In the present study customer’s and bank employee’s perspective has been taken of both public and private sector banks, to understand the market situation of e-banking in Jaipur. Both primary and secondary data has been used in this research, primary data was collected, coded, tabulated, analysed and interpreted. Quantitative tools like standard deviation and measurement of central tendency have been applied to make the market picture of e-banking more clear of the selected public and private sector banks. Further, one-way ANOVA and Chi-square test have been applied for testing different hypotheses made during the study. An effort has been made to suggest Indian banks that how can they be benefitted by providing good e-banking products and services to their customer with effective promotional activities. The public and the private sector banks have been chosen for this study on the basis of their market share and their pattern of promoting e-banking facility.

The inferences and the conclusions have been drawn from the analysis of e-banking marketing effectiveness, customer orientation & financial advantage to the banks with it.

5.1 Key Findings

The key findings of the researcher during the study on e-banking between public and private sector banks, both customer’s and bank employee’s perspective has been mentioned below:

1. Comparison of E-Banking Adoption Frequency by Customers on Bankers’ Persuasion or by Own Initiative between Public and Private Sector Banks

On comparing the e-banking adoption frequency by customers on persuasion of bankers or on their own between public and private sector banks, it has been found that there is not enough of awareness among the customers regarding the use of e-banking services and the guidance and persuasion by bankers help promote the use of such services amongst the customers. More private sector banks are working towards it compared to that of public sector bankers.
2. Age-wise Preference of E-banking Services

Different age groups of customers availing e-banking services, in the banker’s perspective, middle age users (26 to 50 years of age) make the greatest use, followed by the young age users (up to 26 years of age). Also it is found that women customers use such services relatively less frequently.

3. Occupation-wise Preference of E-banking Services

In the bankers’ view regarding preference in the use of e-banking services on the basis of occupation, this study revealed that professionals are at the top and then it is the business class who makes the greatest use. And in the end it is the service class and students.

4. Impact of E-banking on Overall Performance of Banks

It has been analysed that the majority of the bankers believed that e-banking services have brought about some improvement in the overall performance of banks, in both public and private sector banks.

5. E-banking Marketing Effectiveness

- Promotion of e-banking products is not effective in public sector banks compared to that of the private sector banks.

- In the private sector banks the TAT is short and well defined compared to that of public sector banks, this results into customer’s convenience and therefore increase in private sector bank’s market share.

- Private sector banks are also gaining the market share due to numerous tie-ups with builders and automobile agencies. They also offer commissions to individual agents who sell the product, apart from the builder/agency, a practice SBI is yet to formalize.

- It has been observed that the customers of both public and private sector banks have changed their bank(s) in the past; in public sector the main reason was the inconvenience customer has faced during banking, followed by the poor quality of service, poor security and heavy cost; and in private sector the main
reason was the cost, followed by the poor security, inconvenience and poor quality of service in the end. Also, in future also if they change then this would be the reason for the same.

- There was a lack of awareness about e-banking facilities among the customers of both public and private sector banks, it has been identified through survey that many public sector bank customers were not informed well about the e-banking products their bank is offering. Also public sector banks do not arrange or give any training to their customers in order to help them in availing this facility. Whereas, private sector bank customers were very much aware about e-banking facilities under the guidance of their bankers.

- For the marketing of e-banking facilities the most common are message alerts, followed by banks agents, public awareness campaigns and print media respectively.

- The most widely used e-banking facility of the public and private sector banks has been ATM, followed by tele-banking, mobile-banking and PC banking respectively.

- Employees of both public and private sector banks were asked to rate their bank as Traditional, Modern, Progressive or Dynamic. It has been found that majority of the public sector bank employees find it “Progressive” and majority of the private sector bank employees find it “Dynamic”.

6. Customer Orientation

- The Indian active online audience is growing at the rate of approximately 30% annually. In addition, there has been a consistent rise in the number of visitors on banking websites in the recent past. However, a remarkable fact revealed by the research reports has been that the online banking category has grown more rapidly than the growth of the active internet users in India.

- According to Bank Statistics monthly report released by RBI in the FY 2009-10, HDFC Bank stands at number one position when it comes to number of E-transactions taking place in India, while SBI is ahead in terms of value of
transactions. Customers opined that HDFC bank’s e-banking experience is pleasant, especially while carrying out e-transactions.

- Private sector banks safeguard customer’s interest more as compared to the public sector banks. As per the statistics of 2010, it has been found that the average time spent on internet by an e-banking user of HDFC Bank is highest, followed by SBI. HDFC Bank also sees the highest incidence of repeat visits by a user in a month (7 visits) and also sees the maximum average time spent by a user followed by the State Bank of India (5 visits).

- In the mobile screen lending, HDFC Bank is the most popular bank with 9.1 million subscribers, followed by SBI with 6.13 million subscribers.

- E-Banking services are better of private sector banks compared to public sector banks.

- As per customers’ feedback on the charges charged by the banks, it has been found that additional fees, hidden charges, processing fees and transactional fees are higher in private sector banks as compared to public sector banks. However, private sector banks have a higher growth rate than the public sector banks because of the quality of service rendered by private sector people.

### 7. Comparison of E-Banking with Traditional Banking

- The start-up cost of an e-bank is high, establishing a trusted brand is also very costly as it requires significant advertising expenditure in addition to the purchase of expensive technology (as security and privacy are very important to gain customer approval).

- In terms of cost saving, it has been found that almost half of the public sector bank customers were dissatisfied and on the other hand almost half of the private sector bank customers were satisfied. Interestingly, some public and private sector bank customers had the opinion that e-banking is excellent in comparison to traditional banking in terms of cost saving.
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- In terms of efficiency, it has been found that almost half of the public sector bank customers and more than half of the private sector bank customers were satisfied.

- In terms of time saving, it was found that majority of the public and private sector bank customers were satisfied.

- In terms of secrecy it has been found that majority of the public sector bank customers find it good and feel secured on doing any electronic transaction, on the other hand very few private sector bank customers feel secured.

- In terms of quality of service, it has been found that more than half of the public sector bank customers were dissatisfied and many private sector bank customers found it excellent. Private sector banks are serving their customers very nicely, with all attention to their (customers’) needs or wants, whereas, on the other hand, customers are facing lot of issues in dealing with public sector bank employees.

- In terms of complaint resolution it has been found that it is faster / better of private sector banks over public sector banks; customer complaints are not handled on priority or on time and neither customers are satisfied after complaint resolution in public sector banks and its opposite is in private sector banks.

- The most significant contribution of e-banking for customers of both the sectors out of time saving, efficient, convenient and secure is convenience. Convenience is followed by time and then it is efficiency and security in the end.

8. Future of Banking is E-Banking

All the customers and employees of both public and private sector banks were of the view that in future e-banking would play a more dominant role viz-a-viz traditional banking.
9. Trend is towards Mobile-banking now from the PC banking

Customer’s interest in using mobile-banking service is keen compared to PC banking and is substantially greater among young customers of 26 to 35 age group. But, from the banker’s view the most user-friendly mode of banking is PC-banking and not mobile-banking.

5.2 Conclusion

Present research is based on empirical data collected through the customers’ and bank employees’ survey regarding the market situation of e-banking products and services provided by public and private sector banks in Jaipur. It is an effort to examine the relationship between the demographics and customers’ satisfaction in e-banking, relationship between the bank’s customer service quality and customers’ satisfaction, promotional measures banks are adopting or they should adopt in order to make it more effective, as well as comparison of the quality of e-banking service between public and private sector banks.

There is greater incidence of e-banking usage among the middle age men (26 to 50 years of age); and women customers use such services much less frequently. Occupation-wise, the professionals, followed by business class, make more use of e-banking services.

In order to make e-banking more popular, banks must separate their customers based on demographic priority (i.e., age, gender, occupation etc.) and customise e-banking services as per their needs and requirements. It is seen that banks are heavily dependent on message alerts to promote their e-banking products and services; it is felt that they should supplement this with other modes like print media, hoardings, e-mail, etc. to stimulate e-banking usage and create greater awareness. There is a need for the bankers to guide and train their customers; additionally they can also resort to video presentations at bank branches. There should be seminars/workshops/talks on the healthy usage of e-banking, especially for those who are ATM or computer illiterates. Given the increased competition and pressures to cut expenses, banks need to attract and retain their customers by creating, maintaining and highlighting attractive features of e-banking.
Results also show that there is a significant difference between the customers’ perception about e-banking products and services provided by the public and private sector banks, they are dissatisfied by the services offered by public sector banks in terms of quality and by private sector banks in terms of cost. Therefore, public sector banks need to gear up and improve in terms of latest technology adoption and offering variety of e-banking products with high quality of customer service, as per the expectations of their customers. And private sector banks need to bring down their cost and inform their customer in advance at the time of offering the product(s) or service(s).

E-Banking is the future of banking, going online for banking has become a trend among the customers and also it helps in improving the relationship between bankers and customers. Customers are inclined towards mobile banking now in particular from PC banking. As the popularity of e-banking is increasing and banks are adopting the latest technology, they are prone towards cyber crimes and greater is the potential for reputational risks also, therefore, there is a need to have sound security controls and strong cyber laws in India.

5.3 Recommendations

Recommendations for the e-banks basis key findings for the betterment of public and private sector banks and their respective customers in Jaipur has been mentioned below:

1. Security Control Practices

E-banking data and systems should be classified according to their sensitivity and importance and protected accordingly. Appropriate mechanisms, such as encryption, access control and data recovery plans should be used to protect all sensitive and high-risk e-banking systems, servers, databases and applications.

2. Practices for Managing Outsourced E-Banking Systems and Services

Banks should adopt appropriate processes for evaluating decisions to outsource e-banking systems or services. Bank management should clearly identify the strategic
purposes, benefits and costs associated with entering into outsourcing arrangements for e-banking with third parties.

Banks should conduct appropriate risk analysis and due diligence prior to selecting an e-banking service provider and at appropriate intervals thereafter.

3. Sound Practices to Help Maintain the Privacy of Customer E-Banking Information

Banks should take appropriate steps to inform e-banking customers about the confidentiality and privacy of their information. These steps may include:

- Informing customers of the bank’s privacy policy, possibly on the bank’s website. Clear & concise language in such statements is essential to assure that the customer fully understands the privacy policy.
- Instructing customers on the need to protect their passwords, personal identification numbers (PINs) and other banking and/or personal data.
- Providing customers with information regarding the general security of their personal computer, including the benefits of using virus protection software, physical access controls and personal firewalls for static Internet connections.

4. Proper Training to the Customers about E-Banking

Banks should give proper training to their customers about e-banking facilities, for their customers’ better understanding, especially the public sector bank employees. Also because it has been found that the customers are more influenced by the banker and less by the print media.

5. TAT for E-Banking Products and Services should be short and well defined

Public sector banks should have a short and well defined TAT, same as it is in private sector banks for customers’ convenience. Public sector banks should work towards reducing their TAT and then customers should also be well informed about the same by the bank.
6. Effective Promotional Strategies for the E-Banking Products and Services

Public sector banks should have more effective promotional strategies for the e-banking products and services, same as private sector banks are doing, in order to create more awareness among the customers, which may result into an increase in bank’s market share or business. Accordingly then the customers should also be informed about the same.

7. Better Customer Service

A bank should pay due attention to the customer and treat him like a king only, customer’s convenience, high quality of service, secured e-banking features should be the key of success, especially for the public sector banks. Even the customer complaint resolution process should be faster of a public sector bank.

8. No Hidden/Additional Charges Deduction

A bank should not deduct any hidden or additional charges from the customer, that too without informing him/her, especially for the private sector banks.

9. Bank’s Policies and Procedures should be Transparent and detailed

Bank’s policies and procedures should be transparent and any updation or revision in the same should also be then informed to the customer.

10. User-friendly Modes of Banking

Apart from the promotion of e-banking, modes of e-banking should also be made more user-friendly, mobile-banking is new and most user-unfriendly mode, there is a need for the banks to work on the same on priority.

11. RBI to Facilitate E-Commerce and E-Transactions in India

Necessary requirements to create an environment to boost online transactions in India are that RBI should mandate all the banks to improve their Credit / Debit Card penetration. Many Scheduled and Co-operative banks do not issue Credit Cards or Debit Cards or ATM Cards, they also are not offering internet banking services, RBI
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should work in this regard as well. For this RBI also needs to improve its internet and broadband connectivity.

The payment gateway infrastructure in our country needs to be improved, by which it means even the payment gateways need to have mandates on accepting all credit cards, debit cards and internet banking facility of all banks currently offering them. For this RBI should possibly ensure facilitation and make a roadmap for the creation of an Indian Electronic Payment Network (owned and managed by Indian Government). It is not confirmed if it would be named “India Card”, but RBI has plans to set up its own payment processing system. For this there are certain challenges also like to have a complex system for fraud detections, authorizations, authentications, refunds and many others developed by VISA and Mastercard over years. Most importantly acceptance of India Card in all countries and on all payment gateways globally, for which India Card would also require affiliation with VISA and Mastercard.

5.4 Scope for the Future Research

The present study has made an attempt to judge the impact of e-banking of selected public and private sector banks, to assess the comparative service quality of e-banking between them and to analyze the impact of e-banking on customers. There still remains a viable prospect for future research.

- The service quality of Indian banking sector has been assessed in Jaipur only. So service quality could be studied for other cities of Rajasthan or other states.

- The present research focused only on comparative performance of public and private sector banks in e-banking. Future research can be done to analyze the performance of foreign banks also as they are the early adopters of e-banking.

- The present study has assessed the performance of the banks on the basis of customer’s and bank employee’s perspective related to the marketing of e-banking and customer satisfaction level. However, to study the operational performance, that is, return on asset, return on equity, etc. can also be the area for research under this aspect.
• The study has been focused only on the performance and service quality aspect of e-banking. The impact of e-banking on profitability and financial aspect of the same on them has been ignored which can give a good platform for future research.