

Ramji Assar Vidyalaya's Wadi Trust's Laxmichand
Golwala College of Commerce & Economics
**M.G. Road, Ghatkopar
(East), Mumbai -
400077, Maharashtra.**

**A Study on role of technology in banking sector: With reference to
HDFC bank in Mumbai**



A Project Submitted to
**University of Mumbai for partial completion of the
degree of MASTER OF COMMERCE (BANKING &
FINANCE)**

**Semester – III
Under the Faculty of Commerce By**

MS. Priti Suresh Gupta

Roll No: -27007

Under the Guidance of

Dr. Vijay Mahida

**Ramji Assar Vidyalaya's Wadi Trust's
Laxmichand Golwala College of Commerce & Economics**

**M.G. Road, Ghatkopar (East),
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Laxmichand Golwala College Commerce and Economic

Certificate

This is to certify that Ms/Mr has worked and duly completed her/his Project Work for the degree of Master in Commerce under the Faculty of Commerce in the subject of Banking and Finance and her/his project is entitled, “ **Study of role on banking sector With reference to HDFC bank in Mumbai** “ under my supervision

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her/ his own work and facts reported by her/his personal findings and investigations.



Name and Signature of
Guiding Teacher

Date of submission:

Declaration by learner

I the undersigned Miss / Mr. Priti Suresh Gupta here by,
declare that the work embodied in this project work titled “ A Study
On role of technology in banking sector with reference to HDFC Bank in Mumbai
_____”, forms my own contribution to the research work
carried out under the guidance of

Dr. Vijay Mahida is a result of my own research work and has not been
previously submitted to any other University for any other Degree/ Diploma to this or
any other University.

Wherever reference has been made to previous works of others, it has been clearly
indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and
presented in accordance with academic rules and ethical conduct.

Name and Signature of the learner

Certified by

Name and signature of the Guiding Teacher

On separate page

Acknowledgment

(Model structure of the acknowledgement)

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

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CHAPTER-1 INTRODUCTION TO DIGITALIZATION

1.1 MEANING OF DIGITALIZATION-

Digitalization is the process of converting information into a digital (i.e. computer-readable) format, in which the information is organized into bits. The result is the representation of an object, image, sound, document or signal (usually an analog signal) by generating a series of numbers that describe a discrete set of its points or samples. The result is called digital representation or, more specifically, a digital image, for the object, and digital form, for the signal. In modern practice, the digitized data is in the form of binary numbers, which facilitate computer processing and other operations, but, strictly speaking, digitizing simply means the conversion of analog source material into a numerical format; the decimal or any other number system that can be used instead.

Digitalization is of crucial importance to data processing, storage and transmission, because it "allows information of all kinds in all formats to be carried with the same efficiency and also intermingled". Unlike analog data, which typically suffers some loss of quality each time it is copied or transmitted, digital data can, in theory, be propagated indefinitely with absolutely no degradation. This is why it is a favoured way of preserving information for many organisations around the world.

1.2 DIGITAL BANKING-

Digital banking is the move to online banking where banking services are delivered over the internet. The advantages for banks and customers are providing more convenient and faster banking services. The shift from traditional to digital banking has been gradual and should be rather described in degrees of service digitization than through a categorization into yes and no. It involves high levels of process automation and web-based services and may include APIs enabling cross-institutional service composition to deliver banking products and provide transactions. It provides the ability for users to access financial data through desktop, mobile and ATM services.

A digital bank represents a virtual process that includes online banking and beyond. As an end-to-end platform, digital banking must encompass the front end that consumers see, the back end that bankers see through their servers and admin control panels and the middleware that connects these nodes. Ultimately, a digital bank should facilitate all functional levels of banking on all service delivery platforms. In other words, it should have all the same functions as a head office, branch office, online service, bank cards, ATM and point of sale machines.

The reason digital banking is more than just a mobile or online platform is that it includes middleware solutions. Middleware is software that bridges operating systems or databases with other applications. Financial industry departments such as risk management, product development and marketing must also be included in the middle and back end to truly be considered a

complete digital bank. Financial institutions must be at the forefront of the latest technology to ensure security and compliance with government regulations.

1.3 HISTORY OF DIGITAL BANKING-

The earliest forms of digital banking trace back to the advent of ATM machines and cards launched in the 1960s. As the internet emerged in the 1980s with early broadband, digital networks began to connect retailers with suppliers and consumers to develop needs for early online catalogues and inventory software systems.

By the 1990s the Internet emerged and online banking started becoming the norm. The improvement of broadband and ecommerce systems in the early 2000s led to what resembled the modern digital banking world today. The proliferation of smartphones through the next decade opened the door for transactions on the go beyond ATM machines. Over 60% of consumers now use their smartphones as the preferred method for digital banking.

The challenge for banks is now to facilitate demands that connect vendors with money through channels determined by the consumer. This dynamic shapes the basis of customer satisfaction, which can be nurtured with Customer Relationship Management (CRM) software. Therefore, CRM must be integrated into a digital banking system, since it provides means for banks to directly communicate with their customers.

There is a demand for end-to-end consistency and for services, optimized on convenience and user experience. The market provides cross platform front ends, enabling purchase decisions based on available technology such as mobile devices, with a desktop or Smart TV at home. In order for banks to meet consumer demands, they need to keep focusing on improving digital technology that provides agility, scalability and efficiency.

1.4 ADVANTAGES AND DISADVANTAGES OF NET BANKING-

Internet Banking also has its advantages and disadvantages. Below are mentioned the most popular advantages of using Internet Banking along with some unavoidable disadvantages. The advantages include

- **Convenience** - online banking sites never close; they're available 24 hours a day, seven days a week, and they're only a mouse click away.
- **Portability** – you now have access to money whenever there is an emergency, whether or not you are in the country.
- **Transaction speed** - online bank sites generally execute and confirm transactions at the same rate or quicker than, ATM processing speeds.
- **Effectiveness** – they offer sophisticated tools, including account aggregation, stock quotes and rate alerts to help you manage all of your assets more effectively.

- **Reduction in workload** - No more standing in long lines at the bank, eliminating endless paper based bank statements.

The disadvantages include-

- **Lack of Computerization** - which relates to virtual banks, revolves around the lack of ATMs.
- **Start-up may take time** - In order to register for your bank's online program, you will probably have to provide ID and sign a form at a bank branch which can be time consuming.
- **Learning curve** - Banking sites can be difficult to navigate at first.
- **Distrust of the User** - the possibility of frauds, making errors etc.
- **Problem of Security** – Various sites are not properly looked at to ensure whether customers money is safe in cyber world or not.

1.5 TRADITIONAL BANKING VS NET BANKING

Net banking or internet banking works much like traditional banking. The primary difference is that in net banking account and information is accessed, payments are made and statements reconciled using computer rather than paper or the phone to complete transactions. Instead of going down to local branch

office when one bank online he/she can accomplish multiple tasks at once with the click of a button. Online banking is rapidly becoming more and more popular as consumers recognize the advantages online banking has to offer. For one most banks charge fewer fees if you take advantage of their online banking services. You can also stop receiving paper statements if you like in many cases and conduct 95% of your business over the Web when you take advantage of Internet banking. What to Internet Banks do? The same things traditional banks do. They hold onto our money and lend it out to others respectively. They manage loans and help us keep track of our finances. Chances are if you own a bank account at a traditional bank they offer some type of Internet banking or online services. The next time you stop into your branch office you should ask them about online banking. You may find once you start you have no desire to go back to traditional banking. For those that have a hard time keeping track of paper statements, Internet banking is a life saver. Internet banking is also advantageous for frequent travellers that need to keep a close eye on their finances from abroad.

The major difference between an online bank and a traditional bank is that online banks offer primarily mobile and online access. You won't meet a banker face to face, but with a mobile device or computer, you can access your account anytime.

Both traditional and online banks store and help manage your money for you, but they do differ somewhat when it comes to the services, features, and capabilities each offers. Below is a summary of some of those key differences. Keep in mind that

some banks might differ, but the following are generally the case for most online and traditional banks.

Online Bank

- No physical locations
- Lower fees or no fees
- Higher interest rates on savings accounts and sometimes on checking accounts
- Automatic online and mobile app access
- Quick and easy online process
- Online customer service, sometimes over the phone as well

Traditional Bank

- Brick-and-mortar branches available
- Higher fees and more additional fees
- Lower interest rates on savings accounts
- Online and mobile app access usually available
- In-person and online process
- In-person, online, and phone customer service

Advantages of Online Banking Over Traditional Banking

While online banking has both its pros and cons, the convenience of banking from home and the ability to save money, time, and even the planet, makes online banking the preferred method of the modern world.

According to Forbes, a July 2020 survey of U.S. consumers from Cornerstone Advisors, found that 14.2 million Americans now consider a digital bank to be their primary bank.

Keep reading to learn more about why online banking is considered better than traditional banking by so many consumers.

Online Banks Have Lower Fees and Higher Interest Rates

Brick-and-mortar banks have enormous operational expenses that online banks simply don't have. For example, they need specialized buildings to secure your money, state-of-the-art technology and equipment, and a large staff. They're in the business to make money, not just store yours. That means fees go up when the bank's expenses go up. With online banking, fees are kept to a minimum because the bank's expenses are kept in check. Not to mention that lower overhead costs mean that online banks can offer their customers far higher interest rates on savings accounts (and sometimes checking) than traditional banks can.

It's Easier to Access Your Online Bank

Traditional banking hours aren't always convenient. For some of us, getting to the bank before closing means leaving work early. It can also mean fighting traffic in the middle of the day, taking time off work, and waiting in long lines. If you do your banking online, there's no traffic and no banking hours. All of your

banking needs can be conveniently done from home and on your schedule.

Easy Access to Your Cash

Most traditional banks will let you make your deposits through one of their many ATMs. But what if you're not near one of these ATM machines? With online banking, making a deposit is as easy as snapping a picture of your check and uploading it to an app. But, what if you need to access physical cash? Luckily, switching to an online-only bank doesn't mean you lose out on ATM and debit card services. Most online bank accounts now offer access to a broad ATM network. Chime, for example, allows its members to use more than 60,000 ATM locations nationwide — for free.

Better for the Environment

By receiving all your banking correspondence by email or text, online banking drastically reduces the amount of paper you use. It also reduces the amount of air pollution caused by cars because you won't need to drive to and from a physical location anymore. So you can feel good about banking online — you are doing your part to better the planet.

How to Know if Online Banking Is Right for You

If you favor digital banking and prefer to conduct all your financial transactions electronically, then banking with an online-only bank is the move for you.

Still not sure if an online bank is right for you? Ask yourself the following questions and if all of these check your boxes, you are ready to close your traditional bank account and make the switch to an online one.

Are you comfortable with technology?

Do you hate traveling to the bank?

Do you want your money to grow faster?

Do you want to pay less in bank fees?

Do you prefer 24/7 customer support so you can get help anytime, anywhere?

1.6 HOW TO REGISTER FOR HDFC NETBANKING?

Net Banking Registration is given by default to all HDFC Bank Customers. In case you are not registered for Net Banking, it is quick & easy. The many ways through which you can register are:

1. Online

- You can Register for Net Banking online by following the below steps:
- Online Resident Customers and NR Customers with Domestic Mobile Number registered with the bank
- Enter your Customer ID
- Confirm your registered mobile number
- Input the OTP (One Time Password) which you have received on your mobile
- Select and input the Debit card details
- Set your IPIN

Login to Net Banking using the newly set IPIN

NR Customer with International Mobile Numbers registered with the bank need to click here.

Click [here](#) to [know](#) [more](#) [about OTP](#)

Click here to Register Online.

2. ATM

- Visit your nearest HDFC Bank ATM
- Enter your HDFC Bank Debit Card number and your ATM PIN
- Select 'Other Option' from the main screen
- Select 'Net Banking Registration' and confirm
- We will courier the IPIN to your mailing address

3. Phone Banking

- Call the Phone Banking number in your city and give your Customer ID and Telephone Identification Number (TIN) or Debit Card and PIN
- Our Phone Banking agent will take your Net Banking registration request
- We will courier the IPIN to your mailing address in our records within 5 days

4. Branch

- Download the Net Banking registration form (individual or corporate)
- Fill in the form and submit it to your nearest HDFC Bank branch
- We will courier the IPIN to your mailing address in our records

There are no charges for Net Banking registration request.

CHAPTER-2 COMPANY'S PROFILE

2.1 FORMATION OF THE COMPANY

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India. HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

2.2 PROMOTER

HDFC is India's premier housing finance company and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain the market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units. HDFC has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, HDFC was ideally positioned to promote a bank in the Indian environment.

2.3 BUSINESS FOCUS

HDFC Bank's mission is to be a World-Class Indian Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on four core values – Operational Excellence, Customer Focus, Product Leadership and People.

2.4 VISION STATEMENT OF HDFC BANK

HDFC Bank's mission is to be a World Class Indian Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. HDFC Bank's business philosophy is based on five core values: Operational Excellence, Customer Focus, Product Leadership, People and Sustainability.

2.5 MISSION STATEMENT OF HDFC BANK

1. To our shareholders, our mission is to optimize returns.
2. To our customers, our mission is to provide a caring service by anticipating their requirements and innovatively satisfying them beyond their expectations.
3. To our staff, our mission is to identify their multi-faceted talents, develop, motivate, recognize and reward them towards fulfillment of the institutional and national housing vision.
4. To the national economy and the industry regulator, we are the key driver and thought leader, shaping and financing the national housing policy.
5. To our natural environment, we enforce sustainable practices across all our activities.

2.6 BUSINESS STRATEGY

HDFC BANK mission is to be "a World Class Indian Bank", benchmarking themselves against international standards and best practices in terms of product offerings, technology, service levels, risk management and audit & compliance. The objective is to build sound customer franchises across distinct businesses so as to be a preferred provider of banking services for target retail and wholesale customer segments, and to achieve a healthy growth in profitability, consistent with the Bank's risk appetite. Bank is committed to do this while ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. Continue to develop new product and technology is the main business strategy of the bank. Maintain good relation with the customers is the main and prime objective of the bank. HDFC BANK business strategy emphasizes the following:

- Increase market share in India's expanding banking and financial services industry by following a disciplined growth strategy focusing on quality and not on quantity and delivering high quality customer service.
- Leverage our technology platform and open scale able systems to deliver more products to more customers and to control operating costs.

Maintain current high standards for asset quality through disciplined credit risk management.

- Develop innovative products and services that attract the targeted customers and address inefficiencies in the Indian financial sector.
- Continue to develop products and services that reduce bank's cost of funds.
- Focus on high earnings growth with low volatility.

2.7 CAPITAL STRUCTURE

As on 31 March 2018 the authorized share capital of the Bank is Rs. 650 crore. The paid-up share capital of the Bank as on the said date is Rs 519,01,80,534 /- which is comprising of 259,50,90,267 equity shares of the face value of Rs 2/- each. The HDFC Group holds 20.93 % of the Bank's equity and about 18.23 % of the equity is held by the ADS / GDR Depositories (in respect of the bank's American Depository Shares (ADS) and Global Depository Receipts (GDR) Issues). 33.06% of the equity is held by Foreign Institutional Investors (FIIs) and the Bank has 5,32,368 shareholders.

2.8 TIMES BANK AMALGAMATION

In a milestone transaction in the Indian banking industry, Times Bank Limited (another new private sector bank promoted by Bennett, Coleman & Co./Times Group) was merged with HDFC Bank Ltd., effective February 26, 2000. As per the scheme of amalgamation approved by the shareholders of both banks and the Reserve Bank of India, shareholders of Times Bank received 1 share of HDFC Bank for every 5.75 shares of Times Bank. The acquisition added significant value to HDFC Bank in terms of increased branch network, expanded geographic reach, enhanced customer base, skilled manpower and the opportunity to cross-sell and leverage alternative delivery channels.

2.9 DISTRIBUTION NETWORK

HDFC Bank is headquartered in Mumbai. The Bank at present has an enviable network of over 1229 branches spread over 444 cities across India. All branches are linked on an online real-time basis. Customers in over 120 locations are also serviced through Telephone Banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centers where its corporate customers are located as well as the need to build a strong retail customer base for both deposits and loan products. Being a clearing/settlement bank to various leading stock exchanges, the Bank has branches in the centers where the NSE/BSE has a strong and active member base. The Bank also has a network of about over 2526 networked ATMs across these cities. Moreover, HDFC Bank's ATM network can be accessed by all domestic and international Visa/MasterCard, Visa Electron/Maestro, Plus/Cirrus and American Express Credit/Charge cardholders.

HDFC Bank is headquartered in Mumbai. As of September 30, 2022, the Bank's distribution network was at 6,499 branches across 3,226 cities. Customers across India are serviced through multiple delivery channels such as Phone Banking, Net Banking, Mobile Banking, and SMS based banking. The Bank's expansion plans take into account the need to have a presence in all major industrial and commercial centres, where its corporate customers are located, as well as the need to build a strong retail customer base for both deposits and loan products. Being a clearing /

settlement bank to various leading stock exchanges, the Bank has branches in centres where the NSE / BSE have a strong and active member base. The Bank also has a network of 18,620 ATMs across India. HDFC Bank's ATM network can be accessed by all domestic and international Visa / MasterCard, Visa Electron / Maestro, Plus / Cirrus and American Express Credit / Charge cardholders.

2.10 BOARD OF DIRECTORS

The composition of the Board of Directors of the Bank is governed by the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949, and the listing requirements of the Indian Stock Exchanges where the securities issued by the Bank are listed. The composition of the Board is as follows:

Sr. No.	Name of Director	Designation
1	Mrs. Shyamala Gopinath	Part Time Non- Executive Chairperson and Independent Director
2	Mr. Partho Datta	Independent Director
3	Mr. Bobby Parikh	Independent Director
4	Mr. Malay Patel	Independent Director
5	Mr. Umesh Chandra Sarangi	Independent Director
6	Mr. Keki Mistry	Non-Executive Director
7	Mr. Aditya Puri	Managing Director
8	Mr. Paresh Sukthankar	Deputy Managing Director

9	Mr. Kaizad Bharucha	Executive Director
10	Mr. Srikanth Nadhamuni	Non-Executive Director

2.11 TECHNOLOGY

HDFC Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank's branches have online connectivity, which enables the bank to offer speedy funds transfer facilities to its customers. Multi-branch access is also provided to retail customers through the branch network and Automated Teller Machines (ATMs). The Bank has made substantial efforts and investments in acquiring the best technology available internationally, to build the infrastructure for a world class bank. The Bank's business is supported by scalable and robust systems which ensure that our clients always get the finest services we offer.

2.12 PRODUCT SCOPE

HDFC Bank offers a bunch of products and services to meet the every need of the people. The company cares for both, individuals as well as corporate and small and medium enterprises. For individuals, the company has a range accounts, investment, and pension scheme, different types of loans and cards that assist the customers. The customers can choose the suitable one from a range of products which will suit their life-stage and needs. For organizations the company has a host of customized solutions that range from Funded services, Non-funded services, Value addition services, Mutual fund etc. These affordable plans apart from providing long term value to the employees help in enhancing goodwill of the company. The products of the company are categorized into various sections which are as follows: •Accounts and deposits. •Loans. •Investments and Insurance. •Forex and payment services. •Cards. •Customer center.

2.13 RECENT AWARDS AND ACHIEVEMENTS-

HDFC Bank began operations in 1995 with a simple mission: to be a "World-class Indian Bank". We realised that only a single-minded focus on product quality and service excellence would help us get there. Today, we are proud to say that we are well on our way towards that goal. It is extremely gratifying that our efforts towards providing customer convenience have been appreciated both nationally and internationally.

2018

BrandZ's Top 100 Global Brands List	HDFC Bank featured for the fourth time in the BrandZ's Top 100 Global Brands List
14th Visa Asia Pacific Security Summit	India and South Asia Champion Security Award 2018
National Payments Excellence Awards 2018	HDFC Bank wins NPCI National Payments Excellence Awards
Barron's World's Top 30 CEOs	Mr. Aditya Puri in Barron's Top 30 Global CEOs for 4th year - Growth Leaders Category
Dun & Bradstreet Corporate Award 2018	Best Bank
Federation of Indian Export Organisation (FIEO)	Best Bank : Export Finance - Non MSME
Business Today Best Bank Awards	Bank of the Year Best in Innovation Best Large Bank Fastest Growing Large Bank

Dun & Bradstreet BFSI Awards 2018	India's Leading Bank - Private sector
Euromoney Private Banking and Wealth Management survey 2018	<ul style="list-style-type: none"> - Net-worth-specific services (High Net Worth Clients US \$ 5-30 MN) - Asset Management - SRI/Social Impact Investing - International Clients
10th BW Businessworld-PwC Best Banks' (2017) Survey	<ul style="list-style-type: none"> - Fastest Growing Large Bank - Best Large Bank - Lifetime Achievement Award - Mr. Aditya Puri

HDFC Bank caters to a wide range of banking services covering commercial and investment banking on the wholesale side and

transactional / branch banking on the retail side. The bank has three key business segments:

Wholesale Banking

The Bank's target market is primarily large, blue-chip manufacturing companies in the Indian corporate sector and to a lesser extent, small & mid-sized corporates and agri-based businesses. For these customers, the Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of structured solutions, which combine cash management services with vendor and distributor finance for facilitating superior supply chain management for its corporate customers. Based on its superior product delivery / service levels and strong customer orientation, the Bank has made significant inroads into the banking consortia of a number of leading Indian corporates including multinationals, companies from the domestic business houses and prime public sector companies. It is recognised as a leading provider of cash management and transactional banking solutions to corporate customers, mutual funds, stock exchange members and banks.

-
- **Treasury**

Within this business, the bank has three main product areas - Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. With the liberalisation of the financial markets in India, corporates need more sophisticated risk management information, advice and product structures. These and fine pricing on various treasury products are provided through the bank's Treasury team. To comply with statutory reserve requirements, the bank is required to hold 25% of its deposits in government securities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.

- **Retail Banking**

The objective of the Retail Bank is to provide its target market customers a full range of financial products and banking services, giving the customer a one-stop window for all his/her banking requirements. The products are backed by world-class service and delivered to customers through the growing branch network, as well as through alternative delivery channels like ATMs, Phone Banking, NetBanking and Mobile Banking.

The HDFC Bank Preferred program for high net worth individuals, the HDFC Bank Plus and the Investment Advisory Services programs have been designed keeping in mind needs of customers who seek distinct financial solutions, information and advice on various investment avenues. The Bank also has a wide array of retail loan products including Auto Loans, Loans against marketable securities, Personal Loans and Loans for Two-

wheelers. It is also a leading provider of Depository Participant (DP) services for retail customers, providing customers the facility to hold their investments in electronic form.

HDFC Bank was the first bank in India to launch an International Debit Card in association with VISA (VISA Electron) and issues the MasterCard Maestro debit card as well. The Bank launched its credit card business in late 2001. By March 2015, the bank had a total card base (debit and credit cards) of over 25 million. The Bank is also one of the leading players in the “merchant acquiring” business with over 235,000 Point-of-sale (POS) terminals for debit / credit cards acceptance at merchant establishments. The Bank is well positioned as a leader in various net based B2C opportunities including a wide range of internet banking services for Fixed Deposits, Loans, Bill Payments, etc.

2.14 SWOT ANALYSIS OF HDFC BANK

1. Strengths in the SWOT analysis of HDFC

- HDFC bank is the second largest private banking sector in India having 2,201 branches and 7,110 ATM's.
- HDFC bank is located in 1,174 cities in India and has more than 800 locations to serve customers through Telephone banking.
- The bank's ATM card is compatible with all domestic and international Visa/Master card, Visa Electron/ Maestro, Plus/cirus and American Express. This is one reason for HDFC cards to be the most preferred card for shopping and online transactions.
- HDFC bank has the high degree of customer satisfaction when compared to other private banks.
- The attrition rate in HDFC is low and it is one of the best places to work in private banking sector.
- HDFC has lots of awards and recognition, it has received 'Best Bank' award from various financial rating institutions like Dun and Bradstreet, Financial express, Euromoney awards for excellence, Finance Asia country awards etc.
- HDFC has good financial advisors in terms of guiding customers towards right investments.

2. Weaknesses in the SWOT analysis of HDFC

- HDFC bank doesn't have strong presence in Rural areas, where as ICICI bank its direct competitor is expanding in rural market.
- HDFC cannot enjoy first mover advantage in rural areas. Rural people are hard core loyals in terms of banking services.
- HDFC lacks in aggressive marketing strategies like ICICI.
- The bank focuses mostly on high end clients.
- Some of the bank's product categories lack in performance and doesn't have reach in the market.
- The share prices of HDFC are often fluctuating causing uncertainty for the investors.

3. Opportunities in the SWOT analysis of HDFC

- HDFC bank has better asset quality parameters over government banks, hence the profit growth is likely to increase.

- The companies in large and SME are growing at very fast pace. HDFC has good reputation in terms of maintaining corporate salary accounts.
- HDFC bank has improved it's bad debts portfolio and the recovery of bad debts are high when compared to government banks.
- HDFC has very good opportunities in abroad.
- Greater scope for acquisitions and strategic alliances due to strong financial position.

4. Threats in the SWOT analysis of HDFC

- HDFC's nonperforming assets (NPA) increased from 0.18 % to 0.20%. Though it is a slight variation it's not a good sign for the financial health of the bank.
- The non-banking financial companies and new age banks are increasing in India.
- The HDFC is not able to expand its market share as ICICI imposes major threat.
- The government banks are trying to modernize to compete with private banks.
- RBI has opened up to 74% for foreign banks to invest in Indian market.

CHAPTER-3 NEED, SCOPE AND OBJECTIVES OF THE STUDY

3.1 NEED OF THE STUDY

After conducting a review of researches done by various professionals a gap have been identified. The researchers had studied the aspects of internet banking, its introduction, its development, adoption by the customers, consumers perception about this service, its success and security related issues. But a very few researchers had studied the net banking service with respect to the HDFC Bank. This gap had been identified and it handled to the present research being undertaken.

3.2 SCOPE OF THE STUDY

The area where the study has been conducted was Meerut.

3.3 OBJECTIVES OF THE STUDY

The current study was undertaken to achieve the following stated objectives:

1. To analyze awareness among customers using Net banking service.
2. To know about the Net Banking service provided by HDFC Bank.
3. To know the cause why customers are using or not using Net banking service.
4. To the confidence of the customers of HDFC Bank in using these services.
5. To study the popularity of the Net banking service among the customers of HDFC Bank.

CHAPTER 4 RESEARCH METHODOLOGY

Research is a common parlance which refers to search for knowledge. It is a procedure of logical and systematic application of the fundamentals of science to the general and overall questions of a study and scientific technique, which provide precise tools, specific procedures, and technical rather philosophical means for getting and ordering the data prior to their logical analysis and manipulating different type of research designs is available depending upon the nature of research project, availability of manpower and circumstances.

4.1 RESEARCH DESIGN-A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted. This research was descriptive in nature.

Descriptive research:The research undertaken is a descriptive research as it was concerned with specific predictions, with narration of facts and characteristics concerning net banking service provided by HDFC Bank.

4.2. SAMPLING DESIGN-The following factors have been decided within the scope of sample design:

4.2.1 Universe of study: Universe of the study means all the persons who are the customers of HDFC Bank in the world.

Theoretical: It covered all the individuals who are the customers of HDFC Bank in the world.

Accessible: It covered all the individuals who are the customers of HDFC Bank in India who are within our reach. In this study accessible population was customers of HDFC Bank in India.

4.2.2 Sample Size: A sample of minimum respondents was selected from various areas of Meerut. An effort was made to select respondents evenly. The survey was carried out on respondents.

4.2.3 Sample Unit: In this project sampling unit consisted of the various individuals who had their bank accounts with HDFC Bank.

4.2.4 Sampling Technique: For the purpose of research convenient sampling technique was used.

4.2.5 Sampling Frame: It consisted of various sources from where information about the respondent is extracted. Mainly personal links and employees of HDFC Bank, Meerut are used for getting information about the respondents.

4.3 DATA COLLECTION AND ANALYSIS

4.3.1 DATA COLLECTION

There were two types of data sources used in this research. These were

4.3.1.1. Secondary data

Secondary data is the data collected from already been use or published information like journals, diaries, books, etc. .In this research project, secondary source used were various journals, and website of various online journals.

4.3.1.2. Primary data

Primary data is the data collected for the first time from the source and never have been used earlier. The data can be collected through interviews, observations and questionnaires. In this project, an appropriate questionnaire was designed which was filled by the customers of HDFC Bank to know their opinions regarding the Net Banking service provided by HDFC Bank.

4.3.2 DATA ANALYSIS

4.3.2.1 Tools of Presentation:It means what all tools are used to present the data in a meaningful way so that it becomes easily understandable. In this research tables and graphs were used for presenting the data.

4.3.2.2 Tools of Analysis: In this research the tools of analysis used were percentages. SPSS software were used to conduct Friedman Anova , Reliability analysis, Factor Analysis and Hypothesis Testing.

CHAPTER-5 REVIEW OF LITERATURE

Mr. Vijay Prakash Gupta & Dr. P. K. Agarwal (2013) - In their research paper “**Comparative Study of Customer Satisfaction in Public Sector and Private Sector Banks in India**”. This paper gives with the introduction of liberalization policy and RBI's easy norms several private and foreign banks have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share. Banks have to deal with many customers and render various types of services to its customers and if the customers are not satisfied with the services provided by the banks then they will defect which will impact economy as a whole since banking system plays an important role in the economy of a country, also it is very costly and difficult to recover a dissatisfied customer. Since the competition has grown manifold in the recent times it has become a herculean task for organizations to build loyalty, the reason being that the customer of today is spoilt for choice. It has become imperative for both public and private sector banks to perform to the best of their abilities to retain their customers by catering to their explicit as well as implicit needs. Many a times it happens that the banks fail to satisfy their customer which can cause huge losses for banks and there the need of this study arises. The purpose of this research article is to examine the customer satisfaction among group of customer towards the public sector&

private sector banking industries in India. Study is cross-sectional and descriptive in nature. The researcher tries to make an effort to clarify the Customer Service satisfaction in Indian banking Sector. Descriptive research design is used for this study, where the data is collected through the questionnaire. The information is gathered from the different customers of the two banks, viz., PNB and HDFC Bank located in the Meerut Region, Uttar Pradesh. Hundred bank respondents from each bank were contacted personally in order to seek fair and frank responses on quality of service in banks. The service quality model developed by Zeithamal, Parsuraman and Berry (1988) has been used in the present study. The analysis clearly shows that there exists wide perceptual difference among Indian (public sector) banks regarding overall service quality with their respective customers, when compared to Private sector banks. Whereas the said perceptual difference in private banks is narrow.

Vijay M. Kumbhar (2011)- In his research paper “**Factors Affecting the Customer satisfaction In E-Banking: Some evidences Form Indian Banks**”. This study evaluates major factors (i.e. service quality, brand perception and perceived value) affecting on customers’ satisfaction in e-banking service settings. This study also evaluates influence of service quality on brand perception, perceived value and satisfaction in e-banking. Required data was collected through customers’ survey. For conducting customers’ survey liker scale based questionnaire was

developed after review of literature and discussions with bank managers as well as experts in customer service and marketing. Collected data was analyzed using principle component (PCA) using SPSS 19.0. A result indicates that, Perceived Value, Brand Perception, Cost Effectiveness ,Easy to Use, Convenience, Problem Handling, Security/Assurance and Responsiveness are important factors in customers satisfaction in e-banking it explains 48.30 per cent of variance. Contact Facilities, System Availability, Fulfillment, Efficiency and Compensation are comparatively less important because these dimensions explain 21.70 percent of variance in customers' satisfaction. Security/Assurance, Responsiveness, Easy to Use, Cost Effectiveness and Compensation are predictors of brand perception in e-banking and Fulfillment, Efficiency, Security/Assurance, Responsiveness, Convenience, Cost Effectiveness, Problem Handling and Compensation are predictors of perceived value in e-banking.

Pooja Malhotra & Balwinder SINGH (2009) - In their research paper **“The Impact of Internet Banking on Bank Performance and Risk: The Indian Experience”**. The paper describes the current state of Internet banking in India and discusses its implications for the Indian banking industry. Particularly, it seeks to examine the impact of Internet banking on banks’ performance and risk. Using information drawn from the survey of 85 scheduled commercial bank’s websites, during the period of June 2007, the results show that nearly 57 percent of the Indian commercial banks are providing transactional Internet banking services. The univariate analysis indicates that Internet banks are larger banks and have efficiency ratios and profitability as compared to non-Internet banks. Internet banks rely more heavily on core deposits for funding than non-Internet banks do. However, the multiple regression results reveal that the profitability and offering of Internet banking does not have any significant association, on the other hand, Internet banking has a significant and negative association with risk profile of the banks.

Rajesh Kumar Srivastava (2007) - In his research paper **“Customer’s perception on usage of internet banking”**. This paper present to Internet banking is still at infancy stage in the world. Many studies focused on usage of internet banking but many factors on non-usage were overlooked. This research was carried out to validate the conceptual model of internet banking. The causes were identified and researched through correcting the

causative factors so that internet banking can be used by more people. This will help the banking operations to be more cost effective. The research is focused on what are the customer's perceptions about internet banking and what are the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study. Qualitative exploratory research using questionnaire was applied. 500 respondents were selected for study after initial screening. They were all bank customers. The study revealed that education, gender, income plays an important role in usage of internet banking. Not much researches been done on these areas as they were focused more on the acceptance of technology rather than on people. The research corroborated the conceptual framework stating that if skills can be upgraded there will be greater will towards internet banking by consumers. Inhibitory factors like trust, gender, education, culture, religion, security, and price can have minimal effect on consumer mindset towards internet banking.

Amruth Raj Nippatlapalli (2013) - In his research paper “**A Study on Customer Satisfaction of Commercial Banks: Case Study on State Bank of India**”. This paper presents Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." Banking in India

originated in the last decades of the 18th century. The first banks were The General Bank of India, NOW which started in 1786, and Bank of Hindustan, which started in 1790; both are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India.

Ms. Nisha Malik & Mr. Chand Prakash Saini (Jul 2013)- In their research titled on **“Private Sector Banks Service Quality and Customer Satisfaction- A Empirical Study two Private Sector Banks”**. This research paper is an effort to examine the relationship between service quality and customer satisfaction of two private sectors bank of India. Service quality has been described as a form of attitude that results from the comparison of prospect with recital (Cronin and Taylor, 1992, Parasuraman et al, 1985). Gronroos 1982) argued that customers, while evaluating the quality of service, compare the service they expect with perceptions of the services they actually receive. Since financial products offered by various banks are similar by nature then why any particular bank of product of any bank is preferred than others a matter of interest for academicians as well as banking industry. They may be difference between customers of public

and private sector banks, but why are two banks of one sector being preferred differently by customers. This research study is an effort to find out the answer of these questions.

Shaza W. Ezzi (April 2014) - In their research paper titled “**A Theoretical Model for Internet Banking: Beyond Perceived Usefulness and Ease of Use**” tried to inquire different types of electronic banking like ATM’s, telephone banking, and electronic funds transfer, Internet banking like has evolved from consumers’ needs to have superior access to banking services clear of most banks teller-staffed, normal operating hours. Additionally, Internet banking has grown swiftly from the recent and the span increases in ecommerce. Internet banking (IB) continues to govern the landscape of electronic banking as consumers continue to use IB to complete schedule banking transactions in addition to conducting on-line sales and purchasing. This study presents a theoretical model considered to help researchers and practitioners better understand the acceptance and adoption of Internet Banking. The proposed model maybe particularly useful in developing nations where consumers are loath to use Internet Banking even when the services are available. However, a review of several studies that have investigated consumers’ acceptance of Internet banking services from a multiplicity of perspectives have not reached a clear consensus of the factors that contribute to overall consumer acceptance and adoption. The paper

concludes with discussions of the managerial implications and avenues for future research.

Kartikeya Bolar (2014) - In their research paper “**End-user Acceptance of Technology Interface In Transaction Based Environment**” “This paper presents Creators and investors of technology need information about the customers’ assessment of their technology interface based on the features and various quality dimensions to make strategic decisions in improving technology interfaces and compete on various quality dimensions. The research study identifies the technology interface dimensions as perceived by the end-users in a transaction based environment (viz. Internet banking) in India, using exploratory factor analysis. The influence of these dimensions on the utility of technology interface and hence the usage is examined by Structural Equation Modeling. The moderating role of user demographics and technology comfort is also tested. Managerial implications are discussed.

Anil Kumar and Manoj Kumar Dash (2013) - In their research paper “**Constructing a Measurement in Service Quality for Indian Banks: Structural Equation Modeling Approach**”. The aim of this paper is to construct a measure in service quality for Indian banks and establishes a causal relationship of service attributes performance with customer satisfaction. The SERVQUAL model is used. The quantification of service quality led to the attempt to construct an index. The index is constructed using Structural Equation Modeling (SEM) and American Customer Satisfaction Index (ACSI) as the underlying frameworks. The analysis is based on data of 200 bank customers from the DelhiNCR. An adapted ACSI is enhanced and improved to accommodate two exogenous constructs. The results indicate that service quality variables are important antecedents of customer satisfaction and retention. These antecedents of service quality have a positive significantly relationship with customer satisfaction. The study concludes with an analysis of how different dimensions of service quality performance attribute impact on customer satisfaction and retention. Such a framework should provide valuable insights to the bank manager to identify key service performance indicators and to design more effective and efficient marketing and management strategies to satisfy their customer.

Ankit Kesharwani & Gajulapally Radhakrishna (2013) - In their research paper “**Drivers and Inhibitors of Internet Banking Adoption in India**”. This paper research on different banks is on condition that e-banking services, as this would revolutionize their profits. Since internet banking in India is still in its nascent stage, it is essential for e-banking institutions to enhance reception and usage of internet as a banking channel by their customers. This paper has reviewed the most of seminal studies in the area of diffusion of innovation and makes an attempt to do an experimental research that looked into the factors that drives and inhibits internet banking usage in India. An investigative factor analysis followed by a positive factor analysis has been applied on 362 internet banking users. Findings resulted in seven factors – perceived benefit, hacking and fraud risk, performance risk, computer selfefficacy, technology intricacy, social influence, and pricing concerns. The results suggest that acceptance and usage of internet banking services can turn into a fundamental concern for future research, as the drivers overcoming the inhibitors over time at an influencing rate. Moreover, this study also compares the findings with extant diffusion of innovation literature and identified several additional factors that can affect internet banking adoption in India.

CHAPTER-6 DATA ANALYSIS AND INTERPRETATION

DEMOGRAPHIC PROFILE OF THE RESPONDENTS

DEMOGRAPHICS	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
1.GENDER:		
Male	94	47%
Female	106	53%
TOTAL	200	100%
2.AGE:		
18-28 Years	53	26.5%
28-38 Years	90	45%
38-48 Years	51	25.5%
Above 48 Years	06	3%
TOTAL	200	100%
3.EMPLOYMENT:		
Student	24	12%
Business	80	40%
Professional	09	4.5%
Service	82	41%
Other	05	2.5%
TOTAL	200	100%
4.ANNUAL INCOME:		
Upto 1,00,000	40	20%
1,00,000-3,00,000	83	41.5%

3,00,000-5,00,000	66	33%
Above 5,00,000	11	5.5%
TOTAL	200	100%
5.EDUCATION:		
Illiterate	0	0%
High School	59	29.5%
Intermediate	25	12.5%
Graduate	86	43%
Post Graduate	30	15%
TOTAL	200	100%

ANALYSIS AND INTERPRETATION-

From the data collected it was found majority of respondents that is 53% of them are females. About 26.5% of the customers belonged to the age of 18-28 years. It was found that majority of customers belonged to service class followed by business class. It was found that majority of the respondents fell between the income group of 1,00,000-3,00,000 followed by income group between 3,00,000-5,00,000. It was found that the majority of respondents were graduates. Thus it can be concluded that the majority of the respondents were knowledgeable and were well informed about the banking services.

6. Use internet banking over traditional banking methods

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
YES	125	62.5%
NO	75	37.5%
TOTAL	200	100%

ANALYSIS AND INTERPRETATION-

It is found that 62.5% of respondents prefer internet banking over traditional banking methods. Thus it can be concluded that more than 50% of people like to use net banking services provided by HDFC Bank.

7. For how many years you are using digital banking?

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Less than 1 year	45	20%
1-5 years	106	53%
5-10 years	45	25%
10-15 years	3	1.5%
Above 15 years	1	0.5%
TOTAL	200	100%

ANALYSIS AND INTERPRETATION-

From the data collected, it is found that about 53% of people are using digital banking from 1-5 years followed by people who are using net banking from 5-10 years.

8. Which category of the banks do you consider as most technologically advanced?

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Public sector banks	87	43.5%
Private sector banks	113	56.5%
TOTAL	200	100%

ANALYSIS AND INTERPRETATION-

According to the data collected, it is found that 56.5% of respondents consider private sector banks as most technologically advanced as compare to public sector banks.

9. Are you aware that the bank provides you free phone banking & net banking services if you open a new savings account with H.D.F.C bank?

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
YES	186	93%
NO	14	7%
TOTAL	200	100%

ANALYSIS AND INTERPRETATION-

According to the data collected, it is found that about 93% of people are aware that the bank provides free phone banking and net banking services if you open a new savings account with H.D.F.C Bank. Thus it is found that majority of customers are well informed about free phone banking & net banking services.

10. Which factor promotes you to use the new techniques in banking?

OPTIONS	PERCENTAGE OF RESPONDENTS WHO USE	PERCENTAGE OF RESPONDENTS WHO DO NOT USE
Reduced time of transactions	86%	14%
Cost Effectiveness	80%	20%
Door Step Banking	80%	20%
Technology savvy	53%	47%

ANALYSIS AND INTERPRETATION-

According to the data collected, it is found that 47% of customers believe that technology savvy is one of the most crucial factor which promotes the customers to use the new techniques of banking followed by cost effectiveness, door step banking and reduced time of transactions.

11. Which internet banking services do you use?

OPTIONS	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS WHO USE
Connected to the Internet at home or work to do their financial transactions	15	7.3%
Uses E – mail	30	14.45%
ATM / Debit card service	36	18.1%
Credit card service	33	15.8%
Online banking services	24	12.9%
E – payments	34	17.2%
Electronic Fund Transfer (EFTs)/NEFT/RTGS	28	14.15%

ANALYSIS AND INTERPRETATION-

From the data collected, it is found that 18.1% of the respondents use ATM/Debit card service followed by E-payments, Credit card service and so on.

12. How frequently do you use the following banking services per month?

OPTIONS	NIL	1-4TIMES	4-8TIMES	8-12TIMES	12&ABOVE
ATM	3%	17%	52%	21%	7%
Internet Banking	1%	34%	51%	10%	3%
Phone Banking	8%	41%	39%	11%	1%
Mobile Banking	6%	46%	32%	14.5%	1.5%
SMS Banking	6.5%	22%	53%	15.5%	3%

ANALYSIS AND INTERPRETATION-

According to the data collected, it is found that 52% of people use ATM services provided by the bank atleast 4-8 times per month, 51% of people are using internet banking 4-8 times in a month, 41% of people are using phone banking 1-4 times in a month, 46% of people are using mobile banking 1-4 times in a month and 53% of people are using SMS Banking 4-8 times in a month.

13. Satisfaction on technology usage.

OPTIONS	EXTREMELY DISSATISFIED	DISSATISFIED	NEUTRAL	SATISFIED	EXTREMELY SATISFIED
ATMs are conveniently located.	0%	0.5%	2.5%	64.5%	32.5%
Accounts information and balance enquiry.	0.5%	1%	4%	68.5%	26%
Account to account transfer.	0.5%	4.5%	6.5%	47.5%	41%
Transaction status	1.5%	4.5%	7.5%	37%	49.5%
Statement Request	1.5%	5%	8.5%	49%	36%

SMS alerts about specific information to the bank services / new products.	2.5%	3.5%	6%	56.5%	31.5%
The charges that the bank collects from you are reasonable when compared to other banks.	2.5%	5.5%	7.5%	50.5%	34%

ANALYSIS AND INTERPRETATION-

According to data collected, it is found that 64.5% of respondents are satisfied that ATMs are conveniently located. 68.5% are satisfied after knowing their accounts information and balance enquiry. 47.5% are satisfied on account to account transfer. 49.5% people are extremely satisfied for their transaction status. 49% people are satisfied on statement request. 56.5% are satisfied for SMS alerts about specific information to the bank services / new products. 50.5% people are satisfied for the charges that the bank collects from you are reasonable when compared to other banks.

14. Problems of technology usage

OPTIONS	OFTEN	RARELY	NEVER
Machine out of cash.	9%	10.5%	80.5%
Long waiting time in queues.	5.5%	41.5%	53%
Internet banking can be tampered with by others.	20%	46%	34%
Lack of security in transactions.	9%	67%	24%
Too many steps in processing transaction.	13.5%	25.5%	61%

ANALYSIS AND INTERPRETATION-According to the research, 80.5% respondents think that ATM machines never go out of cash. 53% of respondents think that they do not have to wait in long queues. 46% respondents think that rarely internet banking can be tampered with by others. 67% of respondents think that rarely there is lack of security in transactions. 61% of respondents think that they do not have to follow too many steps in processing transactions.

15. What online banking operations do you use the most?

OPTIONS	VISITING BRANCH	PHONE BANKING	ONLINE BANKING	OTHER
Pay Bills	8.5%	5.5%	84.5%	1.5%
Consult balance/bank statements	5.5%	24%	69%	1.5%
Print bank slip or statement	28.5%	28%	42%	1.5%
Open an account	95.5%	1.5%	1.5%	1.5%
Bank transfer	12.5%	20.5%	64.5%	2.5%
Investments/Savings	16%	26.5%	53.5%	4%
Shopping	16%	22.5%	58.5%	3%
Insurance	85%	8.5%	3%	3.5%
Loans and Mortgages	23%	32.5%	40.5%	4%
Contact your bank advisor	70%	10%	10%	10%

ANALYSIS AND INTERPRETATION-

According to the research, 84.5% of people pay bills online, 69% people consult balance and bank statements using online banking, 42% people print bank statement, 95.5% people open an account by visiting branch, 64.5% people use online banking for bank transfer, 53.5% use online banking for investments and savings, 58.5% people do shopping using online shopping, 85% do insurance by visiting branch, 40.5% people take loans and mortgages using online banking, 70% people visit branch to contact the bank advisor.

16. Degree of trustworthiness from the service via internet banking comparatively to service via real banking.

Discussion of Hypothesis testing

H0: There exists no significant difference in the mean perception of banking customer towards ‘Trustworthy’ factor of Internet Banking and Real Banking.

H1: There exist a significant difference in the mean perception of Internet Banking customers and real banking customers.

One-Sample Test

	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Degree of trustworthiness from the service via internet banking comparatively to service via real banking.	91.355	199	.000	3.95500	3.8696	4.0404

ANALYSIS AND INTERPRETATION-

The level of significance taken here is 0.05%. On analysis it is found that sig. value is 0.000. Since sig. value is less than level of significance taken here, we reject the null hypothesis that there exists no significant difference in the mean perception of banking customer towards 'Trustworthy' factor of Internet Banking and Real Banking.

17. Rank (1 2 3 4 5 6 7) to the following reasons due to which net banking is not properly used.

Test Statistics^a

N	200
Chi-Square	229.126
df	6
Asymp. Sig.	.000

a. Friedman Test

Ranks

	Mean Rank
Net banking web pages are confusing.	4.33
	5
Use of computer or internet is difficult.	4.66
	6
Neither friends nor relatives use internet.	3.72
	3
Net banking facility is not secured	3.10
	2
It is more expensive than going to a branch.	5.54
	7
Net banking offers no receipts on payments.	2.79
	1
Net banking is not reliable.	3.88
	4

ANALYSIS AND INTERPRETATION-

Scores are significantly different on The Friedman two way Anova test since Sig. value is less than level of significance-0.05. The net banking offers no receipts on payments was ranked 1 that is the most important reason while it is more expensive than going to a branch was given the last rank that is 7.

It can be concluded that the majority of the respondents regarded that the most important reason for which Net Banking service is not being used popularly was that it does not offer receipts on payments.

18. Indicate the degree of agreement with the following statements using a 5 point scale.(1=strongly disagree,5=strongly agree).

Convenience	Safety	Functionality	Necessity
Language	Physical	Access	
Transaction costs	Service	Safety	

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.775
Bartlett's Test of Sphericity	Approx. Chi-Square	735.461
	df	45
	Sig.	.000

ANALYSIS AND INTERPRETATION-

Normally, $0 < KMO < 1$. If $KMO > 0.5$, the sample is adequate.

Here, $KMO = 0.775$ which indicates that the sample is adequate and we may proceed to factor analysis.

Component Matrix^a

	Component		
	1	2	3
Convenience	.594	.554	-.239
.Security	.638	.620	-.175
.Functionality	.540	.478	.257
.Necessity	.697	.071	.477
.Language	.640	-.312	.440
Physical	.618	-.263	.345
Access	.720	-.151	-.070
Transaction	.666	-.222	-.252
costs			
Service	.617	-.303	-.424
Safety	.666	-.340	-.347

Component Matrix^a

	Component		
	1	2	3
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Access	.720	-.151	-.070
Transaction	.666	-.222	-.252
costs			
Service	.617	-.303	-.424
Safety	.666	-.340	-.347

ANALYSIS AND INTERPRETATION-

From the data collected, it can be found that access is the most important factor that motivates people to use net banking services provided by HDFC Bank as people can use it anytime and from anywhere.

CHAPTER-8 FINDINGS OF THE STUDY

The findings of the study were as follows-

1. The majority of the respondents have been HDFC BANK's customers for more than 10 years.
2. The majority of the respondents have availed the net banking service.
3. The majority of the respondents regarded that the most important reason for which net banking service is not being popularly used was that it does not offer.
4. The majority of the respondents felt that the net banking service was better than traditional banking.
5. The majority of the respondents used the net banking services provided by HDFC Bank to view the accounts and balances.
6. The majority of the respondents have been HDFC's Bank customers for more than 10 years.
7. The majority of the respondents accessed bank branch for opening account.

CHAPTER-9 CONCLUSION AND SUGGESTIONS

The introduction of new technology has been changing the attire of banking. The brick and mortar banking is slowly giving place to click of the mouse banking. Technology is aiding globalization and integration of financial markets across the globe. Customer's expectations for new products and alternatives delivery channels have been rising. Banks are under pressure to offer today, what customers would be expecting tomorrow. Thanks to innovations and spread of new technology, banks today offer the customer a choice to conduct his business across the counter, over phone or via a computer. **The Rangarajan Committee (1988) report is the first step for the introduction of computers. The Saraf Committee (1994) on Technology issues relating to payments, cheques clearing and securities settlements made several recommendations to improve the quality of service.** The introduction of new instruments such as ATM, retail Electronic Funds Transfer (EFT) and Electronic Clearing Services (ECS) have all helped in developing an effective, efficient and speedy payment and settlement systems.

1. The bank should make some efforts to familiarize the customers to various services through demonstrations.
2. The bank should adopt more upgraded techniques to make their customer feel more secure while accessing their accounts.
3. Effective awareness campaigns should be undertaken by the banks to make their customers more aware of net banking service
4. The bank should make a effort to provide a platform from where the customers can access different accounts at single time without extra charge.
5. The bank should take steps to create a trust in mind of customers towards security of their accounts.
6. The HDFC bank should introduce more services which can be accessed through Net Banking like advice on investment, TDS, etc.