



A COMPARATIVE ANALYSIS TO STUDY THE IMPACT OF BANKING SERVICES ON CUSTOMERS ACCOUNT OPENING PREFERENCE-A SPECIAL CASE OF SBI & HDFC OF GREATER NOIDA

AASHNA VATSA

Abstract

Comparing the procedures for opening new accounts and other services at two of India's large banks, one public sector *i.e.* State Bank of India (SBI) and one private sector *i.e.* Housing Development Financial Corporation (HDFC), Bank is important. Having access to reliable banking services is crucial in the modern world, both for subsistence and for maintaining a respectable standard of living. Bank are integral part of day to day life for making different types of financial transactions like online payments, using ATM/Debit cards, credit cards, seeking loans to help them achieve their ideal quality of life. For this task, we asked respondents what they looked for most in a new bank. How satisfied the customer is with the bank's services overall, and how well their preferred account opening terms were accommodated. The study has found that SBI banks are more opted by government and public sector employees for two main reasons: (1) tax breaks, and (2) convenient branch locations. (3) Preferred by no so wealthy person 4. Attractive interest Rate.

HDFC Bank has the option of taking the easy way out or going the extra mile when it comes to honoring their commitments to the customers. HDFC Bank is selective in the clients it accepts, and this policy has improved communication between the bank and its clientele. HDFC Bank customers also have the option of:

1. Better individual attention by bank workers
2. Cooperative environment
3. Better communication to customers about services.

According to the findings, SBI and HDFC Bank both serve a sizable customer base and get excellent marks from those who have dealt with them. Both SBI and HDFC provide customers a variety of options to meet their banking needs, including ATMs, websites, and physical locations.

INTRODUCTION

INTRODUCTION OF BANKING IN INDIA

The Indian banking system must be strengthened before the country's economy can prosper. India needs a banking system that is user-friendly and adaptable

enough to deal with the rapid pace of technological and other external and internal changes. Significant progress has been made in India's banking system over the past three decades. What's most mind-blowing is the scale. It's no longer confined to the nation's major cities. There was a time when a customer had to wait hours just to get a draught or take money out of his own bank account. Right now, he has to make a decision. Once upon a time, the fastest possible time for a bank to transfer funds between branches was two days. It's as simple as dialling up a pizza place and typing in your order. These days, monetary success is paramount. India's first bank, a conservative institution, opened in 1786. There have been three distinct periods in the evolution of the Indian banking system between 1786 and the present day.

Some examples are as follows: Before 1991, when India's banking sector was nationalised, and afterward. The formative years of Indian banks, from 1786 to 1969. A new era for began with the implementation of reforms to the country's financial and banking sectors after 1991. I've divided the timeline into three parts, or "phases," to clarify the order of events.

In 1786, as a first step, the General Bank of India was established. There was also the Hindustan Bank and the Bengal Bank. The East India Company established three separate banks in Bengal (1809), Bombay (1840), and Madras (1843), all of which went by the name Presidency Banks. The Imperial Bank of India was formed when these three financial institutions merged in 1920. The original proprietors of the bank were private shareholders, many of whom were located in Europe. The Allahabad Bank was founded in 1865, while the Punjab National Bank Ltd. was established in 1894, both with initial locations in

Lahore. The founding founders of both banks were from India. Between 1906 and 1913, a number of new financial organisations established in India, including the Bank of India, the Central Bank of India, the Bank of Baroda, the Canara Bank, the Indian Bank, and the Bank of Mysore. In 1935, India's government created a central bank. Between the years of 1913 and 1948, the economy grew slowly and several banks went down. Most of these almost 1,100 establishments were local banks. The Indian government tightened oversight of commercial banks after amending the Banking Companies Act, 1949 in 1965 (Act No. 23 of 1965) and renaming it the Banking Regulation Act, 1949. The Reserve Bank of India (RBI) is the government agency responsible for overseeing the Indian economy. On days like these, faith in the monetary system is at an all-time low. There was a consequent drop in deposit activity. The Postal Service Savings Bank was safer before it. The majority of the funds also went to the shopkeepers.

Following India's independence, the new government prioritized banking sector reform. Improvements in banking services throughout India, especially in rural and semi-urban areas, may be directly attributed to the 1955 nationalisation of Imperial Bank of India. The banking needs of the Indian federal government and its constituent states are serviced by the State Bank of India. On July 19, 1969, the government of India nationalized seven branches of the State Bank of India. Fourteen of the country's largest commercial banks were taken over by the government. As part of the second phase of India's Banking Sector Reform, seven other banks were nationalized in the same year. Because of this change, the Indian government is in charge of most of the country's financial institutions.

The government of India has taken the following steps to guarantee the stability of the country's financial system:

METHODOLOGY

The findings of this study are compiled using both primary and secondary data. The core data comes from surveys done in the Greater Noida region. The sample includes only adults who filled the survey form. Structured questions were sent to respondents above the age of 18. A random sample of around a hundred individuals will be asked to complete the survey.

Sampling Plan:

Respondents were chosen based only on their accessibility. Since generalizability is not the main goal of qualitative approaches, qualitative researchers often find this approach acceptable even if it is formed upon by quantitative researchers. Included are all respondents who are at least 18 years old (or whatever age range you pick). There was a maximum of 100 attendees. The survey was conducted in Greater Noida.

Source of Information:

Both main and secondary resources were used. Primary data is gathered via one-on-one interactions with respondents, such as in-depth discussions, questionnaires, and interviews. The created questionnaire was a structured one, therefore the questions were predetermined.

Tools & Techniques Used For Data Analysis:

- Tool of tabulation e.g. Manual table, Excel etc.
- Statistical models and techniques used in analysis e.g. pie chart, bar graphs etc.

RESULTS

- In general more people have their bank A/C in SBI (70%) than HDFC bank (30%).
- Most people prefer to open only saving account which is 83% and following that current account (12%) has been preferred and it also shows that very few people are aware of de-mat and also rarely availing loan.
- The most people open their account, preferring easy of physical/ locational accessibility and better services. The bank reputation competitive marketing are less influencing factors while selecting a bank for opening an account in case of public and private sector banks.
- Among different facilities the facility of ATM are given more importance and followed by e- banking facility and the overdraft facility to open an account in banks.
- Only about half of customer has opinion that there was no difficulty in opening of account either in SBI (51%) or in HDFC (48%). However, rest feel the procedure may be more simplified.
- Excellent ranking for banking service quality of both the bank HDFC & SBI was given by 22% of respondent, 44% people marked this as very good, 20% respondent ranked it good, rests' opinion this was average or poor.
- Customers of both HDFC and SBI feels that 80% banking related needs are satisfied by their bank however, 20% of customers are not satisfied.
- This data shows the result the respective bank provide Core banking facilities is advantageous and provided by their bank in the perception of 81% respondent.
- People opinion the customer services that they provided (40%) and the branch network (16%) provide core competency to the bank.
- About 36% customers are having knowledge and advantage of using computers in banks, however,

28% customer is having no knowledge of computer usage.

- Most customers are satisfied (72%) with the interest rates they were getting from bank, rest were not satisfied. However, most customer (69%) feel that bank charges unnecessarily for not maintaining minimum balance.
- The result shows that 71% of the people are strongly agreed that there is difference in the services mentioned publicly and the actual services provided by the bank.

CONCLUSION

A winner was determined by polling consumers' opinions on opening an account at SBI and HDFC independently. We were able to learn about customers' different needs, helpful ideas, and responses to frequently asked questions by analysing this information. According to the findings, SBI and HDFC Bank both serve a sizable customer base and get excellent marks from those who have dealt with them. Both SBI and HDFC provide customers a variety of options to meet their banking needs, including ATMs, websites, and physical locations.

CUSTOMER SUGGESATION AND RECOMMENDATION

1. Investors and customers having business opined to have branch of SBI and HDFC right in the heart of the industrial area business location.
2. A common suggestion was to lower the minimum required amount of money required to maintain in the savings account.
3. Bank officials and service workers should be more friendly and willing to assist customers.

Customers were not fully aware or having understanding of the many services provided by the banks or the costs involved in any particular service. Therefore, banks should update their existing customers with current informations in more proactive manner.

References

Website .used

1. www.statebankofindia.com
2. www.banknetindian.com/banking/index
3. www.asiatradeshub.com/india/banking/finance
4. www.financeindiamart.com