

CHAPTER-3

RESEARCH METHODOLOGY

The present chapter elaborates the rationale of study, research objectives, research hypothesis, research design and sample profile, tools of analysis, data collection, demographic profile of the respondents, reliability analysis, organization of study, significance of study and limitations of the study.

3.1 Rationale of Study

In the previous few decades, information technologies have modified the banking industry and have provided for the banks how to supply differentiated products and services to their customers. Information Technology additionally provides the framework for banking industry to satisfy challenges in the present competitive environment. While deregulation has opened up new opportunities for banks, liberalization has intensified competition in the banking industry by opening the market to new foreign and private sector banks. Information technology has emerged as a vital medium for delivery of banking products and services in public and private sector banks. Thus there is a requirement to measure the impact of information technology on customer satisfaction in public and private sector banks within the continuous period of time. In Indian economy, the banking sectors continue to play a major role. The aim of the study is to evaluate the impact of information technology on customer's satisfaction in public and private sector banks. The study is also helpful to management for planning IT strategies, to achieve the excellent performance and exploring further opportunities in India.

3.2 Research Objectives

The main objectives of the study are as follows:

1. To analyze and compare the impact of information technology on customers services in public and private sector banks.
2. To examine the products and services offered to customers after the initiation of information technology in public and private sector banks.
3. To analyze customers' perception regarding the products and services offered by public and private sector banks.

4. To identify the challenges faced by customers in availing IT enabled services in selected public and private sector banks.
5. To suggest the measures for increasing the level of customer satisfaction and the development of IT so as to improve the quality of services by banking industry in the competitive global market era.

3.3 Research Hypothesis

To achieve the objectives the following hypothesis are formulated and tested:

1. There is no significant difference in the opinion of the respondents in public and private sector with regard to impact of information technology on customer services in selected banks.
2. There is no significant difference in the opinion of respondents of public and private sector banks with regard to products and services offered to customers after the initiation of information technology.
3. There is no significant difference in the opinion of respondents of public and private sector banks with regard to customers' perception regarding product and services offered by selected banks.
4. There is no significant difference in the opinion of respondents of public and private sector banks with regard to challenges faced by customers in availing IT enabled services in selected banks.

3.4 Research Design and Sample Profile

The research design of the present study is exploratory-cum-descriptive in nature and population for the study is the bank customers. A sample of 413 respondents is selected on the basis of judgment sampling. Out of 413 respondents 204 are from public sector and 209 are from private sector banks. This study has covered the respondents of six banks; three are from public sector. State Bank of India, State Bank of Patiala, Canara Bank and three are from private sector i.e. ICICI, HDFC, AXIS Bank. The sample profile of the respondents' selected in the present study are shown in table 3.1.

3.5 Demographic Profile of respondents

Table 3.1 ascertains demographic profile of the respondents and table states that out of 413 respondents, 204 respondents are from public sector banks and 209 respondents are from private sector banks.

In public sector banks, most of the respondents (43.1 percent) are from the age group of 25-35 years and followed by 42.6 percent respondents' lies between age group of 36-45 years, 10.8 percent respondents ranges in the age group of 46-55 years and very few 3.4 percent respondents are from the age group of above 55 years. On the other hand, majority of the respondents in private sector banks, 65.07 percent lies in the age group of 25-35 years, 29.19 percent respondents are between the ages of 36-45 years, 5.26 percent respondents are coming in the age group of 46-55 years and a little amount of 0.48 percent respondents arranges in the age group of above 55. Further, most of the respondents in public as well as private sector banks are lying in the age group of 25-35 years and both sector banks respondents i.e. public as well as private are young.

With concern to gender groups of the respondents, a chunk of respondents (53.93 percent and 65.07 percent) in public and private sector banks are male and rest 46.07 percent in public sector banks and 34.93 percent in private sector banks are female. Therefore it can be said that majority of the male respondents are more involved in measuring the impact of IT enable services in both sector (public as well as private sector).

Annual income-wise comparison in the table shows that 52.5 percent respondents in public sector banks are lying in income group of rupees 2 to 5 lakh and followed by 36.8 percent respondents are in the income group of rupee 5 to 8 lakh and rest (10.8 percent) respondents are in the income groups of above 8 lakh. While in private sector banks, 40.19 percent respondents are ranges in income group of rupees 2 to 5 lakh, 42.11 percent respondents are lying in the income group of rupees 5 to 8 lakh and rest (17.70 percent) respondents are from the income groups of above 8 lakh. On the other hand, it may be concluded that in public sector banks, majority of respondents are from the income group of rupees 2 to 5 lakh whereas in private sector banks, majority of respondents are lying in the income group of rupee 5 to 8 lakh.

Occupation wise profile of the respondents shows that in public sector banks, 8.8 percent respondents are businessman, 7.8 percent respondents are director, 8.3 percent respondents are pensioner, 7.4 percent respondents are housewife, 23.5 percent respondents are managerial, 17.2 percent respondents are professional, very few 3.9 percent respondents are students and remaining 23.0 percent respondents are from other categories i.e. farmer, government employees, agent etc. whereas in private sector banks, 9.09 percent respondents are businessman, 13.88 percent respondents are director, 6.69 percent respondents are pensioner, 7.66 percent respondents are housewife, 13.88 percent

respondents are managerial, 37.80 percent respondents are professional, 3.32 percent respondents are students and remaining 7.66 percent respondents are from other categories i.e. farmer, government employees, agent etc. so that it may be concluded that majority of the respondents in both sector i.e. public as well as private are belonging to managerial class and professional class and very less number of respondents are belonging to students.

Table 3.1: Demographic Profile of the Respondents

Demographic Profile	Public Sector		Private Sector	
	Frequency	Percentage	Frequency	Percentage
Age Groups				
25-35	88	43.1	136	65.07
36-45	87	42.6	61	29.19
46-55	22	10.8	11	5.26
Above 55	7	3.4	1	0.48
Total	204	100.0	209	100.0
Gender Groups of Respondents				
Male	110	53.93	136	65.07
Female	94	46.07	73	34.93
Total	204	100.0	209	100.0
Income Groups of Respondents (in Lakh)				
2-5	107	52.5	84	40.19
5-8	75	36.8	88	42.11
Above 8	22	10.8	37	17.70
Total	204	100.0	209	100.0
Occupation of Respondents				
Businessman	18	8.8	19	9.09
Director	16	7.8	29	13.88
Pensioner	17	8.3	14	6.69
House wife	15	7.4	16	7.66
Managerial	48	23.5	29	13.88
Professional	35	17.2	79	37.80
Students	8	3.9	7	3.32
Others(govt.)	47	23.0	16	7.66
Total	204	100.0	209	100.0

Source: Primary data

3.6 Data Collection

Research design is analytical in nature and study is based on primary and secondary data. Primary data are first-hand information. This information is collected directly from the source by means of field studies. Primary data are original and it's like raw material. And the information is in the crudest form. The primary data is collected by investigator himself. The method of collect the data will be through a structured questionnaire consisting of close ended questions which will be used for the research. This would include the five and three point Likert scale. A questionnaire has been designed after going through so many research seeking suggestions and will be pre-tested using 30 respondents and corrected questionnaire is subject to a pilot study using 60 respondents to come out of a final questionnaire. And then the final questionnaire would be distributed personally for data collection. Secondary data is collected from the various sources like Reports on Currency and Finance (annual reports), Monthly RBI bulletins, published by RBI, Govt. of India, Reports published by National Institute of Bank Management, Annual reports of various banks, publications and reports of Indian Bank Association (IBA), Reports of Credit Rating Agencies like S&P, CRISIL, ICRA and survey of bankers through quest.

3.7 Tools of Analysis

The analysis of data has been made by using various descriptive tools like Frequency distribution, Percentage, Arithmetic Mean, Variance, Rank and to test the hypothesis ANOVA (one way), Mann-Whiney, Kruskal-Wallis and Chi-square test has been used.

3.8 Reliability Analysis

The reliability of scale used for the collection of data is evaluated by calculating the score of Cronbach's alpha coefficient. The Cronbach's alpha coefficient of the questionnaire is 0.938 at 5 percent level of significance. As the value is more than standard value of 0.70 (Nummally, 1978 and Sattar 2014).

3.9 Organization of Study

The proposed study will be divided tentatively into following five chapters:

Chapter-1: Introduction of IT in Banking Sector covers the banking industry in India, starts with IT in Banks, structural changes in the Indian Banking, evolution of structure of Indian Banking, present structure of banking in India, impact of Information Technology towards banking technology, impact of Information Technology on customer services in

banking sector, benefits of Information Technology, technological parameterization in banking, emerging role of Information Technology in banking sector's development, Information Technology in banking sector: opportunities, threats and strategies, IT considerations, future trends and references.

Chapter-2: Review of Literature includes collection of literature in the selected area of research in which the scholar has limited experience. In the past, various studies relating to the impact of IT on banking sectors have been conducted by researchers and number of studies has been conducted about the use of SERVQUAL model. And number of reviews on the previous researches is present but here only a few snapshots of literature are given with references.

Chapter-3: Research Methodology comprises the research methodology opted for the present study with definition of introduction, importance of the study, research objectives, research hypothesis, research design and sample profile, data collection, demographic profile of the respondents, tools of analysis, organization of the study, significance of study and limitations of the study.

Chapter-4: Impact of Information Technology includes the time period of account opened in banks, reason for choosing IT based services, uses of E-Service and demographic wise impact on the IT enable services provided by public and private sector banks and section-2 includes impact of various services after implementation of information technology.

Chapter-5: Demographic-wise Perception of Customers towards Information Technology discusses the demographic-wise result towards reliability, responsiveness, tangible, knowledge, recovery, communication and customers with regard to information technology.

Chapter-6: Customer's Viewpoint towards Information Technology discusses the various challenges faced by the customers towards information technology.

Chapter-7: Findings and Suggestions focuses on the major points of results with regards to the present study and suggestion that provide some innovative recommendation.

3.10 Significance of the Study

With the growth in the society, progress in the economy and growing usage of technology in almost every field of business-related transactions, it becomes relevant to study the impact of Information Technology on the Banking sector and how the customers take it to

be. There has been ever increasing rise in the online transactions ranging from linking your PAN cards, mobile numbers, Income Tax returns etc. to Aadhar Card to the smallest of transactions like transferring money or making payments online.

The Government is undertaking wide range of reforms in this internet world & endeavoring to encourage customers to engage in online modes of transactions to ensure transparency and better governance. Some recent examples of this are Demonetization- to encourage online transactions so that a corruption- free society can be attained, GST, i.e. Goods and Services Tax, which is a single tax for the entire nation (One Tax One Nation), transferring of government subsidies and pensions directly to the account- holders which ensures elimination of any middlemen and foul play.

Keeping up with all the changes that the economy is undergoing, it becomes all the more important to study the impact of Information Technology & Internet on the lives of the people who are connected with banks on an everyday basis and rely upon them for a smooth and easy going life. Hence, it is vital to study of necessary changes that the Private & Public Sector Banks are undergoing & the impact it has on its customers. Data is collected in this regard to analyze the actual scenario and suggestions are given accordingly. Proper education & training to the customers and literacy will help overcome the problems being faced by the customers in today's world.

3.11 Limitations of the Study

The present study covered the analysis of the impact of information technology on customers' satisfaction in both public and private sector banks. The primary data is collected through a well-structured questionnaire from the bankers working at the manager level grade in the banks, therefore bias cannot be ignored, through all efforts were made to reduce the same. Further, the sample size of the primary data is 413 respondents only and the study is limited to compare the IT services only 6 banks (selected public and private banks) in India. Therefore the results drawn may not be applied to the banking sector as whole in India. The area of the study was Delhi and NCR only, so the results may not be applied to banks in other states of India. There is a lack of resources, experience of the researcher and time constraints required for the data collection of this project. It was not possible to get the interviews with the top management employees of the banks under study. The method discussed pertains only to the bank through it cannot be used for performance evaluation of other financial institutions.

