

Banking Services Through Alternative Channels Provided By Public and Private Sector Banks



Commerce

KEYWORDS :

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ABSTRACT

The evolution of Alternative Delivery Channels has changed the dynamics of the branch network. The traditional branch services which included, Cheque/Cash deposits, Teller Services, etc., have now shifted to other channels i.e. Alternative Delivery Channels which have now become independent of branch to provide unique services including, Cheque/ Cash withdrawal, Foreign Exchange Services, Funds Transfers, Bill Payments and now even mobile top-ups. This exponential expansion of services has now made the customers more inclined towards Alternative Delivery Channels. This study examines the alternative banking channels provided by public and private sector banks, available to customers and know the level of preference towards this channel.

Introduction

Competition and computerization have changed the Indian banking scenario. Manual ledgers are replaced by desk top computing and electronic statements of accounts are replacing saving bank passbooks. Introduction Technology in the banks is presently catching up with a high level of development around the world. The gap between the Indian banks and their counter parts in the technologically advanced countries are gradually narrowing of own. The world has witnessed an information and technological revolution of late. This revolution has touched every aspect of public life including banking.

Induction of technology in a big way has made the Indian banks robust and stronger. It has benefited the customers in more ways than one. Customers no longer need to go to their brick and mortar branches and stand in long queues for banking services. They can do their banking transactions from the comfort of their home or office. With the help of information technology and communication technology, banks in India have introduced many new products and services using modern delivery channels such as ATM, internet banking, mobile banking, cash deposit machine and kiosk banking. This study examines the alternative banking channels provided by public and private sector banks, available to customers and know the level of preference towards this channels.

Review of Literature

Singh(2014), this paper analyzed the bankers viewpoint towards the factors responsible for risks of authorized system access in e-banking in India, its potential impacts and the risk management measures taken by selected public, private and foreign banks. The study is conducted to achieve the objectives of the study is to identify the factors leading to risk of unauthorized system access in e-banking and to measures for overcoming the risk.

Tejaswini et al(2015), the research is to identify the factors determining further adoption of e-banking services amongst existing customers in India. The objective of the study are the review of behaviour of the respondents in relation to e-banking services and review of major factors determining further adoption of e-banking services.

Objective

To examine the demographics of the customers and their level of preference towards alternative services rendered by the public and private sector banks.

Methodology

The study was based on primary and secondary data. The required information was collected by administering an interview schedule to the selected respondents and through journals, articles, etc. The data collected relate to the period March 2016. The location of the study was confined to Coimbatore city on the grounds of easy accessibility to data and time constraints. The sample size of the study was 100. Data collected were tabulated and analyzed using percentage method and chi-square test.

Findings and Interpretation of the study:

GENDER AND PREFERENCE

The gender of the respondents based on the type of bank split as public and private sectors. The results based on the hypothesis of chi-square test is presented in the table below

Table 1: Gender and Level of preference towards Alternative Channels

Type of Bank	Gender	Level of Preference			Total	Result
		High	Medium	Low		
Public Sector	Male	10	16	4	30	$X^2 = 1.541$ $GF = 2$ $TV = 5.991$
		62.5%	57.14%	66.67%	60%	
	Female	6	12	2	20	
37.5%		42.86%	33.33%	40%		
Total		16	28	6	50	
		100%	100%	100%	100%	
Private Sector	Male	15	10	5	30	$X^2 = 0.110$ $GF = 2$ $TV = 5.991$
		57.69%	62.5%	62.5%	60%	
	Female	11	6	3	20	
42.31%		37.5%	37.5%	40%		
Total		26	16	8	50	
		100%	100%	100%	100%	

Source: Primary Data

Inference

The hypothesis of the result shows that the chi-square value(1.541) is than the table value(5.991) at 5% level of significance. Therefore, the relationship between “ gender of the respondents and level of preference towards the alternative channels among customers of public sector banks are not significantly associated and does not hold good. Hence, the null hypothesis is accepted.

It is understood that the chi-square value (0.11) is less than the table value(5.991) of 5% level of significance. Therefore, the rela-

tionship between “gender of the respondents and level of preference towards the alternative channels among customers of private sector banks” are not significantly associated and does not hold good. Hence, the null hypothesis is accepted.

MARITAL STATUS AND PREFERENCE

The marital status of the respondents based on the type of bank split as public and private sectors. The results based on the hypothesis of chi-square test is presented in the table below

Table 2: Marital Status and Level of preference towards Alternative Channels

Type of Bank	Gender	Level of Preference			Total	Result	
		High	Medium	Low			
Public Sector	Married	21	8	6	35	X ² = 0.157 GF = 2 TV = 5.991	
		70%	66.7%	75%	70%		
	Unmarried	9	4	2	15		
		30%	33.3%	25%	30%		
Total		30	12	8	50		
		100%	100%	100%	100%		
Private Sector	Married	14	9	5	28		X ² = 0.184 GF = 2 TV = 5.991
		53.85%	56.25%	62.5%	56%		
	Unmarried	12	7	3	22		
		46.15%	43.75%	37.5%	44%		
Total		26	16	8	50		
		100%	100%	100%	100%		

Source: Primary Data

Inference

The hypothesis of the result shows that the chi-square value(0.157) is than the table value(5.991) at 5% level of significance. Therefore, the relationship between “marital status of the respondents and level of preference towards the alternative channels among customers of public sector banks are not significantly associated and does not hold good. Hence, the null hypothesis is accepted.

It is understood that the chi-square value (0.184) is less than the table value(5.991) of 5% level of significance. Therefore, the relationship between “marital status of the respondents and level of preference towards the alternative channels among customers of private sector banks” are not significantly associated and does not hold good. Hence, the null hypothesis is accepted.

TYPE OF FAMILY AND PREFERENCE

The respondents type of family based on the type of bank split as public and private sectors. The results based on the hypothesis of chi-square test is presented in the table below

Table 3: Type of family and Level of preference towards Alternative Channels

Type of Bank	Gender	Level of Preference			Total	Result	
		High	Medium	Low			
Public Sector	Nuclear	13	8	5	26	X ² = 0.336 GF = 2 TV = 5.991	
		52%	57.14%	45.45%	52%		
	Joint	12	6	6	24		
		48%	42.86%	54.55%	48%		
Total		25	14	11	50		
		100%	100%	100%	100%		
Private Sector	Nuclear	15	9	8	32		X ² = 0.505 GF = 2 TV = 5.991
		62.5%	60%	72.73%	64%		
	Joint	9	6	3	18		
		37.5%	40%	27.27%	36%		
Total		24	15	11	50		
		100%	100%	100%	100%		

Source: Primary Data

Inference

The hypothesis of the result shows that the chi-square value(0.336) is than the table value(5.991) at 5% level of significance. Therefore, the relationship between “type of family of the respondents and level of preference towards the alternative channels among customers of public sector banks are not significantly associated and does not hold good. Hence, the null hypothesis is accepted.

It is understood that the chi-square value (0.505) is less than the table value(5.991) of 5% level of significance. Therefore, the relationship between “type of family of the respondents and level of preference towards the alternative channels among customers of private sector banks” are not significantly associated and does not hold good. Hence, the null hypothesis is accepted.

Conclusion

Indian Banks have leveraged technology and introduced innovative banking products and services to attract and retain customers. Several variants of traditional products have been introduced to cater to different strata of customers. While ATMs have become popular among the customers for cash withdrawals, other services like mobile banking and internet banking are sub-optimally used. Customer footprints in bank branches continue to be fairly high especially in public and private sector banks. It is evident that merely rolling out products and services are not sufficient. Customers have to be educated on how to use them in a safe and secure manner. From this study, it is concluded that the customers have high preference towards alternative delivery channels.

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