

DIGITAL BANKING DYNAMICS: UNVEILING PATTERNS, PREFERENCES, AND TRENDS

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ABSTRACT

This research paper presents an in-depth analysis of banking preferences, usage patterns, and emerging trends among respondents in the context of digital banking services. The study uncovers the prevalent dominance of e-banking, showcasing its popularity among users for services like ATM, debit cards, internet banking, and mobile banking. Moreover, it highlights the gradual shift from traditional branch banking towards digital channels, primarily driven by factors of convenience, accessibility, and efficiency. However, a notable gap emerges in the underutilization of e-banking for tax-related services and investments, signaling a need for further exploration and enhancement in these areas. The findings underscore the evolving landscape of banking preferences, emphasizing the growing reliance on e-banking services while advocating for continued innovation to bridge the existing gaps and cater to diverse user needs.

KEYWORDS: Banking Preferences, Usage Patterns, and Trends, e-Banking, Digital Banking.

Introduction

Digital banking stands as the transformative force reshaping the financial landscape, offering an innovative tapestry of services that transcend the limitations of traditional banking models. In an era fueled by technological advancements and an ever-expanding digital sphere, the concept of banking has undergone a remarkable metamorphosis. Digital banking epitomizes this evolution, redefining the ways individuals and businesses interact with financial institutions and manage their monetary affairs.

At its core, digital banking encapsulates a diverse array of financial services, delivered through electronic channels and online platforms. From fundamental transactions such as deposits, withdrawals, and fund transfers to more intricate financial activities like loan applications, investment management, and even advisory services, digital banking extends a comprehensive suite of offerings accessible at one's fingertips.

The genesis of digital banking traces back to the convergence of technological innovation and consumer demand for greater convenience, efficiency, and accessibility in managing financial matters. The proliferation of smart-phones, coupled with robust internet connectivity, has spurred a seismic shift in banking habits, empowering users to conduct transactions, monitor accounts, and access financial services anytime, anywhere.

This paradigm shift in banking has redefined customer expectations, compelling financial institutions to adapt and innovate. As banks increasingly embrace digitization, the landscape has witnessed a surge in innovative products and services, including mobile banking apps, contactless

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payments, robo-advisors, and block-chain-based solutions, fostering a more streamlined and personalized banking experience.

Yet, this evolution is not without its challenges. Security concerns, the digital divide, and ensuring equitable access to financial services remain pivotal considerations as the world marches further into the digital era of banking.

In this context, understanding the intricacies, impact, and evolving facets of digital banking becomes imperative. This exploration not only unveils the remarkable journey from traditional brick-and-mortar banking to the digital frontier but also underscores the unprecedented opportunities and challenges that lie ahead in this ever-evolving domain of finance.

Review of Literature

Research on digital banking dynamics reveals a range of factors influencing consumer behavior and the industry's evolution. Barbesino (2005) and Chang (2005) both highlight the importance of understanding customer preferences and the competitive landscape. Königsheim (2017) further emphasizes the role of financial knowledge and risk tolerance in digital banking adoption. Shkodina (2019) underscores the impact of digital technology on the global banking market, including the potential for increased competition and systemic risks. These studies collectively suggest that a nuanced understanding of consumer behavior, market dynamics, and technological advancements is crucial for the successful evolution of digital banking.

Research Gap

While the study sheds light on the prevalent dominance of e-banking services and the reasons driving their adoption, there remains a significant research gap in understanding the limited utilization of e-banking for investments. This gap presents an opportunity to explore strategies for enhancing these less-utilized aspects within the digital banking sphere.

Statement of the Problem

The study aims to address the disparity between the widespread adoption of mainstream e-banking services and the comparatively low usage of digital platforms for certain transactions. Understanding this gap is crucial in developing future strategies to bolster and promote these services within the digital banking landscape.

Objectives

- To examine the usage patterns of various e-banking services (ATM, Debit Card, Internet Banking, and Mobile Banking) among customers of public and private sector banks to understand the prevalence and familiarity of these services within different banking sectors.
- To analyze the frequency of branch visits among customers of public and private banks to ascertain the extent of e-banking services offered by each sector and how it affects user behavior regarding in-person banking interactions.
- To compare the trends in the adoption of e-banking services between public sector banks and prominent private banks to understand the differential preferences and usage patterns among customers.

Sources of Data

Data is collected from both the primary source and secondary sources.

- **Primary Data:** Primary data is mainly collected with the help of a questionnaire from respondents
- **Secondary data:** Based on review of various studies, the secondary data is collected from the published and unpublished records, web sites, manuals, booklets, journals, magazines, etc.

Sample

The convenience sampling method was applied to select the respondents. Empirical analysis covering 637 sample respondents from the Public (347) and Private (290) sector banks. The data for this analysis has been collected through Part A of the questionnaire, which contains questions on usage habits. Therefore, it was decided to use these 637 responses as the sample size of this study, and further analysis was carried out using these responses only.

Descriptive Analysis

Name of the Bank the Respondents are using:

In the survey, the respondents were asked to mention the bank that they are using for their banking needs in the questionnaire. The purpose of the inclusion of this question was to understand the distribution of the banks which got included in the survey. The sector-wise lists of different banks used by the respondents are represented in Table 1.

Table 1: Respondents' Banks

Public Sector Banks			Private Sector Banks		
Sl.No.	Name	Count	Sl.No.	Name	Count
1	Bank of Baroda	13	1	Axis Bank	36
2	Bank of India	13	2	HDFC Bank	122
3	Bank of Maharashtra	10	3	HSBC Bank	04
4	Canara Bank	22	4	ICICI Bank	48
5	Central Bank of India	03	5	IDBI Bank	04
6	Indian Post Payments Bank	04	6	Karur Vysya Bank	30
7	Indian Bank	15	7	Kotak Mahindra Bank	14
8	Punjab & Sind Bank	04	8	Maharashtra Bank	04
9	Punjab National Bank	57	9	Paytm Payments Bank	06
10	State Bank of India	182	10	Standard Chartered Bank	06
11	UCO Bank	02	11	Yes Bank	16
12	Union Bank of India	22		-	-
Sector-wise Total Respondents		347			290
Total Respondents		637			

Source: Compiled from the collected data through Survey.

- **Type of Account**

Another item included in the questionnaire is to find out the type of bank account that they are using in the bank. This was necessary to understand the profile of the respondents. It is expected that people in employment are likely to use Savings Bank Accounts, whereas people from the business use Current Accounts. The respondents were classified based on their Bank Account type into four categories, viz., Current Account, Savings Account, NRI Account, and Others, and the same is presented in Table 2.

Table 2: Type of Account of the Respondents with the Bank

Type of Account		Type of Bank		Total
		Public Sector	Private Sector	
Current A/c	Count	28	28	56
	%within the Type of Bank	8.1	9.7	8.8
Savings A/c	Count	319	246	565
	%within the Type of Bank	91.9	84.8	88.8
NRI Account	Count	0	04	04
	%within the Type of Bank	0.0	1.4	0.6
Others	Count	0	12	12
	%within the Type of Bank	0.0	4.1	1.8
Total	Count	347	290	637
	%within the Type of Bank	100	100	100

Source: Compiled from the collected data through Survey.

It is clear from the foregoing analysis that a high percentage of respondents (around 88.8%) are using Saving Bank Accounts followed by 8.8% of respondents holding a Current Account. A similar trend can be observed in both the Public and Private Sector Banks. As large as 91.9% of the respondents using the PSU Bank services have Savings Accounts and 84.8% of respondents using private Bank services have Savings Bank Accounts. It is also found from the data that less than 10% of the respondents have Current Accounts, and a very negligible number of respondents (only 4 respondents) have NRI Accounts. Therefore, it can be said that the vast majority of respondents from both public and private sector banks hold Savings Bank Accounts. This proves the popular belief that salaried people use mostly Savings Bank Accounts. Figure 1 depicts the type of accounts of the Respondents.

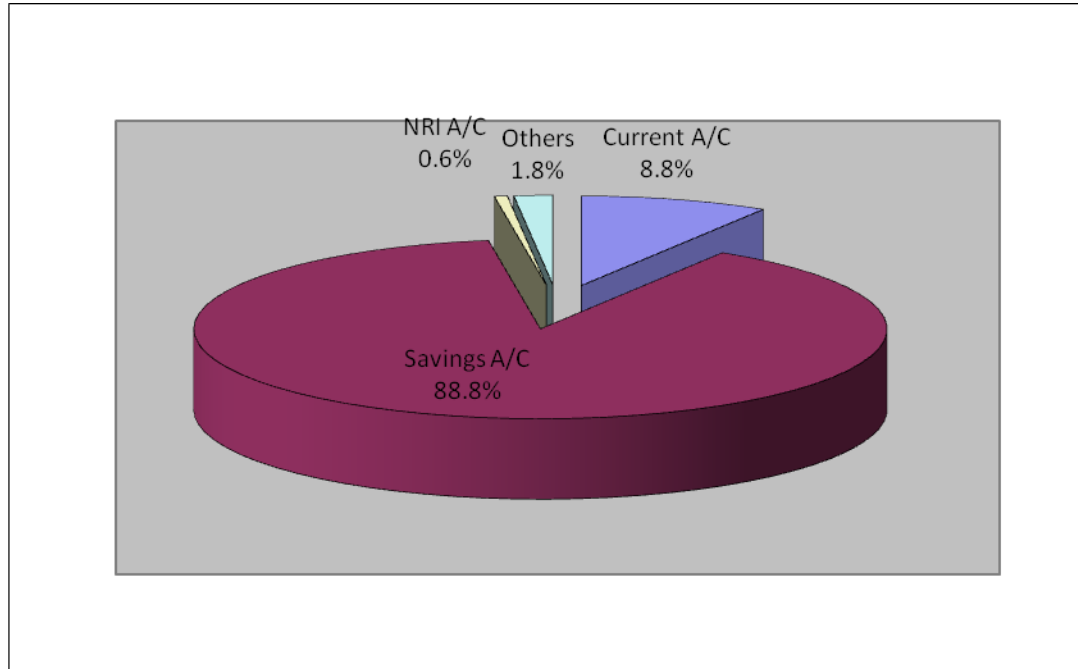


Figure 1: Type of Accounts held by the Respondents

Frequency of Visits

The frequency of visits to the bank explains a person's activeness about the usage of the e-banking services of the bank. The more a person uses the e-banking services the less his/her needs to visit the Bank branch. If a person gets fulfilled all her/his banking needs through online mode, she/he need not have to visit the Bank frequently. An item on this was included in the questionnaire to know the frequency of the respondents' visits to Bank branches. For this purpose, the respondents were categorized based on their Bank branch visit into six groups, viz., Every day, once a Week, Once a Month, Quarterly, Half-yearly, and Annually, as presented in Table 3.

Table 3: Frequency of Visit to the Bank Branch

Frequency of Bank Visits		Type of Bank		Total
		Public Sector	Private Sector	
Everyday	Count	04	20	24
	%within the Type of Bank	01.2	06.9	03.8
OnceaWeek	Count	21	16	37
	%within the Type of Bank	06.1	05.5	05.8
Once aMonth	Count	92	58	150
	%within the Type of Bank	26.4	20.0	23.5
Quarterly	Count	77	52	129
	%within the Type of Bank	22.2	17.9	20.3
HalfYearly	Count	59	38	97
	%within the Type of Bank	17.0	13.1	15.2
Annually	Count	94	106	200
	%within the Type of Bank	27.1	36.6	31.4
Total	Count	347	290	637
	%within the Type of Bank	100	100	100

Source: Compiled from the collected data through Survey.

Table 3 depicts the data on the usage frequency of visits of the respondents to the bank. It can be seen from the data that the number of respondents who visit the Bank branch annually is 31.4 percent, which is the highest. This is followed by 23.5% of respondents who visit the Bank branch once a month

and followed by 20.3% of respondents who visit quarterly. Further, it is also observed that both in Public Sector Banks and Private sector banks, the highest percentage of respondents who visit the Bank Branch annually are 27.1% and 36.6% respectively. Interestingly it can be seen from the data in table-3 that the respondents who visit the Branch once a month were 26.5% and 20% in Public and Private sector Banks respectively, which is the second highest percentage. This is followed closely by 22.2% of respondents from PSU Banks who visit the Bank Branch quarterly, and this was 17.9% in the case of Private Banks.

On observing the data, it can be seen that 92.7% of PSU Bank users and 87.6% of Private Bank users visit the Bank Branch at a frequency of once a month or more. Therefore, it can be concluded that the majority of respondents who use e-banking services visit the branches rarely. Figure 2 shows how frequently the respondents visit the bank branch.

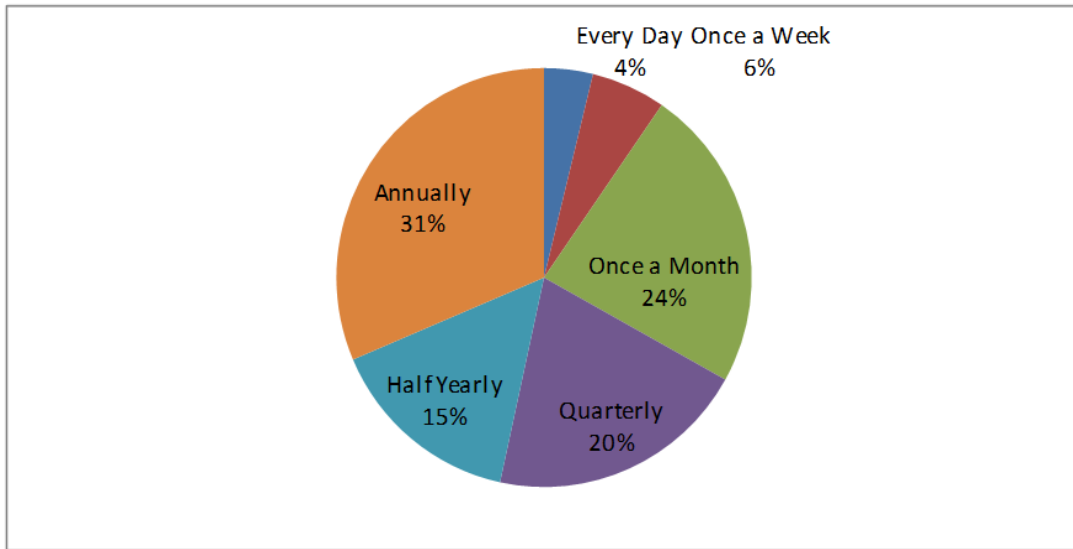


Figure 2: Frequency of Bank Branch Visits of the Respondents

Figure 2 presents the frequency of branch visits of the respondents which are arranged in 6 different colours along with the irrespective percentages.

Services Availed from the Bank

During the survey, a question was posed to the respondents to know the type(s) of service(s) that are used by the bank. Five options were given to them and allowed to opt for more than one option. This was done because in general practice customers do use more than one service from the same banks. For example, one may have a savings account, and deposits, and also can take a loan from the same bank. As the respondents have chosen more than one option the total count of responses will be more than the number of respondents. Table 4 presents the data on availing of type of services from the bank by respondents.

Table 4: Services Availed from the Bank

Services Availed	Public Sector Banks		Private Sector Banks		Total	
	Count	Percent	Count	Percent	Count	Percent
Loans	147	20	120	19	267	19
Deposits	258	35	190	29	448	32
Cards	153	20	166	25	319	23
Investments	94	13	106	16	200	14
Others	91	12	72	11	163	12
Total	743	100	654	100	1397	100

Source: Compiled from the collected data through Survey.

It can be seen from Table 4 that the total number of respondents opted for is 1397, which is more than double the number of respondents. Of these, 32 percent of respondents indicated that they are using the bank for deposit purposes. This is followed by the card services provided by the bank (23%). Further, it is also observed that the highest responses (35%) are from the users of PSU banks indicating that they use the Deposit service, and from private bank users it is 29%.

From the foregoing analysis, it can be concluded that more respondents are using private banks for availing card services(25%) than 20 percent from the PSU Banks. This may be because the private sector banks are more aggressive in marketing their Card business.

Figure 3 describes the trends in the different types of services availed by the Bank to the respondents.

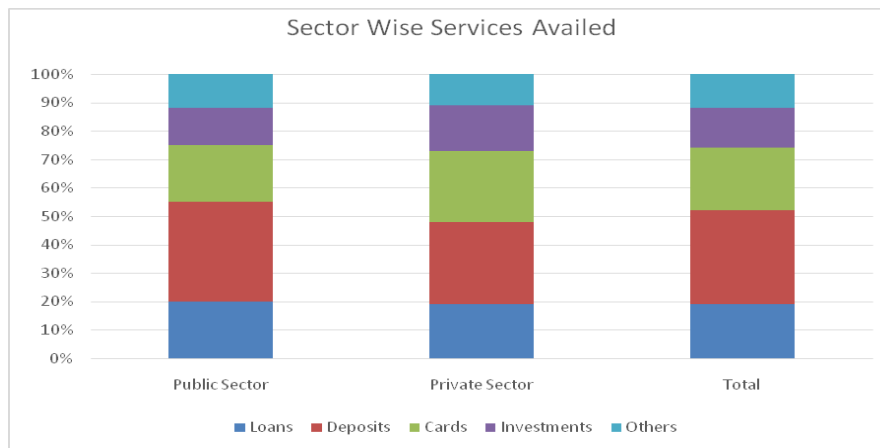


Figure 3: Services availed from the Bank by the Respondents

Figure 3 shows the sector-wise distribution of services availed by the respondents from the sample banks.

Use of E-banking Services

To know the present trend in the usage of e-banking services, an attempt has been made in the study to question the respondents as to what types of e-services are being used. In the previous question, an attempt was made to study the general bank services, where as this question is to understand the kind of e-service that is being used by the respondents. In the questionnaire, different e-services were listed, and the respondents were asked to choose the services they have been using from their banks. The respondents were allowed to choose more than one of the services listed, as they may be using more than one service. The e-banking services listed for opting are ATM, Debit Card, Internet banking, Credit Card, Mobile banking, Electronic Fund Transfer, E-wallets/e-payments, Investments, and other services. The distribution of the responses by the respondents is presented in Table 5.

Table 5: Usage of Type of E-banking Service

Type of Services used	Public Sector Banks		Private Sector Banks		Total	
	Count	%	Count	%	Count	%
ATM	283	20	230	19	513	19
Debit Card	260	18	210	16	470	18
Internet Banking	251	18	196	16	447	17
Credit Card	90	07	120	10	210	08
Mobile Banking	227	16	182	15	409	15
Electronic Fund Transfer	128	09	118	10	246	09
E-Wallet/ E-Payments	116	08	84	07	200	08
Investments	48	03	78	06	126	05
Others	20	01	16	01	36	01
Total	1423	100	1234	100	2657	100

Source: Compiled from the collected data through Survey.

As the respondents have been asked to choose more than one option, the total number of responses from the users of Public Sector banks is 1423, and from the Private banks 1234 making and thus a total of 2657 responses. It is seen from the data in Table 5 that the highest percentage of responses (19%) indicated that the respondents are using ATM services, closely followed by 18 percent of responses for Debit Card and 17 percent of responses for Internet banking. The bank-wise shows that 20 percent of respondents from Public Sector Bank as compared to 19 percent of Private Banks are using ATM services. Similarly, the users of Debit card services are 18 percent in Public Sector banks and 16 percent in Private sector banks.

On careful analysis of Table 5, it can be observed that ATM, Debit Card, Internet Banking, and Mobile Banking services are used more in number, ranging between 15 percent and 20 percent, by both the public and private sector bank respondents, compared to remaining e-services listed in the option. In other words, it can be seen that nearly 70 percent of the respondents are for using these e-banking services and therefore it can be concluded that these are very familiar services to the public.

Figure 4 presents the trends in the usage of e-banking services by the respondents as they have indicated in the survey.

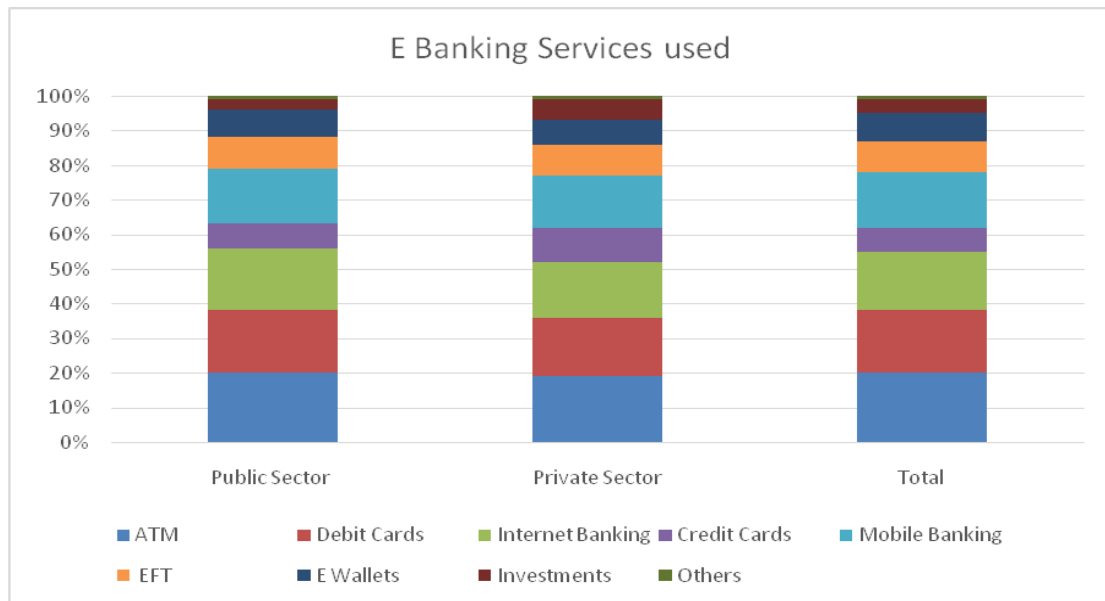


Figure 4: Usage trend of E-banking Services.

In Figure 4, it can be seen that the X-axis consists of the sector-wise distribution of E- banking services used by the respondents, while the Y-axis presents their respective percentages.

Frequency of e-banking Products Utilisation

A question was arranged in the questionnaire to understand the frequency of the utilisation of e-banking products by the respondents. This was required to identify the prominent services used by the respondents. In the questionnaire, different e-banking products were listed, and the respondents were asked to indicate their answers on a 5-point Likert scale. The results are represented in Table 6.

Table 6: Frequency of Usage of Different E-banking Services

Product	Type of Bank	Never		Very Rarely		Rarely		Frequently		Very Frequently		Total	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
ATM/ Debit Card	Public Bank	07	02.0	30	08.7	68	19.6	201	57.9	41	11.8	347	100
	Private Bank	04	01.4	40	13.8	58	20.0	154	53.1	34	11.7	290	100
	Total	11	01.7	70	10.9	126	19.8	355	55.8	75	11.8	637	100
Credit Card	Public Bank	192	55.3	23	06.6	53	15.3	63	18.2	16	04.6	347	100
	Private Bank	104	35.9	40	13.8	44	15.2	80	27.5	22	07.6	290	100
	Total	296	46.4	63	10.0	97	15.2	143	22.4	38	06.0	637	100
Internet Banking	Public Bank	37	10.6	36	10.4	60	17.3	154	44.4	60	17.3	347	100
	Private Bank	30	10.3	24	08.3	52	18.0	146	50.3	38	13.1	290	100
	Total	67	10.5	60	09.4	112	17.6	300	47.1	98	15.4	637	100

Mobile banking	Public Bank	45	13.0	16	04.6	43	12.4	152	43.8	91	26.2	347	100
	Private Bank	32	11.0	38	13.1	32	11.0	108	37.3	80	27.6	290	100
	Total	77	12.1	54	8.5	75	11.8	260	40.8	171	26.8	637	100
Electronic fund Transfer	Public Bank	49	14.1	39	11.2	70	20.2	142	41.0	47	13.5	347	100
	Private Bank	58	20.0	16	05.5	52	17.9	106	36.6	58	20.0	290	100
	Total	107	16.8	55	8.6	122	19.2	248	38.9	105	16.5	637	100
E-Wallet \E- Payments	Public Bank	86	24.8	27	07.8	48	13.8	111	32.0	75	21.6	347	100
	Private Bank	66	22.8	36	12.4	48	16.5	98	33.8	42	14.5	290	100
	Total	152	23.9	63	09.9	96	15.0	209	32.8	117	18.4	637	100
Investments	Public Bank	127	36.6	55	15.9	107	30.8	48	13.8	10	02.9	347	100
	Private Bank	102	35.2	38	13.1	80	27.6	50	17.2	20	06.9	290	100
	Total	229	35.9	93	14.6	187	29.4	98	15.4	30	4.7	637	100

Source: Compiled from the collected data through Survey.

It can be seen from the data in Table 6 that more than 87 percent of the respondents expressed that they have been using ATM/Debit cards sometimes (rarely), frequently, and very frequently. The percentage of respondents who never used the ATM/Debit Card is insignificant (less than 2 percent). This shows the popularity of ATMs/Debit Cards by the common man. In the case of Credit Card usage, an interesting trend is observed in the study. The data in Table 14 shows that 55.3 percent of the respondents belonging to Public Sector Banks never use credit cards, whereas it is 35.9 percent in the case of private sector bank respondents. It can also be seen that 27.5 percent of respondents from private sector banks use credit cards frequently. These two trends indicate that respondents of Public Sector Bank are less favorable in the use of credit cards, whereas respondents of Private Sector Banks are interested in the frequent use of credit cards.

As far as Internet Banking is concerned more than 62 percent of the respondents use it frequently or very frequently. About 10% of respondents have expressed that they never use Internet banking. Almost similar trend is observed with regard to the use of mobile banking services. Further, it is observed that more than 75 percent of the respondents are using the Electronic Fund Transfer facility from these banks rarely, frequently, or very frequently. The sector-wise distribution of the respondents shows that 14 percent of Public Sector Bank respondents and 20 percent of respondents of Private Sector Banks respectively never used the Electronic Fund transfer facility. The trend about E-wallet/e-payments is that 65 percent are using this service rarely, frequently, or very frequently.

Regarding the Banking service for investments, many respondents informed that they never used this service. The sector-wise data shows that 36.6 percent of the public sector bank respondents, and 35.2 percent of the private sector bank respondents never use this service. The information about the frequency of different e-banking products used by the respondents as indicated in the study is shown in Figure 5.

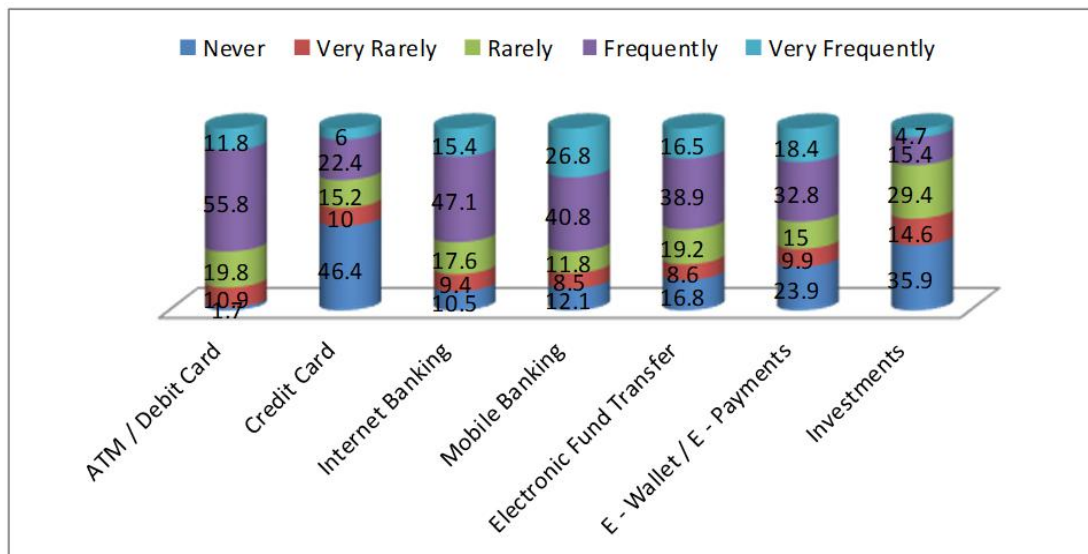


Figure 5: Frequency of different E-banking Products used by the Respondents

Figure 5 presents the details on the frequency of the usage of different e-banking services during the period of study. On the X axis, different e-banking services are depicted and on the Y axis, the percentage of the frequency of their use is shown.

Reasons for Opting E-banking

The reasons for opting for the e-banking services were included in the questionnaire during the period of study. The respondents were given seven options, viz., Better Information, Simple to Transact, Quick Transactions, 24x7 services, Limited Time Availability, High Security, and No need to visit the branch. The respondents were asked to choose more than one option, as it is likely that they may be using multiple services. The distribution of responses is given in Table 7.

Table 7: Reasons for Opting for E-banking Services

Reasons for Opting E-banking	Public Sector Banks		Private Sector Banks		Total	
	Count	%	Count	%	Count	%
Better Information	128	10	86	8	214	09
Simple to Transact	221	17	200	19	421	18
Quick Transaction	266	20	210	20	476	20
24x7 Services	277	21	226	22	503	21
Limited Time Availability	80	06	64	6	144	06
High Security	117	09	90	9	207	09
No need to visit to Branch	231	17	160	16	391	17
Total	1320	100	1036	100	2356	100

Source: Compiled from the collected data through Survey.

As per Table 7, it can be seen that the highest percent of total respondents (21 %) chose ‘24x7 Services’ as the reason or one of the reasons for selecting e-banking services. This is closely followed by ‘Quick Transactions’ with 20% of responses and followed by 18% of responses choosing ‘Simple to Transact’ as a reason. A similar trend is seen in the case of both the Public and Private Sector Banks separately. From the survey, it can be seen that the prominent reasons for choosing the e-banking services as indicated by the respondents are 24x7 Services, Quick Transactions, Simple to Transaction, and No need to visit Branches.

Figure 6 depicts the reasons, as indicated by the respondents, for opting the specific E-banking Services are presented.

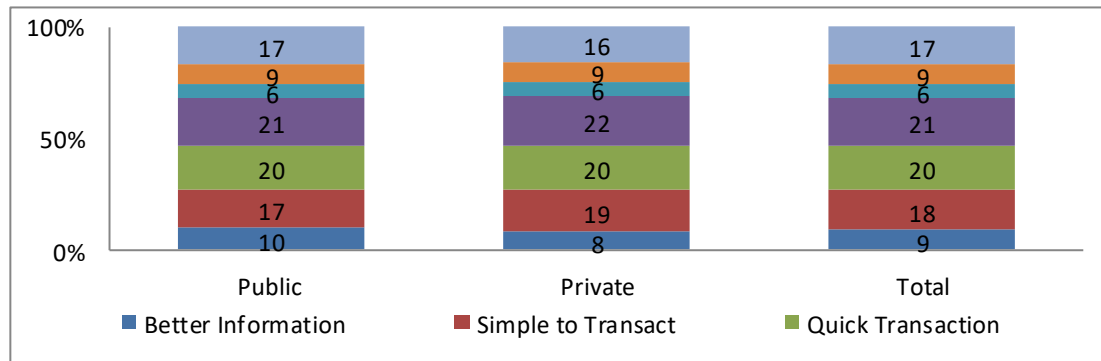


Figure 6: Reasons for opting for E-banking Services by the Respondents

In Figure 6, it can be seen that the X-axis consists of different sectors of the study and their total in different bars, whereas the reasons for opting for e-banking services by the respondents and the irrespective percentages are presented on the Y-axis.

Purpose for which E-Banking

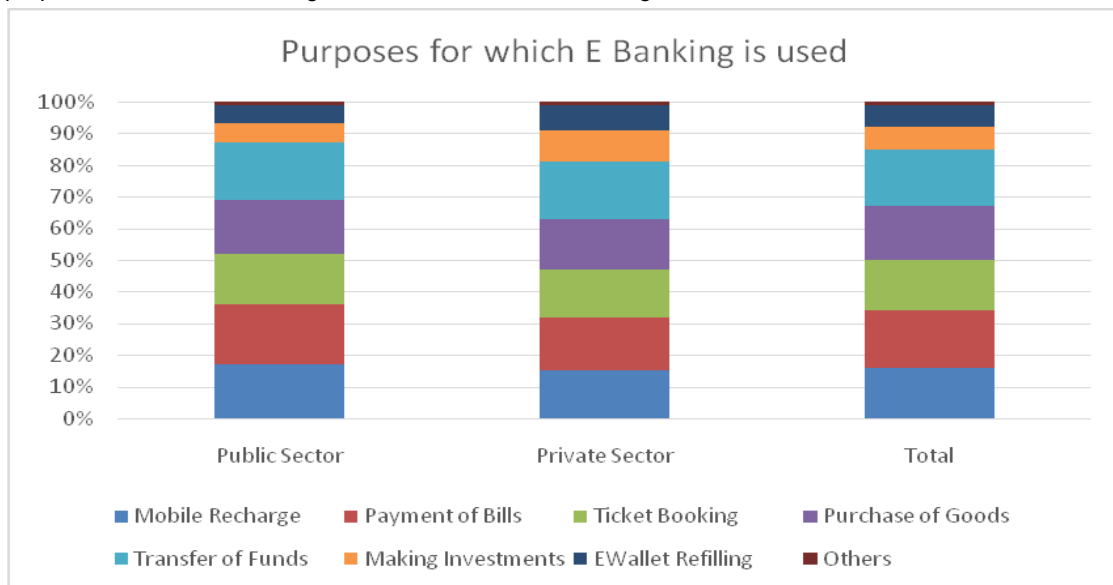
The survey of the respondents also included a question on the purposes for which e-banking services are used. This reveals the e-banking trends of the respondents. Nine different categories such as Mobile Recharge, Payment of Bills, Ticket Booking, Purchase of Goods and services, Transfer of Funds, filing of tax returns, Making Investments, E-wallet refilling, and Others are included as options. All these respondents were given the option of choosing more than one category. The detailed distribution of the data is given in Table 8.

Table 8: Purposes for which E-Banking is used

Purpose of E-Banking Used	Public Sector Banks		Private Sector Banks		Total	
	Count	%	Count	%	Count	%
Mobile Recharge	192	17	124	15	316	16
Payment of bills	213	19	140	17	353	18
Ticket booking	190	16	122	15	312	16
Purchase of Goods/Services	192	17	134	16	326	17
Transfer of Funds	206	18	150	18	356	18
Filing of tax returns	-	-	-	-	-	-
Making Investment	71	06	84	10	155	07
E-Wallet re-filling	74	06	66	08	140	07
Others	09	01	12	01	21	01
Total	1147	100	832	100	1979	100

Source: Compiled from the collected data through Survey.

From Table 8 it can be seen that a total of 1979 options were given by the respondents. Out of these responses, 1147 were from respondents of Public Sector Bank, and the remaining 832 were from respondents of the Private Banks. It can be observed from Table 8 that about the same percentage, 15% to 20%, of responses were received from respondents for purposes like; Mobile recharge, Payment of bills, Ticket booking, Purchase of Goods and Services, and Transfer of Funds. The trends are mostly similar in the case of both Public and Private Sector Banks. None of the respondents have opted to file tax returns. This may be because there are very few respondents who are from the Business category. If businessmen were present in the population, they would have used the tax filing service for payment of Goods and Services Tax (GST) or for depositing Tax Deducted at Source (TDS). Figure 7 describes the purposes for which e-banking services are used in a bar diagram.

**Figure 7: Purposes for which E-banking is used**

In Figure 7, it can be seen that the X-axis represents the different sectors and the Y-axis consists of the sector-wise distribution of purposes for which E-banking is used in percentages.

Purposes and their Frequency of Use

A question was included in the questionnaire to understand the purposes and the respective frequency of the utilization of e-banking services by the respondents. This was required to identify the prominent services used by the respondents. Different e-banking services were listed and the respondents were asked to indicate their answers on 5-point Likert scale. The results are presented in Table 9.

Table 9: Purpose-wise Usage Frequency of E-Banking Services

Service	Type of Bank	Never		Very Rarely		Rarely		Frequently		Very Frequently		Total	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Mobile Recharge	Public Bank	21	06.1	19	05.5	40	11.5	189	54.5	78	22.5	347	100
	Private Bank	30	10.4	10	03.4	42	14.5	152	52.4	56	19.3	290	100
	Total	51	08	29	05	82	12	341	54	134	21	637	100
Payment of Bills	Public Bank	15	04.3	21	06.1	45	13.0	192	55.3	74	21.3	347	100
	Private Bank	20	07	32	11.0	32	11.0	148	51.0	58	20.0	290	100
	Total	35	06	53	8.3	77	12.0	340	53	132	20.7	637	100
Purchase of goods/services	Public Bank	16	04.6	11	03.2	58	16.7	169	48.7	93	26.8	347	100
	Private Bank	20	07	16	06	42	14	148	51.0	64	22.0	290	100
	Total	36	05.7	27	4.2	100	15.7	317	49.8	157	24.6	637	100
Ticket Booking	Public Bank	39	11.2	25	07.2	95	27.4	148	42.7	40	11.5	347	100
	Private Bank	24	08.3	36	12.4	58	20.0	140	48.3	32	11.0	290	100
	Total	63	9.9	61	9.6	153	24	288	45.2	72	11.3	637	100
Transfer of fund	Public Bank	25	07.2	28	08.1	73	21.0	167	48.1	54	15.6	347	100
	Private Bank	26	09.0	12	04.1	36	12.4	150	51.7	66	22.8	290	100
	Total	51	08	40	06.3	109	17.1	317	49.8	120	18.8	637	100
Filing of Tax returns	Public Bank	138	39.8	42	12.1	89	25.6	70	20.2	08	02.3	347	100
	Private Bank	100	34.5	60	20.7	46	15.9	72	24.8	12	04.1	290	100
	Total	238	37.4	102	16.0	135	21.2	142	22.3	20	3.1	637	100
E-Wallet refilling	Public Bank	132	38.0	33	09.5	82	23.6	72	20.8	28	08.1	347	100
	Private Bank	110	37.9	38	13.1	60	20.7	60	20.7	22	07.6	290	100
	Total	242	38.0	71	11.1	142	22.3	132	20.7	50	07.9	637	100
Investments	Public Bank	140	40.4	59	17.0	92	26.5	43	12.4	13	03.7	347	100
	Private Bank	86	29.7	64	22.0	64	22.0	54	18.7	22	07.6	290	100
	Total	226	35.5	123	19.3	156	24.5	97	15.2	35	5.5	637	100

Source: Compiled from the collected data through Survey

Table 9 presents the sector-wise and service-wise responses of the sample respondents during the period of study. The respondents were expected to mark their responses for each of the services on a 5-point scale to indicate the frequency of their use of that particular service. From the data presented in Table 9, it is observed that more than 54 percent of the respondents are using e-banking services 'Frequently' for mobile recharge, followed by 21 percent in the 'very frequent' category of usage. Further, the same trend is observed both in Public and Private Sector Banks. A similar trend can be seen in 'Payment of Bills' with 53 percent of the respondents using e-banking services for payment of bills 'frequently'. The number of respondents who are frequently or very frequently using e-banking for payment of bills is nearly 75 percent. There is not much difference in this usage between Public and Private Sector Banks. On the other hand, a similar trend is visible concerning the purchase of goods/services.

It can also be seen from the data that the usage of e-banking services for Ticket Booking 'frequently' is 42.7 percent in the public sector and 48.3 percent in the private sector customers. Further, more than 20 percent of the respondents indicated that they are using e-banking services for ticket booking 'rarely'. Of the respondents who are using e-banking services for ticket booking in the category of rarely or frequently are more than 70 percent. Besides, 60-70 percent of respondents are using e-banking services frequently and very frequently for funds transfer. From the foregoing discussion, it is observed that respondents are also using e-banking services for filing tax returns, e-wallet refilling, or investments not very frequently. Figure 9 shows the purposes and corresponding frequency of use of e-banking services in the study.

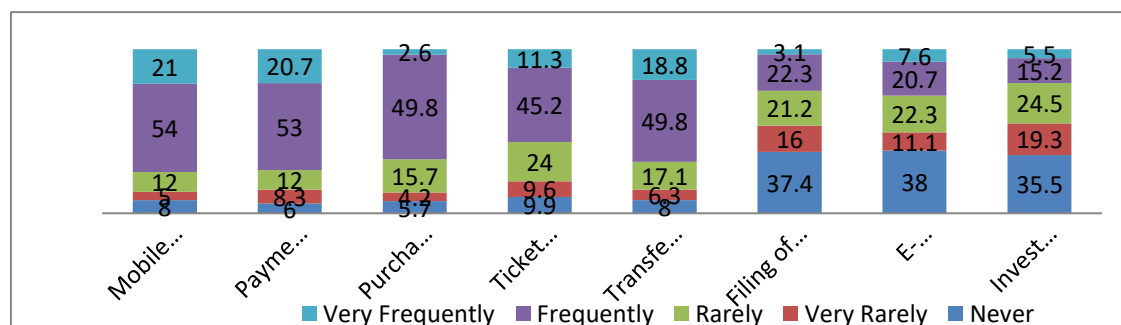


Figure 8: Purpose-wise Frequency of Use of E-Banking Services

As can be seen from Figure 8 the respective frequency and the purposes of use of e-banking services are presented.

Findings

It is observed from the analysis that more and more people have started using banking services during the last 2 decades compared to the earlier times. This may be because of the efforts of the government towards financial inclusion. Among the public sector banks, more than 50% of users are banking with the State Bank of India (SBI) because it is the largest Bank with large network of branches with wider accessibility. Similarly, in the private banks, the HDFC bank is being used by more respondents, followed by the users of ICICI bank. This is again in tune with the general perception, as HDFC Bank and ICICI Bank are bigger banks in the private sector.

It is also found from the data that less than 10 percent of the respondents have Current Accounts, and a very negligible number of respondents have NRI Accounts. Therefore, it can be said that the vast majority of respondents from both public and private sector banks hold Savings Bank Accounts. This proves the popular belief that salaried people use mostly Savings Bank Accounts.

It can be seen that about 90 percent of PSU bank users and a smaller number of private bank users visit the branch at a frequency of once a month. Therefore, it can be concluded that private banks are providing more e-banking services. It can be concluded that one-fourth of the respondents are using private banks for availing of card services than one-fifth of the public banks. This may be because the private sector banks are more aggressive in marketing their Card business.

It can also be observed from the study that ATM, Debit Card, Internet Banking, and Mobile Banking services are used more, ranging between 15 and 20 percent, by both the public and private sector bank respondents, compared to the remaining e-services listed in the questionnaire as options. In other words, it can be seen that nearly 70 percent of the respondents are using these e-banking services and therefore it can be concluded that these are very familiar and popular services among the users of e-banking services of the Bank.

As far as Internet Banking is concerned nearly 60 percent of the respondents use it frequently, and about 10% of respondents have never used Internet banking. An almost similar trend has been observed with regard to the use of mobile banking services. The trends are mostly similar in the case of both public and private sector banks. None of the respondents opted for the option 'file tax returns'. This may be because there are very few respondents who are from the business category.

Suggestions

- Given the increased usage of banking services attributed to government efforts for financial inclusion, further investment and efforts in these initiatives can help broaden the scope and accessibility of banking services to more remote or underserved areas.
- Public Sector Banks need to encourage the use of digital services by the customers and need to make efforts to satisfy them by providing customer specific and seamless digital services.
- Public sector banks have extensive reach of branches across the country including rural areas whereas private sector banks have their branch reach upto urban and at the most in semi-urban areas. Therefore, public sector banks should leverage this reach with the provision of digital banking services and expand their digital banking business.
- Private sector banks like HDFC and ICICI Banks have their customer base mostly in urban areas. In spite of their best marketing efforts, the customer base of these banks remains limited to the urban areas. Given huge IT infrastructure of these banks, they need to expand to semi-urban and rural areas to fully utilise their IT potential.
- Private sector banks should continue to leverage their strengths in technology and customer service to further innovate and improve e-banking services for requirement of individual customers.
- Since the study reveals that more Savings Accounts are used by the respondents, there is a need to encourage and incentivise them to use more and more e-banking services.
- Since the study highlighted the proactive marketing strategies of private sector banks in their card services, there is a need to encourage the increased use of card service among the PSU bank users through targeted promotional campaigns.

- Given the high usage rates of ATM, Debit Card, Internet Banking, and Mobile Banking by both the public and private bank respondents, banks need to continue investing in the improvement and accessibility of these services, focusing on convenience, security, and user-friendliness.
- These suggestions aim to capitalize on the findings, emphasizing the importance of technology, accessibility, and tailored services to cater to the diverse preferences of banking customers.

Conclusions

The analysis of bank customers' beliefs and satisfaction regarding the usage of e-banking services provided deeper insights with regard to the effect of demographics. Factors like age, income, education, and occupation significantly influence e-banking behavior. Saving Bank a/c holders are more significantly using the banking services. Further users e-banking services do not visit the branch frequently. ATMs, Debit/Credit cards, internet and mobile banking services are more used with regard to e-banking services provided by the banks. Further respondents chose 24x7 service, simple to transact and quick to transact as the reasons for their using the e-banking services of banks.

Despite the differences in certain demographics, the trends in e-banking usage between public and private sector banks remain notably similar across parameters and variables, suggesting a consistent pattern of adoption and usage in both sectors.

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