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CHAPTER – I

RESEARCH METHODOLOGY

1.1 Introduction

According to Clifford woody, "Research comprises defining and redefining problems formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deductions and reading conclusions, and at preceding cautiously testing the conclusion to decide whether they fit the formulating hypothesis." 1

The current chapter describes the research design, sampling design, target population, data collection procedures, analysis management and the ethical considerations in the study.

1.2. The Title of the Study

The main objective is to compare users' preference towards Internet Banking and Mobile banking with respect to public and private sector bank.

Why these services are not preferred by majority Rajkot people though services are available at cheaper rate as compared to conventional transaction services.

For this study title of the research is:

“A Comparative Study of Customer Friendly Services of Indian Private and Public Sector Banks” (With Special Reference To E-Banking and M-Banking)

1.3. Relevance of the Study

The results of this study would be valuable to different parts of the population.

Firstly, small business owners can use the study to educate themselves on the many avenues and platforms that E-Banking affords them.

Secondly, the findings of this study can be used by Mobile and Internet operators to improve or expand their services in a way geared to economic empowerment.

The present investigation is an attempt to study Online Banking Services and make a comparative assessment of the Online Banking Services provided by public and private sector banks. This type of study would be supportive to the Bankers, Economic Planners, Policy Makers, Society and Government in preparing the future programs etc. for the development of banking system. As banks are the vital pillar of our economy the worth of such study is widely appreciated.

1.4. Scope of the Study

Scope of the Study is limited to Private and Public Sector Bank. The selected bank under Private Sector is HDFC and into Public Sector is SBI.

While Foreign Banks have been excluded from the study as the policies and regulations of foreign banks are different from other Indian Banks.

1.5. Objectives of the Study

The following objectives represent the whole of our research work:-

- To study the importance of the OBS in this competitive business environment;

- To study the awareness about the OBS among the existing customers;
- To identify the customer's preference towards Online-Banking;
- To study the customer's frequency to avail Online Banking Services in a month;
- To study the level of satisfaction among the customer by using OBS;
- Comparative study of qualities of OBS provided by the public and private sector banks;
- To study the safety and privacy issues of OBS;
- To study the time saving & convenient aspects of OBS;
- To study the need of technological advancement in OBS;
- To suggest suitable suggestions in the light of findings of this investigation for improvement of OBS provided by public and private sector banks.

1.6. Research Methodology

It is a systematic investigation into existing & new knowledge. It is helpful to create or validate facts, solve problems, support theorems or develop new theories.

It consist 3 steps-

- i. **Pose a question,**
- ii. **Collect data to answer the question,**
- iii. **Present an answer to the question.**

1.6.1. Hypothesis

Hypothesis is a predictive statement that relates independent variable to a dependent variable and this is open to testing. This hypothesis is then proved or disproved by using the information from the sample. The hypotheses formulated for testing are as follows:-

H1: “Type of preferred bank is independent of Gender”.

H2: “Type of preferred bank is independent of Age”.

H3: “Type of preferred bank is independent of Educational Qualification.”

H4: “Type of preferred bank is independent of Occupation.”

H5: “Type of preferred bank is independent of Income Group.”

H6: “Reason for using I – Banking is Uniformly distributed..”

H7: “Reason for using M – Banking is Uniformly distributed.”

H8: “Preference towards factors chosen for Personal Banking is Uniformly distributed.”

H9: “Preference towards factors chosen for Internet Banking is Uniformly distributed.”

H10: “There is no significant difference in the level of satisfaction of users of private and public sectors bank”.

1.6.2. Universe of the Study

The universe of the study consists of all the Customers including Users and Non Users of Online Banking Services. As the study is to be carried out by the individual researcher, it is not feasible to approach all the customers, so the researcher has adopted convenient sampling method.

1.6.3. Nature of the Study

This research is a combination of both exploratory and descriptive research designs.

Exploratory Research- It has conducted with the purpose of gaining better insight into a problem.

Descriptive Research- There is no control over any of the variables; he can only report what has happened & what is happening. It takes account of survey & fact finding enquiry of diverse kinds.

1.6.4. Research Design

In addition Kothari (2004) observed that research design is making research as efficient as possible hence yielding maximum information with minimal expenditure of effort, time and money. Again it's a blue print that facilitates smooth functioning of all research operations.

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Descriptive Research- The researcher has no control over the variables; he can only report what has happened & what is happening. This design refers to a set of methods and procedures that describe variables. It contains review & fact verdict enquiry of different kinds. Descriptive studies portray the variables by answering who, what, and how questions (Babbie, 2002).

1.6.5. Sampling Design

A sample is a sub-set or part of the target population; sampling is a process of selecting subjects or cases to be included in the study of the representative of the target population (Mugenda and Mugenda, 1999).

For this study, two types of questionnaire have been constructed -

Online Banking Users: - The sample size is restricted to 300 respondents. Out of them 135 customers of SBI and 165 customers of HDFC Bank are randomly selected.

Online Banking Non - Users: - The sample size is restricted to 50 respondents.

This enabled the researcher to get the mixed perceptions of the two groups in the usage of various electronic channels.

For the selection of the sample, Convenient Sampling method has been adopted and an attempt has been made to include all the age groups and gender within the various classes.

1.6.6. Data Collection

For achieving the objective of this study and to conduct the investigation, data has been collected from both primary and secondary sources:-

Primary Data:

Creswell (1994) noted that, data collection methods for primary data include: structured and semi-structure questionnaires, mailed questionnaires, structured and semi-structured interviews (personal and telephone interviews), observation and focus group discussions. Questionnaires are the most commonly used methods when respondents can be reached and are willing to co-operate. These methods can reach a large number of subjects who are able to read and write independently.

The study used primary data, which was captured through a prearranged questionnaires. The questionnaire included both closed and open-ended questions and had two sections. The first part deals with general information on the participants, while the second section sought information on the relationship between service quality and technology in the banking sector and information on the factors that pilot to customer preference of different service relief canals.

For this study Primary data has been collected from Online-Banking Users & Non – Users of public sector bank i.e. SBI and private sector bank i.e. HDFC in Rajkot district of Gujarat with the help of a structured questionnaire.

Secondary Data: Secondary data has been collected through Books, Journals, Research papers, Websites, Articles and Newspapers.

1.6.7. Data Analysis

The researcher has examined the completed questionnaires. The information for each item on the questionnaire has been processed and reported through a descriptive narrative. These have been accomplished by use of frequencies. The results have been presented in charts, graphs and tables. Quantitative and Qualitative analysis techniques have been applied. Tabular presentation of the data has been made.

The data collected from primary & secondary sources were analyzed by using appropriate mathematical & statistical tools such as Percentage, Average, X^2 - test etc.

1.6.8. Presentation of Report

The detailed report of the subject under study is presented into five chapters given as follows:

Chapter – 1: Research Methodology

In this Chapter researcher represents Introduction, Title of the Study, Scope of the Study, Nature of the Study, Objectives of the Study, Review of Literature, Source of Data, Data Collection, Sampling Design, Hypothesis of Study, Statistical Tools, Outline of the Chapter Plan, Limitations of the Study and Respondents Profile Analysis.

Chapter – 2: Literature Review

This chapter includes review of work that has already been done. It usually turns up a number of ideas for further investigation that will advance the research. Keeping this

view the empirical studies available in World and allied areas having direct and indirect bearings on the objective of present study have been scanned.

After review of literature, researcher concludes that this type of research has been done in various countries among the world but this type of research based on Online-Banking Services provided by the public and private sector banks focusing specific services has not been done in Rajkot District. Hence, this problem was selected for further investigation.

Chapter – 3: Growth and Development of Indian Banking Industry

Everything has been made approachable through the advent of Internet. Internet has sufficed every aspect of living right from mailing to job hunting or apartment hunting. Now it's the right time for all the banks to be digital. On the other hand online banking has become a part of day to day life. The reason behind is its very quick, safe and easy to manage and learn. Again it reduces the shortcoming of travelling to long distances. Here are some glimpses of what it offers online banking: -

- 24/7 Services: - It says that banks need not keep their branches working 24X7. One can simply log on and get things done.
- Monthly Statements: - With the fast track growth now monthly statements can be downloaded a saved just with a simple login. Customers having end number of transactions can enjoy lot of convenience. For any emergency of Bank statement they are always available online so there is no need to wait for the bank to send the statements.

- Cost effective: - online banking is very profitable. The necessity of having too many staff or office staff across the bank is eliminated. It also increases the efficiency of many customers can be served simultaneously.
- Funds Transfer: - The funds can be transferred not only from one account to the other but even from one country to other sitting at a particular place. Additionally one can schedule the payments to be made and they would be made automatically from the account like for examples rents or installments to be paid on a particular date every month.
- Loan applications: - Without actual visit to the bank one can easily apply for loan which on the other hand is considered to be very tedious. Buying and selling of shares and stocks can be easily done by opening a new account within fraction of time and effort.
- Paperless: - It sets aside huge amounts of paper and therefore contributes to a significant savings from the bank. Plus it also helps to be environment friendly.
- Geographic Convenience: - Time and effort of an individual is saved as there is no question of travelling to long distances. Online banking can be approached form anywhere in the world.
- Asset Management: - Updated mechanisms are available for all the updates related to market activity, stocks, and portfolio management.

Chapter – 4: Data Analysis & Interpretation

This Chapter is completely based on the primary information collected through questionnaire from both the groups of respondents. The main objective of this chapter is to identify the customer preferences towards Online-Banking & to find out the

various service quality dimensions that affect customer satisfaction in Online-banking. Mainly the Chapter covers the basic profile of the respondents regarding the perceptions on I-Banking and M-Banking. This Chapter even includes the Hypothesis Testing and Conclusion drawn on the basis of analysis.

Chapter – 5: Research Findings & Conclusion

This Chapter includes summary of each chapter and further findings of the study, and last but not the least suggestions for smoother implementation of Online Banking Services.

1.6.9. Limitations of the Study

Every research is conducted under some constraints and this research is not an exception. Limitations of this study are as follows:

The sample size of only 350 is taken from the large population for the purpose of study, so there can be difference between results of sample from total population.

Random samples were taken so people from various classes i.e. Business, Professional, Service etc had given their own view which contains educational impact also.

People were reluctant to go in to details because of their busy schedules and had fear whether their bank details would be disclosed.

Due to continuous change in environment, what is relevant today may be irrelevant tomorrow.

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