

# Universal Banking In India: A Relative Study Linking The Selected Private And Public Sector Banks In India

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**Abstract -** In Today's scenario Bank plays a very major role with each and every person for their financial needs or business. Nowadays bank provides so many diverse products and services to make the life of the people easier and simpler in ways of getting financial advices and needs. Universal banks are one of those kinds of financial institution which provides almost all kinds of financial products or services that are available in the market. In this paper, we have tried to analyze whether people are aware of all the products and services which their banks provide them and do they know that their own bank is a universal bank. There are two sector of banks taken for the study from Private Sector ICICI Bank and from Public sector SBI bank have been taken as two universal banks and the data collected are from 100 customers 50 from each bank with random sampling method.

**Key Words:** Universal Bank, ICICI bank, SBI bank, financial products and services.

## I. INTRODUCTION

Universal bank is a group of functional areas like money-making, savings, development banking, insurance and numerous other financial activities. It is a place where all financial products are accessible under one-roof.

As per the World Bank statement, — In Universal Banking, a large bank operate with a wide network of branches, provides different financial services, holds most important claim of firms Equity and Debt capital, and also contribute directly in the Corporate Governance of the firms that rely on the banks for funding as insurance underwriters. The theme of universal bank re-emerge in year 2000, when ICICI Bank gave a presentation to RBI to discuss the time structure and reasonable options for transforming itself into a universal bank.

## II. LITERATURE REVIEW

Rahul Singal (2012) analyzed the prospect of universal bank for Indian market and future projection with universal banking. It is believed that the concept of financial markets play a important role in future.

Kammath, K.V (2012) says ICICI envisage a time limit of 12 to 18 months in converting itself into a Universal Bank. ICICI has expected favourable response from Indian

investors and FIIs on its move to amalgamate with ICICI Bank and become a universal bank. ICICI be the first one to broadcast universal banking as a model.

Binija George (2015) an effort is made to explain the varying banking and opportunities for the Indian banking sector in changing banking scenario.

Moreover, Siva and Natarajan (2011) experienced the adoption of CAMEL norms and its significant impact on the performance of SBI Groups. The study fulfill that annual CAMEL scanning helps the commercial bank to identify its financial health and alert the bank to take protective steps for its sustainability.

### Objective of the study:

- To study the potential of universal banking in India through chosen public and private sector banks.
- To inspect the existing argument on Universal banking in the context of the samples considered.
- To locate a bank in terms of the advancement made by it in the way of Universal Banking.

## III. METHODOLOGY

Convenience sampling method has been followed wherein

the educated residents in Hosur, Tamil Nadu have been selected on the following criteria:

Questionnaire is used for data collection of the respective

respondents. The data collected from all the respondents are considered as suitable for the purpose of conducting the present study. Sample size for the study is 100 respondents.

#### IV. DATA ANALYSIS AND INTERPRETATION

##### 1. Analysis on the basis of the Banking and Financial services offered by ICICI Bank

Sl. No.	Banking and Financial Services	Yes (Knows that the services are provided)	No (Knows that the services is not offered)	Cannot Say (does not whether the bank provides the services or not)
1	Education Loan	46	3	1
2	Locker Facility	49	0	1
3	Pension payments	44	1	5
4	Agriculture and Rural Credit	43	2	5
5	Housing loan	50	0	0
6	Loan against gold	0	0	50
7	NRI Services	38	5	7
8	Project finance	50	0	0
9	Tax payment	50	0	0
10	Loan against shares and debentures	32	0	0
11	Net Banking	50	0	0
12	Bill Payments	50	0	0
13	Letter of Credit	39	4	7
14	Pre-paid cards for payment disbursements (Smart Card)	40	0	10
15	Micro Finance	40	0	0
16	Credit Card	50	0	0
17	Debit Card	50	0	0
18	Investment Banking	41	2	7
19	Mobile Banking	50	0	0
20	Insurance (Life and General )	46	0	4
21	Mutual funds	48	0	1

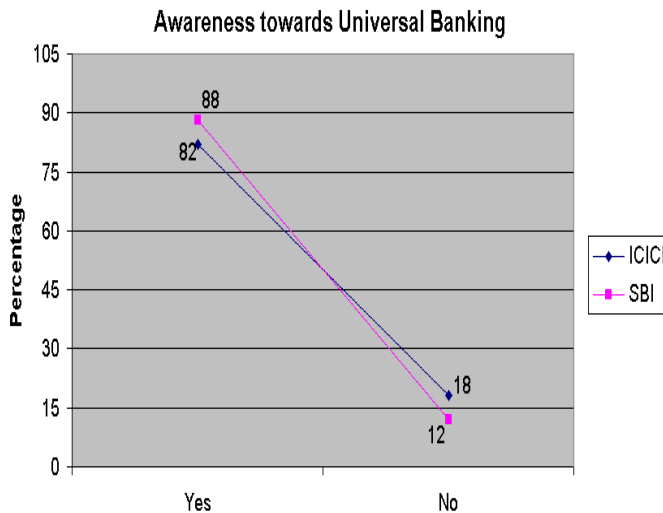
**Interpretation:** It proves that people are not informed about Banking and Financial Services loans from gold and which have received 0% positive response whereas the ICICI Bank is providing this services so awareness as to be created among the public.

##### 2. Analysis on the basis of the Banking and Financial services available for ICICI Bank

Sl. No.	Banking and Financial Services	Yes (Knows that the services are provided)	No (Knows that the services is not offered)	Cannot Say (does not whether the bank provides the services or not)
1	Education Loan	50	0	0
2	Locker Facility	50	0	0
3	Pension payments	50	0	0
4	Agriculture and Rural Credit	42	3	5
5	Housing loan	50	0	0
6	Loan against gold	35	4	11
7	NRI Services	46	5	7
8	Project finance	49	1	0
9	Tax payment	48	0	2
10	Loan against shares and debentures	50	0	0
11	Net Banking	50	0	0
12	Bill Payments	50	0	0
13	Letter of Credit	23	10	17
14	Pre-paid cards for payment disbursements (Smart Card)	23	16	11
15	Micro Finance	26	11	13
16	Credit Card	50	0	0
17	Debit Card	50	0	0
18	Investment Banking	44	3	3
19	Mobile Banking	50	0	0
20	Insurance (Life and General )	50	0	4
21	Mutual funds	47	1	2

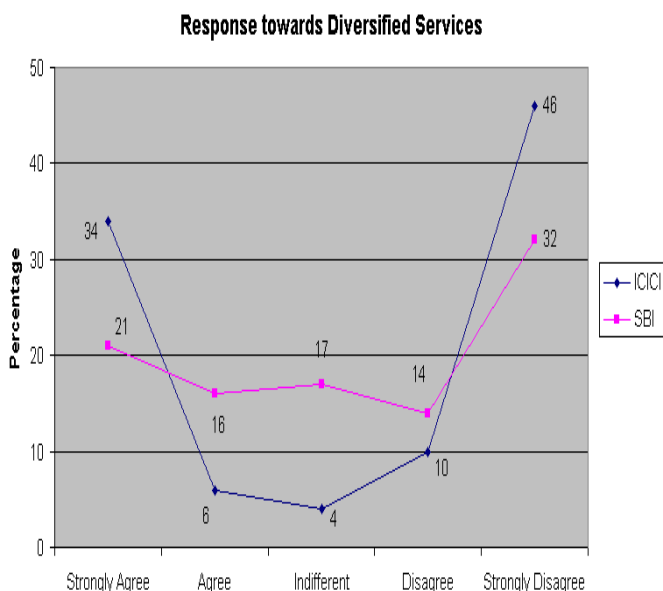
**Interpretation:** It proves that people are not aware about the Banking and Financial Services some of the services like Letter of credit as 23% positive response and Micro Finance only 26% are aware of it so bank as to take necessary steps to create awareness towards there products.

**3. Analysis on the basis of awareness on the concept of Universal Banking**



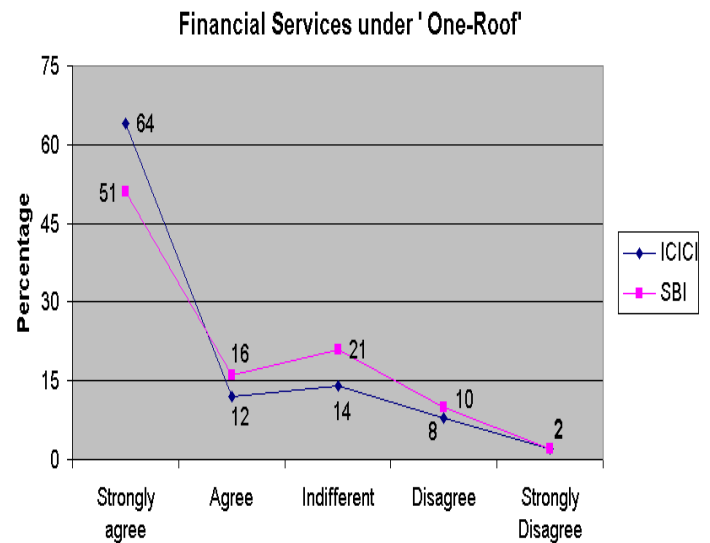
**Interpretation:** Awareness about universal banking concept is good among public ICICI Bank as 82% and SBI stands 88% positive response towards awareness.

**4. Analysis on the basis of diversified services being provided by the banks**



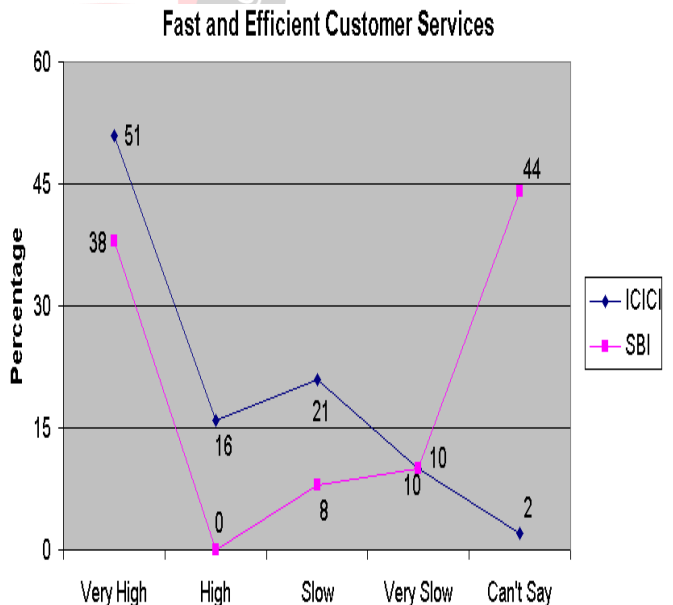
**Interpretation:** the above graph shows the response on diversified services provided by both the sector banks. 34% in ICICI Bank and 21% in State Bank of India are strongly agreed that they provide diversified services. 46% in ICICI Bank and 32% in State Bank of India are strongly disagree on diversified services.

**5. Analysis on the basis of a bank who provides all kind of banking and financial services under 'One – Roof' remain in competition**



**Interpretation:** the above graph shows the response on financial services under 'One-Roof' by both the category of banks. 64% in ICICI Bank and 51% in State Bank of India are strongly agreed that they provide financial services under 'One-Roof'. 2% in ICICI Bank and 2% in State Bank of India are strongly disagreeing on financial services under 'One-Roof'.

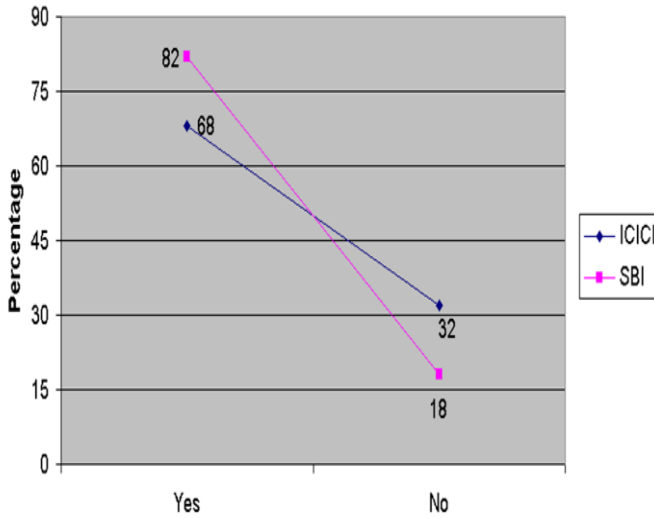
**6. Analysis on the basis of the degree of fast and efficient customer services of the bank**



**Interpretation:** the above graph shows the response on degree of fast and efficient customer services by both the sector banks. 51% in ICICI Bank and 38% in State Bank of India are very high that they provide degree of fast and efficient customer services. 2% in ICICI Bank and 44% in State Bank of India are can't say anything on degree of fast and efficient customer services

7. **Analysis on the basis of Ability To Meet Changing Needs Of The People by bank**

Ability To Meet Changing Needs Of The People



**Interpretation:** the above graph shows the response towards ability to meet changing needs of the people by both private and public sector banks. 68% in ICICI Bank and 82% in State Bank of India shows positive response on ability to meet changing needs of the people.

**V. FINDINGS**

- In this descriptive analysis it is clearly seen that the awareness towards banking and financial services is less in some of the banking products of public sector bank when compare to private sector bank.
- People know about the products and services provided by the bank but they are not aware that universal banking term exists.
- Then the concept of providing all services and products under one-roof is not applicable when the bank has different subsidiaries for it according to the customers.
- The customer satisfaction is good in private sector bank because they works towards customers oriented and they concentrate more on training and they have polite personnel.

**VI. CONCLUSION**

In this study it is found that due to less knowledge about the term universal banking people are not even aware about the products and services of their own bank. Due to this negligence the banks can also lose customers on this aspect. Hence the importance should not only be given to the profit orientation but also to provide better services to the customers. The private sector banks are more client oriented and are promoting their products and services well comparatively to that of public banks.

Regardless of the type of consumers, the bank should be proved useful for every kind of need for the customers

which is the major objective of being called the universal bank.

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