaire.

**Statistical Data can be classified into two categories**

1) Primary Sources

2) Secondary Sources

**Primary Data**

Primary data is collected by using the questionnaire method .

**Secondary Data**

The Main sources of Secondary data are combination of information from the internet, research journals and books of the related topic.
ANALYSIS AND INTERPRETATION OF DATA

The analysis and interpretation of data is done using charts and graphs tool of MS-Excel. Hypothesis testing is done using chi square test.

SCOPE OF STUDY

The scope of this study is that it will help the further researchers to gain an insight into the customers minds that what are their perception about public and private sector banks and how it affects the banking sector. And secondly about the employees satisfaction in public sector banks. The study has been done in Shahabad (M). The sample size is 200 for customers and 50 for employees.

SIGNIFICANCE OF STUDY

The study will help to find out reasons which lead to preference of public and private banks by customers. The study will help to find out by which facilities banks attract the customers. The study will also help to find out what is mindset of the customers about banks...when they are given two broad dimensions: Public and Private banks. And Secondly the study will also tell that how the employees feel working in public sector banks.