

Project Report

On

“A comparative analysis to study the impact of banking services on customers account opening preference-a special case of SBI & HDFC of Greater Noida”

(A Report submitted in partial fulfilment of the requirement for the Degree of Bachelor of commerce in Galgotias University, Greater Noida)



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Declaration by the student

I, **Abhinav Kumar** hereby declare that the Project Work titled “**A comparative analysis to study the impact of banking services on customers account opening preference-a special case of SBI & HDFC of Greater Noida** ” is the original work done by me and submitted to the Galgotias University in partial fulfilment of requirements for the award of Bachelors of Commerce in Banking (Area of specialization) is a record of original work done by me under the supervision of **Prof Nupur Mishra mam in** School of Finance & Commerce.

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Acknowledgement

I would like to express my special thanks to gratitude to my Mentor “**Prof. Nupur Mishra mam**”. who gave me the golden opportunity to do this wonderful project on the topic A COMPERATIVE ANALYSIS TO STUDY THE IMPACT OF BANKING SERVICES ON CUSTOMERS? ACCOUNT OPENING PREFERENCE-A SPECIAL CASE OF SBI & HDFC BANK OF GREATER NOIDA”. Which also helped me in doing a lot of research & I came to know about so many new things. I am really thankful to them.

Secondly, I would also like to thank my friends who helped me a lot in finalizing this project within the limited time frame.

Certificate of the Guide

This is to certify that the Project Work titled "A comparative analysis to study the impact of banking services on customers account opening preference-a special case of SBI & HDFC of Greater Noida" is Bonafede work of **Mr. Abhinav Kumar**, Enrolment No. **1708101003** Carried out in a partial fulfilment for the award of degree of B.com VI sem. Of Galgotias University under my guidance. This projection work is original and not submitted earlier for the award of any degree/diploma or associateship of any other University/ Institution.

Signature of the Guide

Office/ Guide's seal

Prof. Nupur Ma'am

Place: Greater Noida

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Executive Summary

A comparison should be done amongst the 2 most, famous, biggest and most reputed banks of India which are SBI and HDFC bank, on the factors based on which customers open their accounts in the bank. Banking facilities are considered to be necessity for fulfilling the needs of the family and to provide a good life. SBI is considered to be the most preferable bank by the people as it is a public sector bank and also because:

1. Tax rebate
2. Lack of much fund
3. Interest rates

Whereas, HDFC has easiness and provide better services with respect to their promises. HDFC bank prefer to take choosy customers which leads to the results such as, better understanding between customers and the bank.

In this project, we will study the public perception on customer account opening preference & even that how the customer gets satisfied by the services provided to them and the terms related to preference on customer account opening.

1. Introduction

1.1 Introduction of banking in India

Nowadays, Banking sector is mainly categorized into commercial banks (Public & Private banks), Regional Rural Banks, Cooperative banks, etc.

The crucial phase in the history of banking sector of India was nationalization of banks that made the way of Indian economy to enter in the list of top 10 economies of world.

The history of banking sector has been concluded in the three phases:

1. The Pre-independence phase (until 1947)
2. The Second phase (1947-91)
3. Third phase & beyond

1. The Pre-independence phase (until 1947)

In this phase, there were a large number of banks around 600. Bank of Hindustan was the first ever bank that led to the Banking system India, in Kolkata, in 1770, but it operated in 1832. Many banks failed to succeed like General Bank of India (1786-91), Oudh Commercial Bank (1881-1958). While, some reach the heights of success as well like Punjab National Bank (est. 1894), Central Bank of India (est. 1911), Bank of Baroda (est. 1908).

RBI (Reserve Bank of India) was formed in April 1935, by the recommendation of Hilton Young Commission (setup in 1926). Most of the banks were small- sized and faced most failures.

2. The Second phase (1947-91)

And now comes the second phase, under this phase nationalization of banks took place. There was need for nationalization in India, because agriculture and small-scale industries were left behind. Poor sections of the society were dominated & exploited by the landlords/ moneylenders in Jan 1, 1949.

Narasimhan Committee recommended Regional Rural Banks to be formed on 2nd October 1975. These banks served population of rural areas & promoting financial inclusion. Nationalization led to growth of small- scale industries and branches of banks began to operate in rural areas too.

3. Third phase and beyond

There was an impeccable growth in developing the banks with liberalization of economic policies. In 1991, Narasimhan Committee recommended to allow private sector banks to enter into system by observing that a large portion of masses was remained untouched by the services of banks.

There was Section 22(1) of the banking regulation act, 1949 under which the RBI issued a license to make Small Finance Banks (SFB) and Payments Bank of India to carry their business.

The applications of Small Finance Banks (SFB) were checked by an External Advisory Committee (EAC). The EAC was chaired by Usha Thorat, Former Deputy Governor, RBI.

Dr. Nachiket Mor, Director, Central Board of RBI. He chaired the EAC committee of Payments Bank of India.

1.2 State Bank of India



FORMERLY	Imperial Bank of India
TYPE	Public
ISIN	INE062A01020
INDUSTRY	Banking, Financial services
FOUNDED	June 2 nd , 1806 (BANK OF CALCUTTA) April 15 th , 1840 (BANK OF BOMBAY) July 1 st , 1843 (BANK OF MADRAS) Jan 27 th , 1921 (Imperial Bank of India) July 1 st , 1955 (State Bank of India)
HEADQUARTER	State Bank Bhawan, M.C. Road, Nariman Point, Mumbai, Maharashtra, India
AREA SPREAD	Worldwide
KEY PEOPLE	Rajnish Kumar (Chairman)
REVENUE	US \$39 Billion (as in 2019)
OPERATING INCOME	US \$7.8 Billion (as in 2019)
NET INCOME	US \$120 Million (as in 2019)
TOTAL ASSETS	US \$710 Billion (as in 2019)
NUMBER OF EMPLOYEES	257,252 (as on March, 2019)
WEBSITE	sbi.co.in

State Bank of India (SBI) is one of the oldest and most successful and even the biggest banks of India. The headquarters of the Bank are situated in Mumbai, Maharashtra. SBI, as biggest bank of India with its partner banks (State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) & with BharatiyaMahila Bank.

SBI, made its place in list of one of the fifty biggest banks of the planet, by merging.

- The State Bank of India has monetary record size of 33 Trillion INR.
- It also has 278,000 representatives, which is a huge number.
- SBI gives its services to its 420 million clients.
- The bank with all due respect operates in 24,000+ branches of it.
- It also has its own 59,000+ ATM machines.

SBI, has made its way to 14 regional hubs and 57 zonal offices, and located them within the important cities of India.

Until 2015, SBI had 191 offices in 36 countries by securing the position of largest presence in foreign market.

SBI established a subsidiary, State Bank of India (California) and presently is operating there in around 10 of its own branches, from which 9 are in California and 1 is in Washington D.C.

Briefing of listing and shareholding

<u>SHAREHOLDERS</u>	<u>SHAREHOLDINGS</u>
GOVERNMENT OF INDIA	58.60%
BANK & INSURANCE CO.	16.79%
FII's/ GDR's/ OCB's/ NRI's	12.04%
MUTUAL FUNDS/ UTI	03.78%
PRIVATE CORPORATE BODY	02.87%
OTHERS	5.92%
TOTAL	100.0%

1.3 Housing Development Financial Corporation (HDFC)



TYPE	Private
ISIN	US40415F1015
INDUSTRY	Financial services
FOUNDED	August of year 1994
HEADQUARTER	Mumbai, Maharashtra, India
AREA SERVED	India
KEY PEOPLE	Shyamal Gopinath (Non-Exe Chairperson) Aditya Puri (Managing Director)
PRODUCT	Consumer banking, credit cards, investment banking, finance & insurance, mortgage loans, wealth management
REVENUE	US \$16 Million (as on 2019)
OPERATING INCOME	US \$3.3 Billion (as on 2019)
NET INCOME	US \$3.0 Billion (as on 2019)
TOTAL ASSETS	US \$170 Billion (as on 2019)
NUMBER PF EMPLOYEES	104,154 (as on June 30 th , 2019)
WEBSITE	www.hdfcbank.com

Housing Development Financial Corporation (HDFC) was one of those financial institutions to whom RBI, itself gave an 'in principle' approval to establish and grow as a private sector bank. In 2017, HDFC touch the heights of success by opening up its own 4,715 branches. The bank does have 12,260 ATM machines working presently. The HDFC bank also operates its branches across 2,657 urban areas and town. The bank has evolved the more as it introduced 4.30 Lacs. POS terminals and also issued 235.7 Lacs. Platinum cards and even 85.5 Lacs. Of Mastercard. It also offers discount banking, retail banking, treasury, automobile advances. The bank even merged with the TIMES BANK in the year 2000, making the merger as

remarkable merger of 2 private banks of the New Gen private division banks class. The bank, itself obtained a bank named as CENTURION BANK, in the year 2008.

Briefing of listing and shareholding

<u>Shareholders</u>	<u>Shareholdings</u>
PROMOTER GROUP (HDFC)	21.57%
FOREIGN INSTITUTION INVESTORS	32.4%
INDIVIDUAL SHAREHOLDERS	8.5%
CORPORATE BODIES	7.5%
INSURANCE CO.	5.38%
MUTUAL FUND/ UTI	8.65%
NRI/ OCB	0.29%
FINANCIAL INSTITUTION/ BANKS	2.75%
ADS/ GDRs	18.78%

Comparative Study of SBI and HDFC Bank

State Bank of India (SBI) is one of the oldest and most successful and even the biggest banks of India. The headquarters of the Bank are situated in Mumbai, Maharashtra. SBI, as biggest bank of India with its partner banks (State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala and State Bank of Travancore) & with Bharatiya Mahila Bank.

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2. Objectives

The objective for digging into the project so deep, is to observe the perception of the public towards the county banking sector (i.e. Public & Private banks). In the current scenario, banking system has a handfull role that has led to development of the economic system of the country. So, to be a graduate student, my approach is to show the views of the public towards the financial and other services which are provided to the respective account holders of these banks or can say to show you the public opinion in the same regard.

BROAD OBJECTIVES

The study aims at finding out the impact of banking services on customer's account opening preferences.

SPECIFIC OBJECTIVES

- To find the relationship that the customer and banks holds between themselves.
- To find whether the customers are aware about the services that are provided by the banks.
- To find and categorize overall satisfaction of customers in respect of both banks.
- To give valuable suggestion based on the findings done through the research of whole study.

3. Research Methodology

All the information used in the project is gathered by conducting an online survey in the area of Greater Noida city. The structured questionnaires were sent out to all respondents of respondent of all age group above 18. The respondents are randomly selected and it about 100 in number.

Sampling Plan:

Respondents were purely selected due to being easily accessible. While this strategy is commonly disliked by quantitative analysts, it is viewed as a satisfactory methodology when utilizing a subjective plan, since generalizability is certifiably not a principle point of subjective methodologies. It includes people of respondent of all age group above 18 (mention here category of respondents) Sample size was restricted to 100. The area of survey is GREATER NOIDA.

Source of Information:

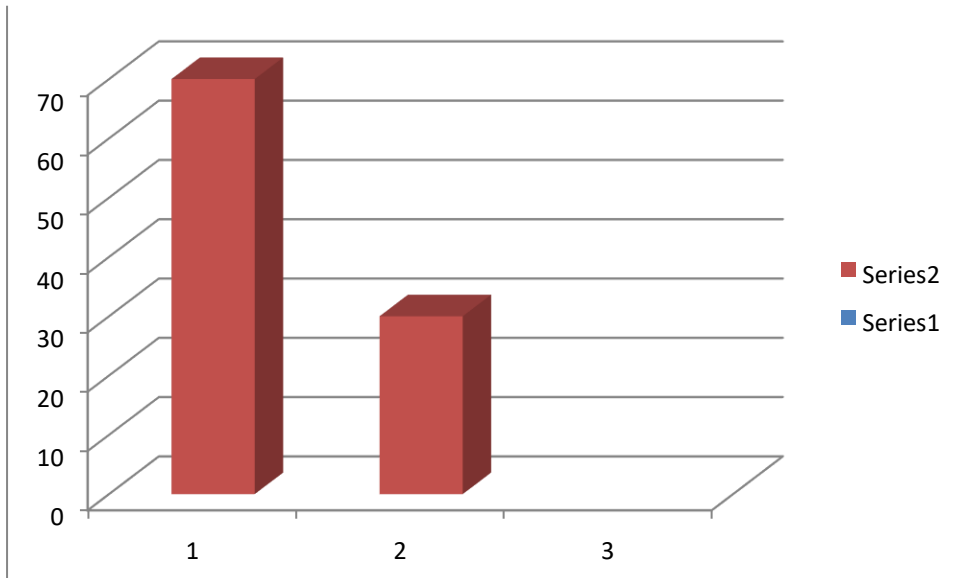
All the information gathered has been keenly observed through the public opinions as well as the reviews on the internet as no direct communication can take place as the lockdown is being carried out across the world due to the COVID-19 disease.

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.

4. Analysis Report

1. SELECT THE BANK IN WHICH YOU ARE MAINTAINING YOUR ACCOUNT?

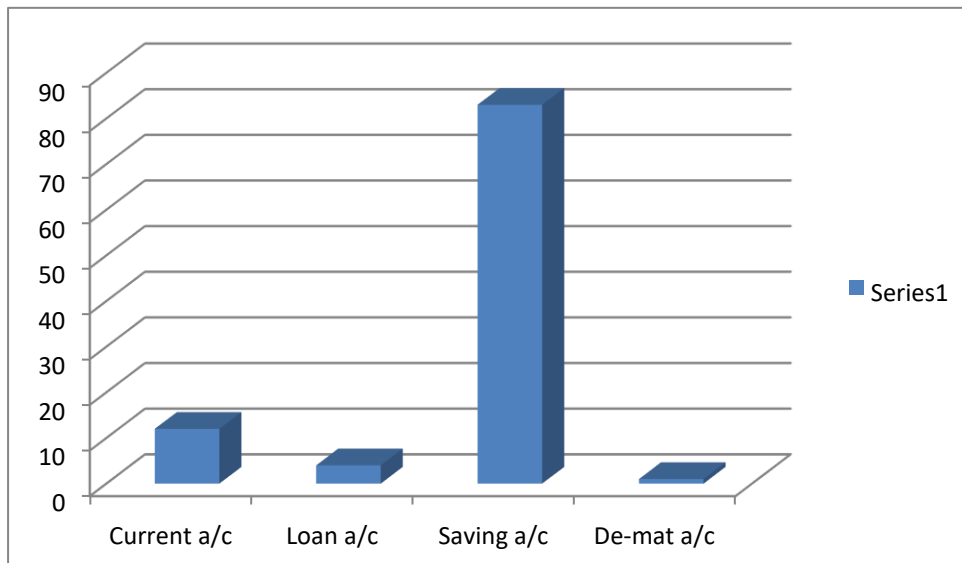


SBI	70
HDFC	30

INTERPRETATION:

This data shows the public who have opened their account in HDFC & SBI. Which shows 70% of people have their account in SBI and 30% have in HDFC.

2. NAME THE ACCOUNT YOU ARE MAINTAINING IN THESE BANKS?

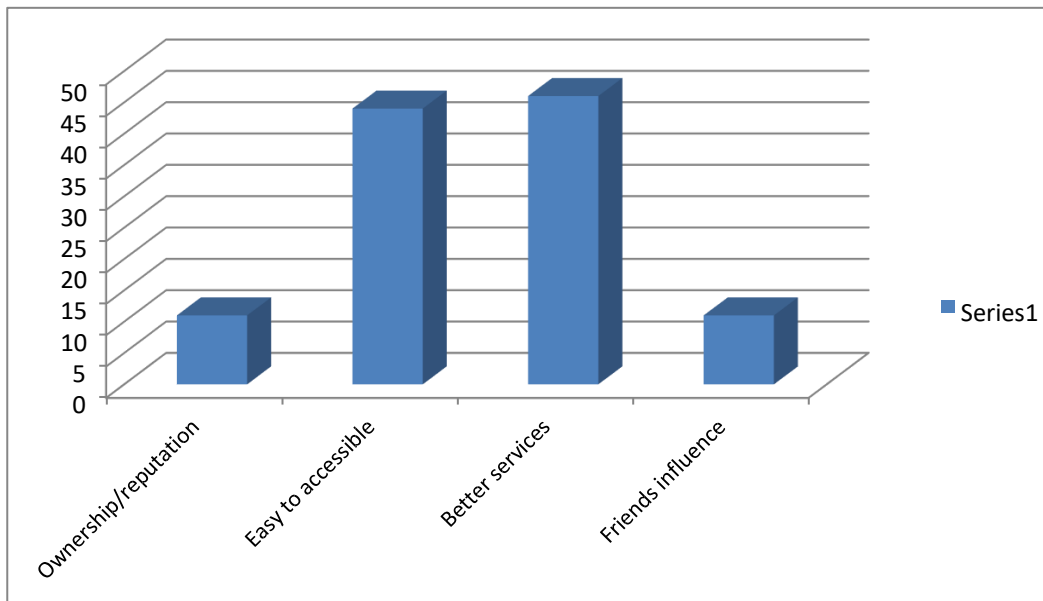


Current a/c	12
Loan a/c	4
Saving a/c	83
De-mat a/c	1

INTERPRETATION:

This data shows the people who have account in the respective banks, they maintain which kind of account. Which results as the mainly prefer to maintain saving account which is 83% and after that current account and it also shows that people are very less aware of de-mat and loan account.

3. WHAT INFLUENCED YOU THE MOST TO SELECT YOUR BANK?

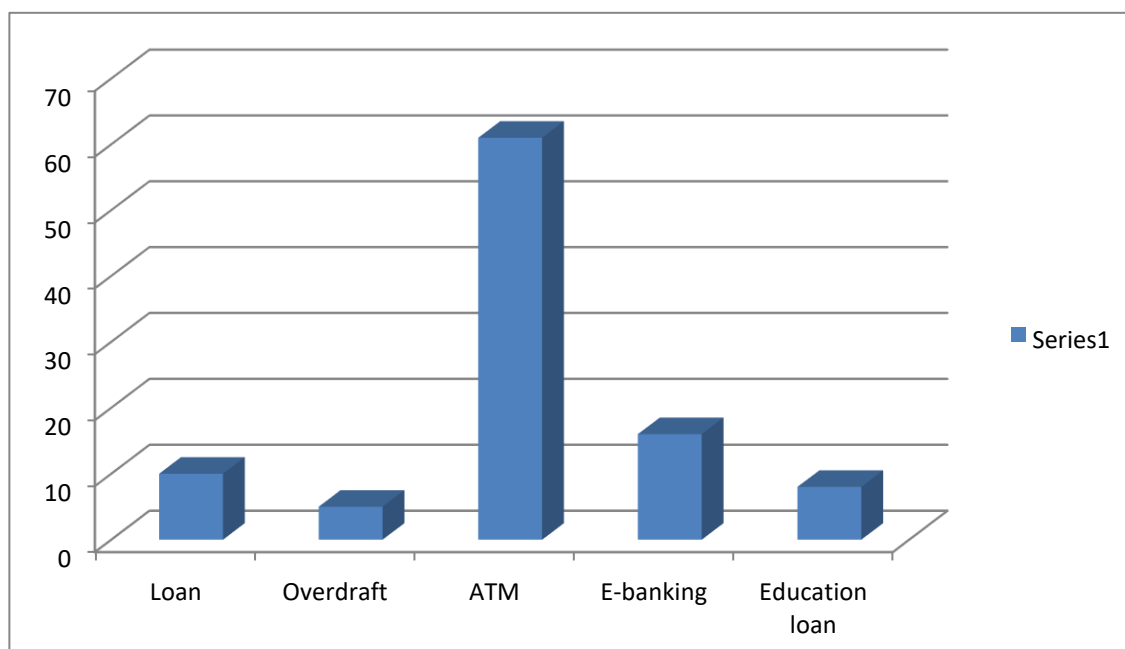


Ownership/reputation	11
Easy to accessible	44
Better services	46
Friends influence	11

INTERPRETATION:

This data shows what influence the people most to open their account in SBI, which shows somehow equal percentage of easy to accessible and it provides better services and less that they are influenced by its reputation in the competitive market of banking or they were influenced by the friends or family.

4. FACILITIES THAT YOUR BANK PRIORITIZE THE MOST?

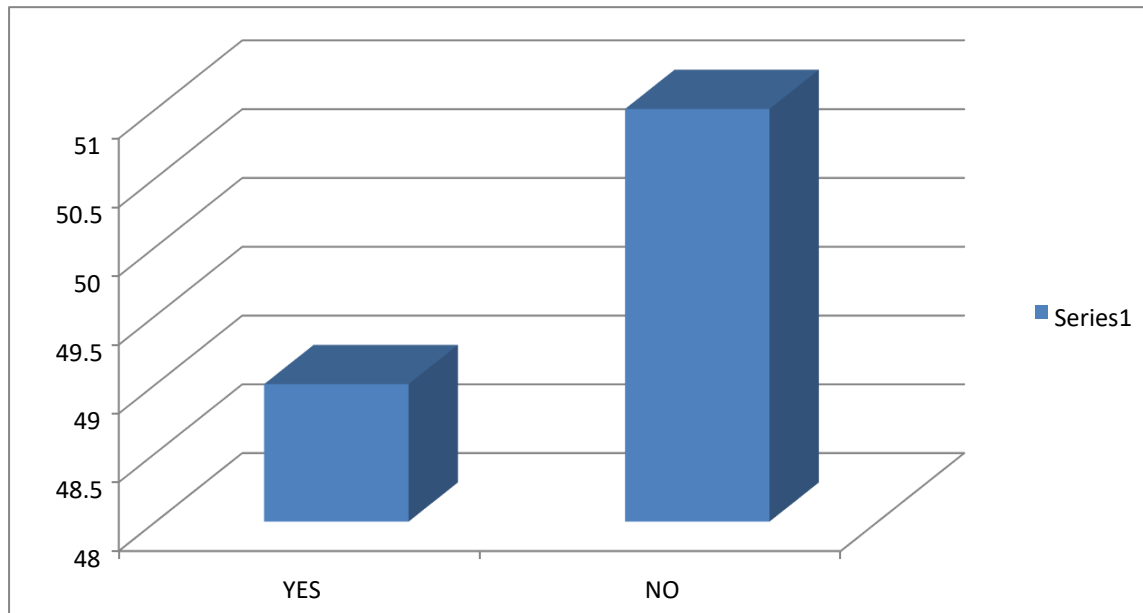


Loan	10
Overdraft	5
ATM	61
E-banking	16
Education loan	8

INTERPRETATION:

This data shows that the facilities provided to the customer most in their bank. Which shows the ATM facilities are given more importance and then e- banking facility and the overdraft facility is less which is about some more than ATM and e-banking.

5. DO YOU THINK THAT SBI HAS THE DIFFICULT ACCOUNT OPENING PROCESS?

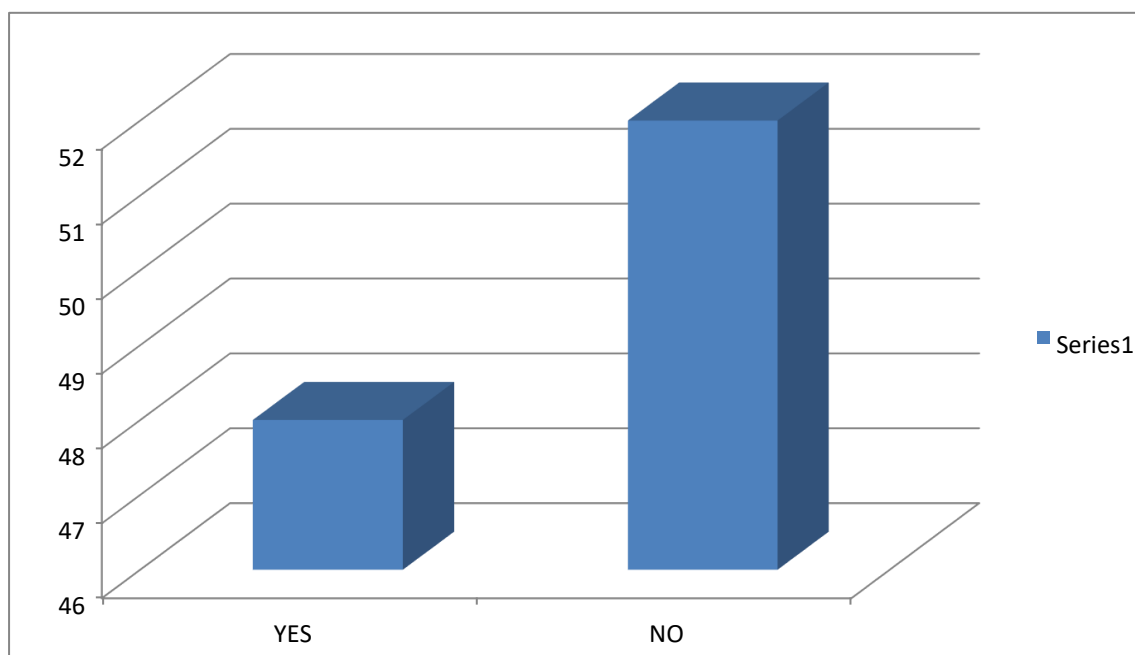


YES	49
NO	51

INTERPRETATION:

This data shows the public perception to feel any difficulties in opening account in SBI, which result as 51% of the people have no difficulties and 49% of the people fell.

6. DO YOU FEEL ANY DIFFICULTIES IN OPENING ACCOUNT IN HDFC BANK?

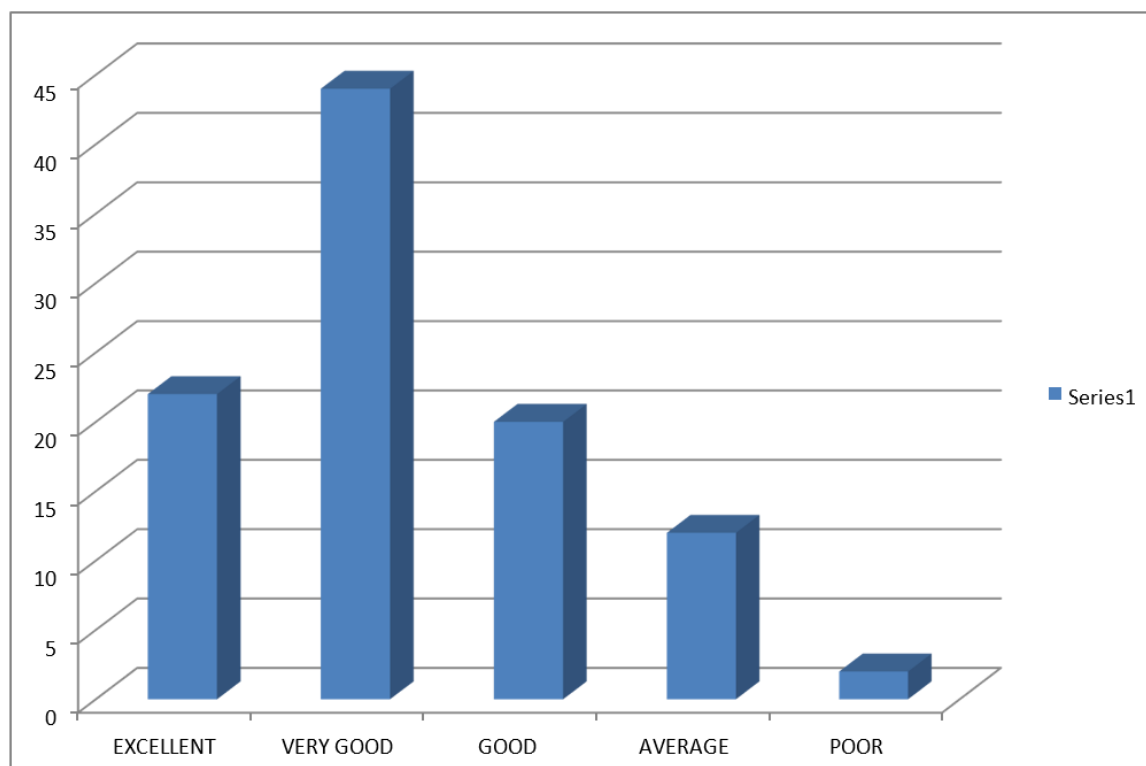


YES	48
NO	52

INTERPRETATION:

This data shows the result that the 48% of the people felt difficulties in opening an account with HDFC and 52% of people do not find any difficulties.

7. RATE YOU BANKING SERVICES QUALITY PROVIDED BY YOUR BANK?

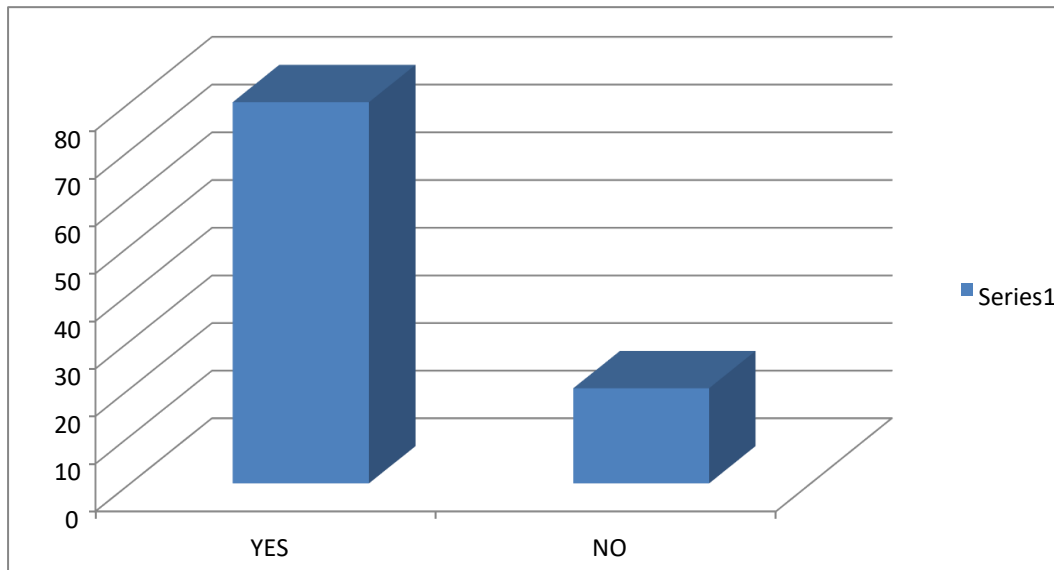


EXCELLENT	22
VERY GOOD	44
GOOD	20
AVERAGE	12
POOR	2

INTERPRETATION:

The data depicts the banking service quality of HDFC & SBI which shows the result that 44% have marked as very good and not bad but 22% have done with excellent.

8. IN YOUR OPINION, DOES YOUR BANKS MEETS TO ALL YOUR BANKING NEEDS?

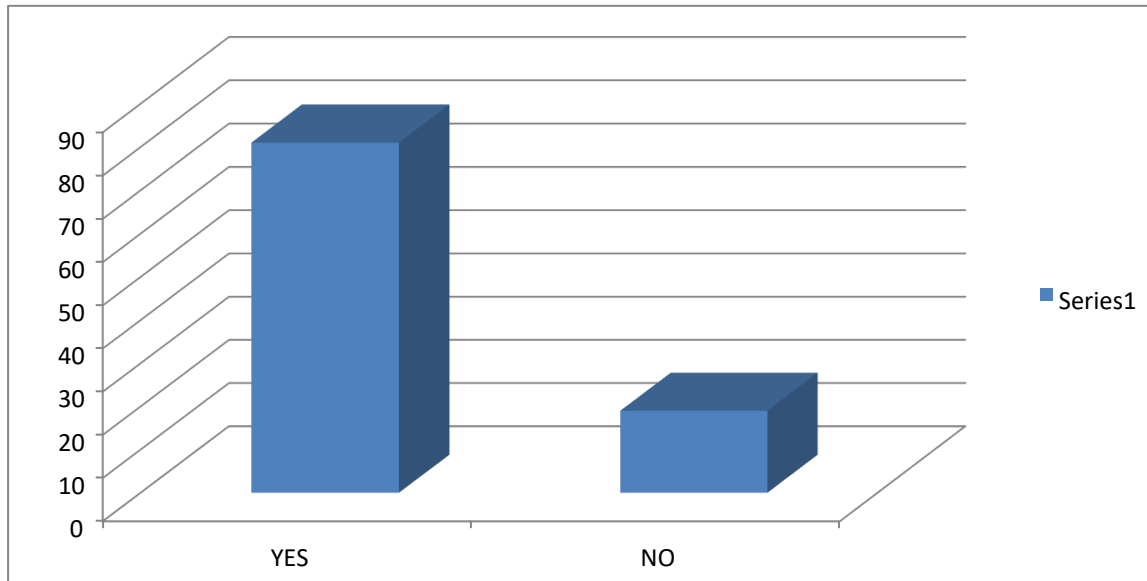


YES	80
NO	20

INTERPRETATION:

This data shows the result that whether the banks facilitates their customer all banking related needs or not which result as 80% of the people are satisfied with it that is yes and 20% with no they not feel so.

9. ARE CORE BANKING FACILITIES PROVIDED BY YOUR BANK?

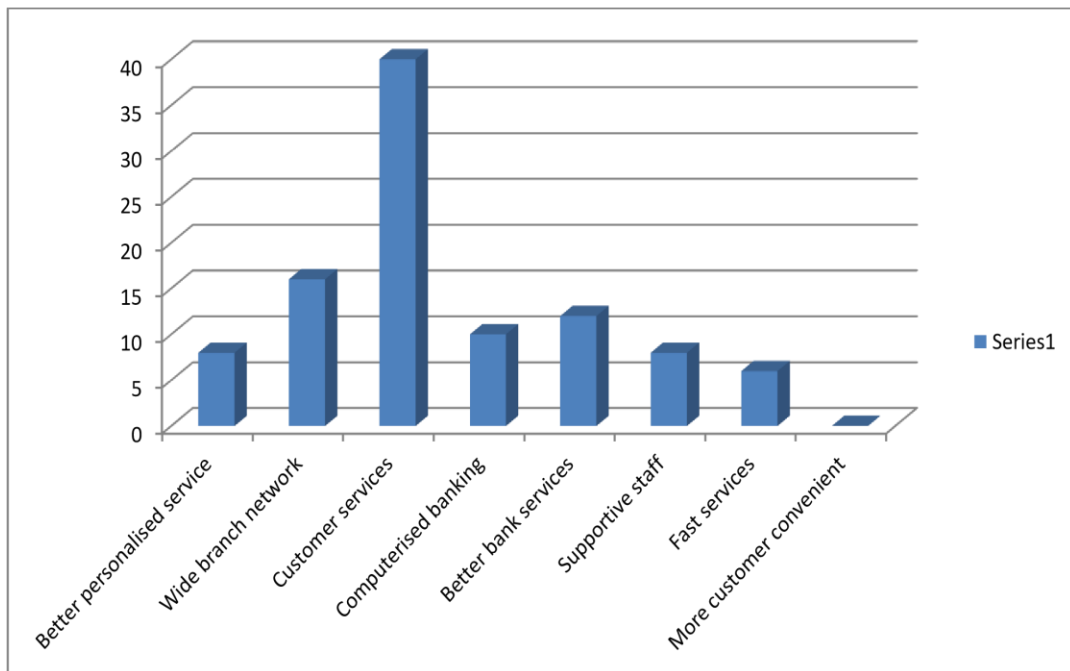


YES	81
NO	19

INTERPRETATION:

This data shows the result the respective bank provide core banking facilities or not ,in which the public perception is 81% goes with yes and19% with no.

10. IF IT COMES TO CORE COMPETANCY, WHAT COMES TO YOUR MIND REGARGING YOUR BANK?

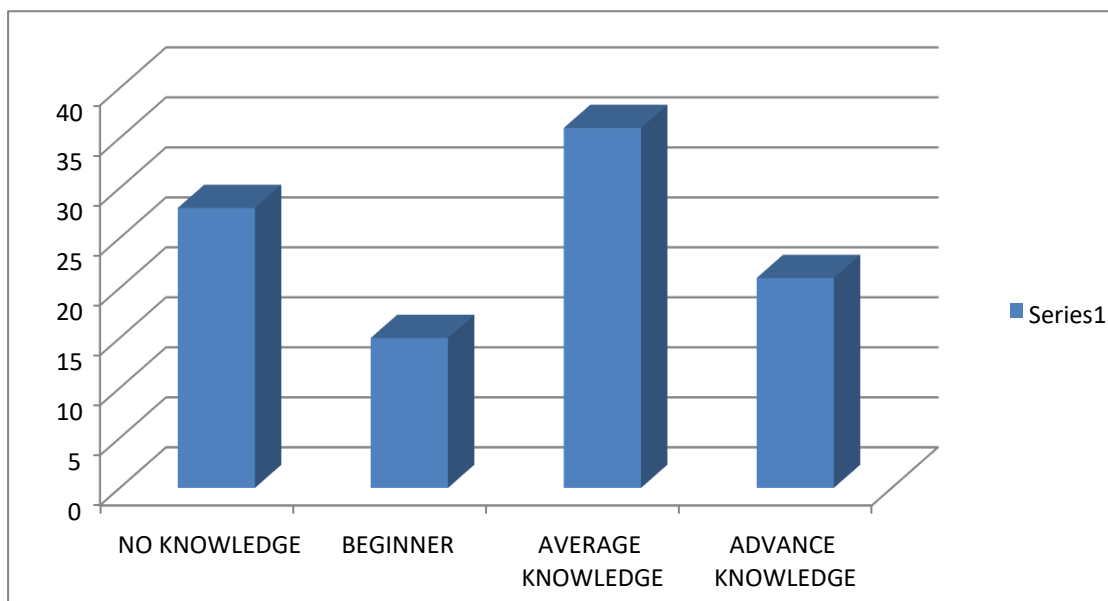


BETTER PERSONALIZED SERVICE	8
WIDE BRANCH NETWORK	16
CUSTOMER SERVICE	40
COMPUTERISED BANKING	10
BETTER BANK SERVICES	12
SUPPORTIVE STAFF	8
FAST SERVICES	6
MORE CUSTOMER CONVENIENT	0

INTERPRETATION:

This data shows the thinking of the people when they feel the core competency of their bank, most people think of the customer services that they provided that is 40% and some are also think of the branch network that the bank have.

11. HOW MUCH YOU KNOW ABOUT THE COMPUTER USAGE LEVEL OF YOUR BANK?

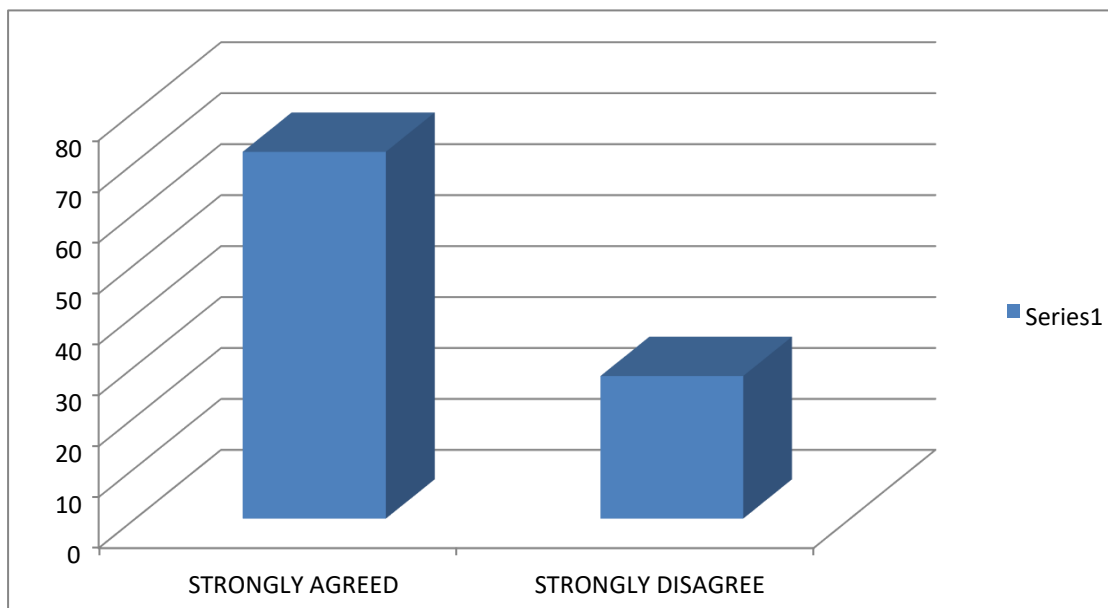


NO KNOWLEDGE	28
BEGINNER	15
AVERAGE KNOWLEDGE	36
ADVANCE KNOWLEDGE	21

INTERPRETATION:

This data shows the how much customer are aware of the computer usage level of the bank. which shows the maximum customer that is 36% is having average knowledge and 28% customer is having no knowledge of computer usage.

12. YOU THINK YOUR BANK PROVIDE COMPETATIVE INTEREST RATE?

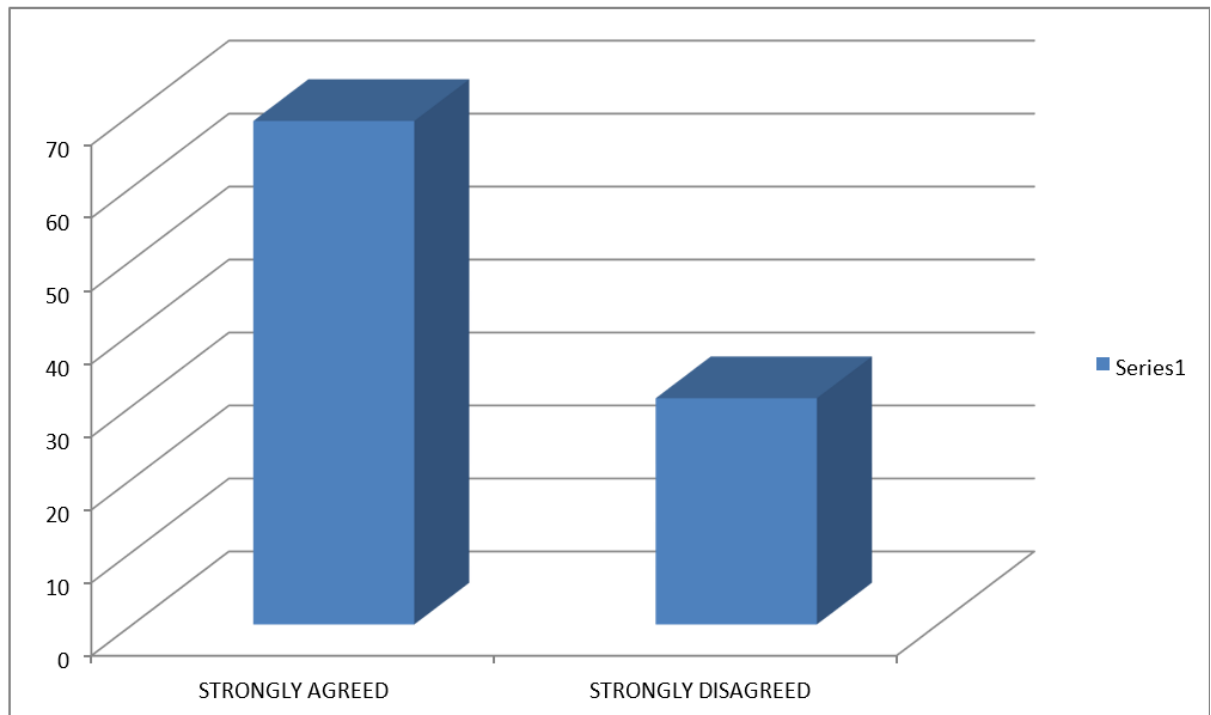


STRONGLY AGREE	72
STRONGLY DISAGREE	28

INTERPRETATION:

This data shows that whether the customer gets the competitive interest rate as compare to other bank or not, in which 72% are satisfied that they get and rest are not.

13.DO YOU THINK, YOUR BANK OVERCHARGES IF YOU ARE UNABLE TO MEET THE MINIMAL BALANCE REQUIREMENTS?

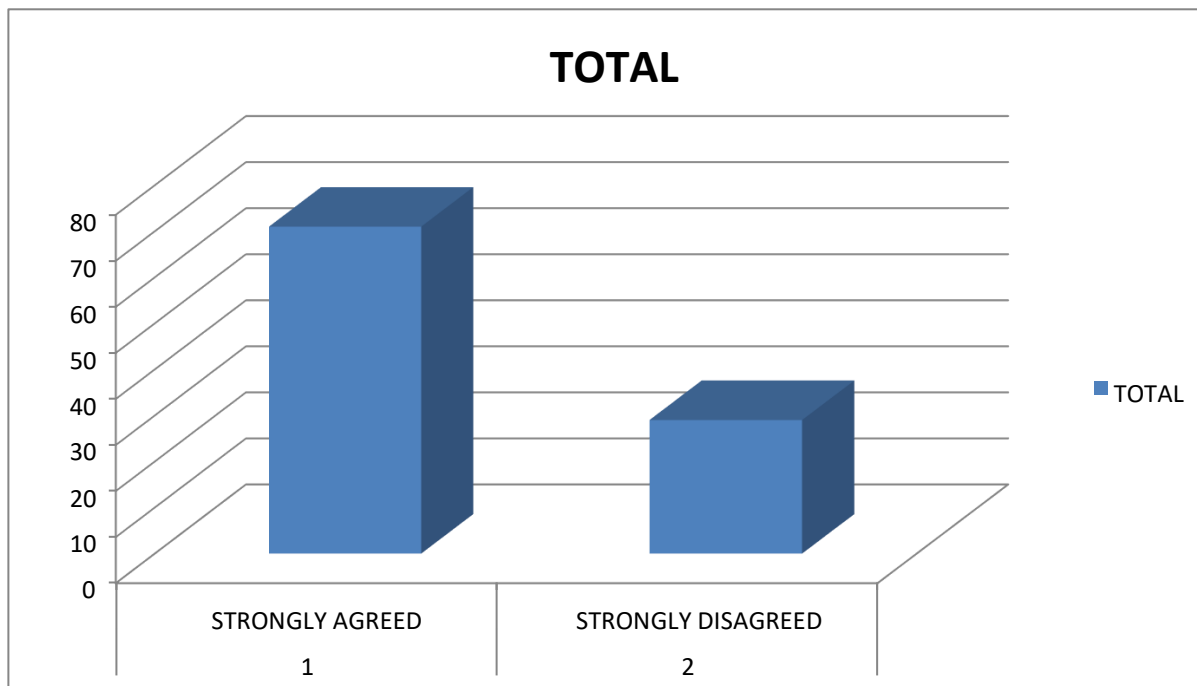


STRONGLY AGREE	69
STRONGLY DISAGREE	31

INTERPRETATION:

This data shows the perception of public on the overcharges of the bank for not meeting the minimal balance requirements, 69% people agree and 31% do not agree.

14. YOU FEEL ANY DIFFERENCE IN MENTION PUBLICALLY BANK SERVICES AND THE ACTUAL ADVERTISED CUSTOMER SERVICES BY THE BANK?



STRONGLY AGREE	71
STRONGLY DISAGREE	29

INTERPRETATION:

This data shows whether there is difference found in the mention public services and the actual services of the bank, we found that 71% of the people are strongly agreed with this that there is difference and 29% are disagreed.

5. Findings

- Account Opening is considered to be main activity as well as objectives of the Banking services.
- Majority of people prefer public sector banks, SBI is one of them.
- People mainly prefer to maintain saving account and after that current account.
- People are less aware about the De-mat a/c.
- **SBI** is easy to access according to most of the people.
- Majority face difficulties in opening account in HDFC Bank than in SBI.
- A few people still do not have the knowledge of computer usage.
- A large number of people gets prompted services when they visit their branch.
- Most of the people believe that their banks provide competitive interest rates.
- A Large no. of people think that there is difference between actual and mentioned services provide by banks.

6. Limitations

- It was hard to reach many people, due to the lockdown being carried out in the country.
- 10% people didn't know the process of filling the online survey forms.
- Neither the queries can be told on the phone without face to face contact.
- Many respondents do not have the access to the internet.

7. Conclusion

After conducting a market research for comparative study of SBI and HDFC regarding the customer preference on opening of account. We came to know the different needs of the customers, their valuable suggestion & responses to the different question with the information. We conclude that customer & level of most respondent is high for SBI & HDFC bank which is provided by the survey. SBI & HDFC bank provide good service facility benefit to the customer like, ATM service, Net banking facility, location advantage etc.

CUSTOMER SUGGESATION AND RECOMMENDATION:

- Customers from both banks said they will be glad if the banks also operate in the industrial places.
- Customer face problems when they are overcharged for not meeting up the minimal balance requirements.
- Customers expects more supportive staff.
- Customer are unaware of some fee charged and other taxes.

8.Questionnaire

Section A

1. Name:
2. Email:
3. Gender:
 - Male
 - Female
4. Age (in years):
 - Below 18
 - 19- 25
 - 26-35
 - 36-45
 - 46 Above
5. Monthly Income (in Rupee)
 - Less than 20,000
 - 20,000 – 34,000
 - 35,000 – 49,000
 - Above 50,000

Section B

- 1) Select the bank in which you are maintaining your account?
 - a) SBI
 - b) HDFC
- 2) Name the account you are maintaining in these banks?
 - a) Current a/c
 - b) Loan a/c
 - c) Saving a/c
 - d) De-mat a/c

3) What influenced you the most to select your bank?

- a) Ownership/reputation
- b) Easy to accessible
- c) Better services
- d) Friends/family influence

4) Facilities that your bank prioritize the most?

- a) Loan facility
- b) Overdraft facility
- c) ATM facility
- d) E-banking
- e) Education loan

5) Do you feel that SBI has the difficult account opening process?

- a) Yes, to a certain extent
- b) No, it was easy

6) Do you feel any difficulties in opening account in HDFC bank?

- a) Yes, to a certain extent
- b) No, it was easy

7) Rate your Banking services quality provided by your bank:

- a) Excellent
- b) Very good
- c) Good
- d) Average
- e) Poor

8) In your opinion, does your bank meets all your banking needs?

- a) Yes
- b) No

9) Are core banking facilities provided by your bank?

- a) Yes
- b) No

10) If it comes to core competency, what comes to your mind regarding your bank?

- a) Better Personalized services
- b) Wide branch network
- c) Customer services
- d) Computerized banking
- e) Better bank services
- f) Supportive staff
- g) Fast services
- h) More customer convenient

10) How much you know about the computer usage level of your bank?

- a) No knowledge of computer
- b) Beginner (know about e-banking and new technical services)
- c) Average knowledge
- d) Advance computer knowledge

11) You think your bank provides competitive interest rates?

- a) Strongly agreed
- b) Strongly disagreed

12) Do you think, your bank overcharges if you are unable to meet the minimal balance requirements?

- a) Strongly agreed
- b) Strongly disagreed

13) You find any difference in mention publicly bank services and the actual advertised customer services which provided by your bank?

- a) Strongly agreed
- b) Strongly disagreed

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