CHAPTER-III

RESEARCH METHODOLOGY
3.0 METHOD OF RESEARCH

The research study in question is applied in nature and the researcher has extensively used survey and case study methods of research. The three major New Generation Private Sector Banks operating in India have been surveyed and an in depth study of these banks have been made so as to accomplish the set objectives of the project meaningfully. The three New Generation Private Sector banks selected for the purpose of research are ICICI Bank, HDFC Bank and Axis Bank (formerly known as UTI Bank). Besides the three banks, customers of these banks, professionals in the field of finance have also been probed through active interviews and surveys for primary source of the desired data. For the collection of secondary data, published materials and websites of the Reserve Bank Of India, Bulletins, Lead Bank Reports, IBA Bulletins, DCC Figures, and State government manuals and bulletins and published and unpublished documents of Industries Association and the sampled banks.

3.1 OBJECTIVE OF THE RESEARCH STUDY

In a broader perspective the objective of this research study is to examine the role of new generation private sector banks in the socio economic growth and development of the country. The detailed objective of this research study would be to address and seek answers to the following related questions:

1. Why NGPS banks came into being?
2. What are the basic roles that NGPS banks were expected to play and how these banks have been faring in the various areas of the economy?

3. How are NGPS banks different from Public Sector Undertaking banks (more commonly referred to as PSU Banks) and other Private Banks in their operations, profitability, product innovations and service standards?

4. How can these NGPS banks act as change agents in the various sectors of the economy so as to contribute meaningfully to the socio-economic growth and development of the country?

The following hypothesis will be put to test:

"NGPS Banks are not required for the purpose of national growth and development when already there are a number of PSU banks and other Private Sector Banks operating in the financial system of the country"

In order to do a detailed research as above, we would also like to:

- To select a sample of three New Generation Private Sector Banks operating in the country.
- To study the impact of all commercial banks in the various sectors of the economy.
- To find out the role of the New Generation Private Sector Banks in the economy.
- To find out the challenges and the road ahead for the New Generation Private Sector Banks.
- To suggest how New Generation Private Sector Banks can play a more proactive role.
3.2 SOURCES OF DATA

The data for the research study is both primary as well as secondary data and the various sources are as under:

3.2.1. PRIMARY DATA

- Customers of New Generation Private Sector Banks across the country.
- Customers of Public Sector Banks/Foreign Banks/Cooperative Banks across the country.
- Middle and senior level executives of the New Generation Private Sector Banks.
- Middle and senior level executives of Public Sector Banks/Foreign Banks/Cooperative Banks.
- Senior financial consultants and academicians in the field of finance.
- Senior government officials in finance department of Central Government and Central Government undertakings.
- Senior officials of Lead Banks
- Senior Officials of State Level Bankers Committee.
- Senior officials of various multilateral agencies.

3.2.2. SECONDARY DATA

- Publications of Reserve Bank of India.
- SLBC Data
3.3 DATA ANALYSIS

The collected data has been processed, analyzed and interpreted in order to reach the findings of the study. The use of various statistical tools and techniques has been made throughout the research study as per the need.

The collection of primary data has been done through Survey Method and Interviews. In the case of survey method, two different sets of structured questionnaires were administered to the respondents, who were:

1. Senior officials of the bank and other organizations related to the banking industry including academicians and consultants.

The questionnaires were a mix of both open ended as well as close-ended questions with an aim to gather vital qualitative data with least aberrations. The method also involved the administration of the devised questionnaire personally as well by post which resulted in an unbiased feedback. The sample (1050 respondents) represented the entire universe and was derived
from a blend of metros, sub metros, capital cities, mini metros, small urban as well as rural centers including the North Eastern states of India. The sample was drawn from various economic strata of life and thus represented the universe under study and the break up of the sample is as under:

**TABLE 2**

**Number of Respondents showing the sample category**

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Sub Sample category</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Customers of NGPS Banks</td>
<td>750</td>
</tr>
<tr>
<td>2</td>
<td>Professionals/academicians/consultants</td>
<td>250</td>
</tr>
<tr>
<td>3</td>
<td>Banking professionals</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1100</strong></td>
</tr>
</tbody>
</table>

**GRAPH 1-SAMPLE BREAK UP**

Apart from the administration of questionnaires, personal interviews were also conducted involving both telephonic as well as personal conversations, which helped the researcher to find out the expectations of the customers as well as formulatores from the New Generation Private Sector Banks.
The collected data will be plotted in a graph to depict the factors determining the contribution of banks to the socio economic growth and development of the country. Then an attempt will be made to use the statistical tool of Coefficient Of Correlation after assigning a code to all the attributes on which the sample study will be based.

3.4 LIMITATIONS OF THE STUDY

It is an established fact that no research activity can be free from limitations, this research also has its own limitations in the areas of:

1. Accuracy of the available data.
2. Attitude of the respondent, which at times tend to be biased or prejudiced on account of their individual preferences, experience and clarity of thoughts.

3. Data provided by RBI may not be updated till the end of the 2007-08 FY as the latest data has not been published in many of the cases.

4. Various data has been extracted from the individual bank's website and in some cases data has been taken into account which is furnished by independent survey agencies.

3.5 LITERATURE REVIEW

During the course of research, a good amount of literature available in the field has been reviewed to find out the possible gap. A number of works was found to have been done in name of books, articles, research papers, Ph.D. thesis on profitability, performance management and competitive advantage of Public Sector Banks in India. Some research activities have also been undertaken on the competence of public sector banks as compared to New Generation Private Sector Banks. The researcher has not come across any research activity that focuses on the role of New Generation Private Sector Banks towards the socio economic growth of the country could not be found. Although a large number of literature and research activities were found on some sectors of the economy and their impact on the overall growth and development of the country, the analysis was sector specific and no attempts were made to find the role of banks in the growth process. Hence during the
course of research, the researcher tried to classify the different sectors, which affected the overall economy of our country and the role of NGPS banks in the post liberalization era. The research also succeeded in bringing out the opportunities in various sectors, which hitherto did not exist or the latent potential of such sectors were not exploited to the fullest extent and the role of NGPS banks in tapping this potential. Reserve Bank of India has published a lot of data on banks every year periodically on the various parameters of money and finance. Data furnished periodically by all scheduled commercial banks and Reserve Bank Of India publishes Regional Rural Banks including Cooperative banks, but the data has rarely been extrapolated for arriving at the contributions made by any group of banks to the various parameters of the economy. The next step would be to make an in-depth analysis of the sample banks for the purpose of the research activity.