

A Comparative Study of Public and Private Sector Banks (PNB and ICICI BANK)

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Abstract: *The paper present the comparative study between the public sector bank and private sector banks. In the current scenario, almost every bank in India has the E- banking facility. Value added services are over or some additional features added to core services offered by banks by using technology. This study is basis on Questionnaire; the data is collected from Karnal city with the help of judgment sampling method. Under the present study a sample of 20 bank employees, 10 from PNB and 10 from ICICI BANK were selected. Also, 50 respondents (25 male & 25female) were drawn from ICICI BANK and another 50 respondents (25 male & 25 female) were drawn from PNBs. This paper concluded that the ATM is most popular mode avail E-Banking facility for customers and PNB bank customers using more ATM services then ICICI Bank customer as we compared. Also by comparing the Impact of value added services on aspects like saving of time it was found that maximum customers saved their time whereas bankers responded quite disappointedly looking at Bank-wise replies ICICI Bank employees saved more time than PNB employees.*

Keywords- Banking, Value Added Services, Banks, Saving Of Time

I. INTRODUCTION

The fast evolving global information infrastructure including information technology and computer networks such as the Internet and telecommunications systems enable the development of electronic commerce at a global level. The closely universal connectivity which the Internet offers has made it an invaluable business tool. These developments have created a new type of economy, which many call the 'digital economy'. This fast developing economy is bringing with it rapidly changing technologies due to that there is increase in knowledge as well as also give new forms of business and service delivery channels such as E-banking. E-bank is the electronic bank that provides the financial service for the individual client by means of Internet. The customer is interested in benefit from the bank and its products. That's why it becomes necessary for a bank to differentiate its products from the others. Some of the ways of introducing differentiation are by specialization and increasing the added value. Banks can differentiate themselves by adding new products to

their range of services. This will provide the bank with better yields per contact. VALUE ADDED SERVICES are over and above or some additional features added to core services offered by banks by using technology. The customers are being offered a large number of choices and many value added services. All these are being done to gain a large market share and to get a strong hold in the fast growing fiercely competitive market space.

Value Added Services Adopted By Banks

Automated Teller Machine (ATM), Tele-Banking, On-line Banking, Credit Card, Debit Card, Electronic Purse, Call Centers, Electronic Fund Transfer (EFT), Bill Collection, Tax Collection etc.

II. OBJECTIVE OF STUDY

- To find out that out of these ATM, Mobile Banking, PC Banking and Tele Banking which mode is most popular mode to avail E-Banking facility?
- To find out is the impact of VAS on customers and banker is it time saver.

III. RESEARCH METHODOLOGY

This study is basis on Questionnaire; the data is collected from Karnal city with the help of judgment sampling method. The study is classification is done prior to tabulation on the basis of PNB and ICICI employees and customers. In the present study simple tools like percentage, simple average and weighted average. Under the present study a sample of 20 bank employees, 10 from PNB and 10 from ICICI BANK were selected. Also, we have selected 50 male and 50 female respondents from these banks only. Further, the distribution of the sample was done according to banks. 50 respondents (25 male & 25female) were drawn from ICICI BANK and another 50 respondents (25 male & 25 female) were drawn from PNBs.

IV. DATA ANALYSIS AND INTERPRETATION

Table 1: Most Popular Mode to avail E-Banking Facility:

Banking Facility	PNB(No.)/(percent)	ICICI BANK(No.)/(percent)
ATM	58%	70%
Mobile Banking	18%	12%
PC Banking	16%	8%
Tele Banking	8%	10%

E-banking provides huge benefits to consumers in terms of ease and cost of transactions, either through Internet, telephone or other electronic delivery. Electronic finance (E-finance) has become one of the most significant technological changes in the financial industry. E-finance as the provision of financial services and markets using electronic communication and computation. In practice, e-finance includes e-payment, e-trading, and e-banking. With the help of this Table 1. by comparing PNB and ICICI Bank we find that the ICICI Bank customers are using more E-Banking services than PNB customers. It is also found that as compared to ICICI bank, PNB bank's Tele Banking facility is less popular as in ICICI Bank it is 10% while in PNB it is only 8%. But on the other hand the ATM is most popular mode to avail E-Banking 70% in ICICI

Bank while in PNB it is 58%. It shows that PNB customers are less aware and more risk averse. So, the bank should adopt new things to aware the customers about E-Banking. Then they feel safe and does not afraid to use E-Banking services.

- Measure the Impact of VAS the range of time saved by the Customers by using VAS

The use of VAS has major impact on the time saved by the customers. Here the impact means that to what extent customers' time is saved by adopting these services than transacting in the traditional ways. Today, several services are available by which customers can do banking even from their home, thus a significant amount of time can be saved.

Table 2: the range of Time Saved by the customers by using VAS

Timesaving(percent)	PNB			ICICI BANK			TOTAL		
	Males(No)/(percent)	Females(No)/(percent)	Total(No)/(percent)	Males(No)/(percent)	Females(No)/(percent)	Total(No)/(percent)	Males(No)/(percent)	Females(No)/(percent)	Grand Total(No)/(percent)
0-25 percent	7(28)	8(32)	15(30)	9(36)	9(36)	18(36)	16(32)	17(34)	33(33)
26-50 percent	11(44)	10(40)	21(42)	11(44)	1(44)	22(44)	22(44)	21(42)	43(43)
51-75 percent	5(20)	6(24)	11(22)	2(8)	4(16)	6(12)	7(14)	10(20)	17(17)
76-100 percent	2(8)	1(4)	3(6)	3(12)	1(4)	4(8)	5(20)	2(4)	7(7)
Total	25(100)	25(100)	50(100)	25(100)	25(100)	50(100)	50(100)	50(100)	100(100)

Note: The Figures in Parenthesis shows percentage to total in the relevant category

The above table shows the percentage of time saved by the customers by using VAS. This study analysis that in different ranges i.e. 0-25per cent, 26-50per cent, 51-75per

cent, 75-100per cent. These cover both extremes i.e. no time saved (0per cent) and 100per cent time saved.

It is observed that 33per cent of total (30per cent of PNB & 36per cent of ICICI Bank) customers are saving of time between 0per cent and 25per cent. Majority of customers (43per cent) responded that they saved up to 26-50per cent

time, whereas 24per cent of total respondents (17per cent of PNB & 7 per cent of ICICI Bank) feel that they saved above 50per cent of their time by using VAS. From the above table it can be determined that the maximum customers (76per cent) saved their time from 0-50per cent range.

- Banker’s Response about the saving in their time by providing Value added Services

Table 3. Bankers’ response about the saving in their time by providing VAS

Timesaving(per cent)	PNB (No)/(per cent)	ICICI BANK (No)/(per cent)	TOTAL (No)/(per cent)
0-25 per cent	8(80)	5(50)	13(65)
26-50 per cent	1(10)	3(30)	4(20)
51-75 per cent	-	2(20)	2(10)
76-100 per cent	1(10)	-	1(5)
Total	10(100)	10(100)	20(100)

Note: The Figures in Parenthesis shows percentage to total in the relevant category

The bankers have responded quite disappointedly regarding saving their time by providing VAS. The major of respondents i.e. 65per cent (80per cent of PNB & 50per cent of ICICI Bank) are save their 0-25per cent of time, 20per cent of total (10per cent of PNB & 30per cent of ICICI Bank) saved 26-50per cent of their time, and 10per cent of total (20per cent of ICICI Bank) felt time saving between 51per cent and 75per cent. And the remaining (5per cent of ICICI Bank)and (10per cent of PNB) determined the maximum 76-100per cent time saving from providing the VAS. Looking at bank-wise replies, ICICI Bank employees saved more time than their PNB counterparts, perhaps because they’re a more young lot and they are more conversant with the knowledge of computers etc. than the employees of PNB, also the ICICI Bank employees had lesser problems in handling the VAS than that of PNB.

From the above two tables, it’s discovered that majority of both bankers (85per cent) and customers (76per cent) found their time saved from 0-50per cent. And the remaining of respective respondents saved more than 51per cent of their time because of VAS. This is not very encouraging, though may be because of low awareness and usage level among the customers. In this regard, it’s suggested that bankers must initiate some innovative measures to increase the use of internet, Tele-banking, ATMs etc. and also popularize them properly, for the www.ijspr.com

minimization of the time taken in a transaction. A well aware customer can save a substantial degree of time by using VAS.

V. CONCLUSION

This paper concluded that the ATM is most popular mode avail E-Banking facility for customers and PNB customers using more ATM services then ICICI Bank customer as we compared. Also by comparing the Impact of value added services on aspects like saving of time it was found that maximum customers saved their time whereas bankers responded quite disappointedly looking at Bank-wise replies ICICI Bank employees saved more time than PNB employees. Value added services saves substantial time of bank employees. For this Banks must be encouraged to know about E-Banking and use value added services like call centers for their routine enquiries; by which employees can save time and concentrate on other major issues. Effective steps must be taken not only to attract new customers but to retain existing customers also, by giving proper attention and their maximum satisfaction will bring more new customers. Also, it is important to note here that the cost of retaining existing customers is comparatively less than the cost of attracting new customers.

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