

A STUDY ON BANKING SERVICES OFFERED BY SELECTED BANK FOR DIFFERENT AGE GROUPS

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Abstract: A bank is a financial institution that creates credit by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet. Lending activities can be performed either directly or indirectly through capital markets. Due to their importance in the financial system and influence on national economies, banks are highly regulated in most countries. Most nations have institutionalized a system known as fractional reserve banking under which banks hold liquid assets equal to only a portion of their current liabilities. In addition to other regulations intended to ensure liquidity, banks are generally subject to minimum capital requirements based on an international set of capital standards known as the Basel Accords.

Keywords: Banking services, age group.

Introduction

A bank is a financial institution licensed as a receiver of deposits. There are two types of banks: commercial/retail banks and investment banks. In most countries, banks are regulated by the national government or central bank. Commercial banks are mainly concerned with managing withdrawals and deposits as well as supplying short-term loans to individuals and small businesses. Consumers primarily use these banks for basic checking and savings accounts, certificates of deposit and sometimes for home mortgages. Investment banks focus on providing services such as underwriting and corporate reorganization to institutional clients.

Methodology

The study was conducted in Kanpur district. Seven nationalized banks were selected in this study. Total 100 customers were selected in this study area. Dependent and independent variables were used such as size, education, income etc. and satisfaction, net banking, knowledge etc. The statistical tools were used such as weighted mean, S.D., Cr. etc.

Results

Table 1. Distribution of bank customers according to age group

Age group	Frequency	Per cent	Mean + SD
18 to 30 years	11	11.0	25+3
30 to 40 years	24	24.0	35+4
40 to 50 years	39	39.0	46+3
50 to 60 years	20	20.0	53+6
60 years & above	6	6.0	62+3
Total	100	100.0	39+6

According to RBI rules all the adults can open their saving accounts and avail the benefits of all the policies running by the Banks but now below 18 years. However, they can open their minor accounts. ICICI and HDFC Banks are offering these services. Children older than 10 years will no longer need the help of their parents or guardians to open and operate a savings bank account. To boost financial inclusion, the Reserve Bank of India (RBI) permits the Banks to allow minors above 10 years to independently open and operate savings bank accounts. As of now, Banks allow minors to operate bank accounts only along with a parent or a guardian. All children and teenagers below the age of 18 are considered minors under current rules.

Table 2. Services offered by selected Banks for adults (in per cent)

Schemes	HDFC	SBI	PNB	BOB	ICICI	OBC	IDBI
• Saving account	70.0	100.0	70.0	80.0	88.0	40.0	30.0
• Current account	10.0	25.0	8.0	15.0	20.0	8.0	12.0
• Fixed deposit	30.0	60.0	40.0	40.0	38.0	30.0	26.0
• Mutual fund	22.0	32.0	30.0	22.0	30.0	10.0	8.0
• ATM	70.0	100.0	80.0	70.0	90.0	45.0	32.0
• Internet banking	60.0	72.0	70.0	60.0	70.0	60.0	30.0
• Debit card	60.0	81.0	62.0	55.0	78.0	58.0	20.0
• Education loan	40.0	60.0	44.0	32.0	50.0	32.0	10.0
• House loan	30.0	50.0	40.0	30.0	42.0	30.0	12.0
• Car loan	40.0	62.0	50.0	20.0	55.0	32.0	12.0
• EFT Electronic fund transfer	29.0	40.0	20.0	20.0	32.0	24.0	10.0

All the selected seven banks are almost offering all the schemes but interest rate of SBI is somewhat less but in spite of that customers use to take services of SBI due to their credibility. Business class people are taking the services of private banks because their rules are somewhat flexible but now it is found that people are now attracted to ICICI Bank after S.B.I. and people are availing these services. Now ICICI Bank is more popular due to infrastructure dealing behaviour offering comfort also.

Table 3. Services offered by selected Banks for adults (in per cent)

Schemes	HDFC	SBI	PNB	BOB	ICICI	OBC	IDBI
• Star Plus Scheme	80.0	70.0	32.0	30.0	72.0	34.0	35.0
• Fixed deposit under guardianship or minor	69.0	55.0	35.0	30.0	70.0	22.0	26.0
• Allahabad Bank Sishu Mangal Deposit Scheme	-	-	-	-	-	-	-
• PNB Balika Shiksha Scheme	-	-	80.0	-	-	-	-

Some of the fixed deposits schemes for children offer additional protection in form of insurance while others just offer payout at maturity. There are a lot of banks in India that offer fixed deposit schemes for children. Under most of these schemes, the parent or guardian handles the account until the child reaches the age of maturity. Some of the top fixed deposit schemes for children and their features.

Table 4. Services offered by selected Banks for teenagers (in per cent)

Schemes	HDFC	SBI	PNB	BOB	ICICI	OBC	IDBI
• ATM	80.0	65.0	60.0	35.0	70.0	50.0	55.0
• Mobile banking	32.0	40.0	50.0	40.0	40.0	35.0	40.0
• Net banking	72.0	60.0	45.0	40.0	80.0	40.0	32.0
• Minor saving account	80.0	72.0	60.0	40.0	70.0	40.0	30.0
• Education loan	86.0	80.0	60.0	30.0	65.0	45.0	36.0

Now customers below 18 years are opening their minor accounts in HDFC, ICICI, IDBI and Indian Banks. Teenagers are using ATM card, mobile banking and net banking and minor saving accounts. Banks are also offering education loans to teenagers. Teenagers mostly use ATM and mobile banking.

Table 5. Services offered by selected Banks for women (in per cent)

Schemes	HDFC	SBI	PNB	BOB	ICICI	OBC	IDBI
• Gold loan	80.0	72.0	60.0	59.0	85.0	40.0	80.0
• Locker	60.0	63.0	60.0	50.0	70.0	40.0	70.0
• Saving account	70.0	60.0	60.0	52.0	88.0	42.0	60.0
• ATM	70.0	62.0	55.0	50.0	90.0	43.0	60.0
• House loan	40.0	35.0	40.0	34.0	50.0	40.0	40.0
• Personal loan	50.0	40.0	50.0	38.0	60.0	35.0	40.0
• Internet banking	60.0	50.0	40.0	35.0	70.0	34.0	55.0
• Mobile banking	80.0	60.0	35.0	30.0	80.0	30.0	62.0
• Recurring deposit	73.0	70.0	38.0	32.0	72.0	25.0	70.0
• Fixed deposit	66.0	60.0	50.0	30.0	84.0	30.0	64.0

Despite, all the best efforts from the government and private bank women still remained away from banks and its services due to social and cultural barriers that prevent women from access to banking services. If we look at the comparative statistics regarding women in the banking sector, it paints a rather gloomy picture. With women holding only 24 per cent of total operational bank accounts in the country and 28 per cent of total deposits; the participation of women in the banking sector is definitely not at an acceptable level. Especially when it comes to credit supplied, only 12 per cent of individual bank loan accounts belonged to women, which clearly shows a disparity of access to banking services between the two genders.

Table 6. Services offered by selected Banks for senior citizen (in per cent)

Schemes	HDFC	SBI	PNB	BOB	ICICI	OBC	IDBI
• Saving account	80.0	82.0	62.0	60.0	90.0	60.0	52.0
• ATM	78.0	80.0	60.0	58.0	80.0	50.0	51.0
• Fixed deposit	76.0	80.0	60.0	58.0	82.0	50.0	50.0
• Pensioner schemes	76.0	82.0	55.0	52.0	90.0	50.0	48.0
• Visa card	80.0	84.0	56.0	54.0	92.0	48.0	50.0
• Recurring deposit	76.0	80.0	58.0	55.0	90.0	45.0	42.0
• Maturity	78.0	80.0	58.0	56.0	84.0	45.0	40.0
• Death of depositor	78.0	80.0	50.0	54.0	82.0	46.0	42.0
• Renewal	75.0	78.0	60.0	58.0	80.0	48.0	43.0
• Interest on deposit	65.0	80.0	66.0	60.0	90.0	48.0	45.0
• Nomination	66.0	76.0	68.0	60.0	80.0	50.0	46.0
• Passbook certificate	70.0	82.0	70.0	62.0	92.0	52.0	48.0
• Loan or advance against deposit	71.0	84.0	72.0	62.0	90.0	55.0	45.0

Retirement can be a scary thing. A person spends his or her entire life working and later wonders how to enjoy their twilight years. Many people think that at this phase in life, senior citizens have no role to play as far as investments are concerned, but that is not true. A majority of the savings of a senior citizen are locked away in FDs or other forms of investment. While this is a safe mode of income via interest, it does not offer a lot of money and this is where schemes like the SCSS (senior citizen saving scheme) come into play. Apart from being tax deductible, the Senior Citizen Saving Scheme is an ultra-safe one backed by the government, making it an ideal option for retired taxpayers.

Conclusion

The banking industry in India has a huge canvas of history, which covers the traditional banking practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore,

banking in India has been through a long journey. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same. The majority of the banks are still successful in keeping with the confidence of the shareholders as well as other stakeholders. However, with the changing dynamics of banking business brings new kind of risk exposure.

Recommendations

1. Educate customers on financial literacy.
2. Encourage positive attitude for customers.
3. Be sensible about customer's expectations.

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