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## **Analysis of Alternate Banking Channel Services used by Customers**

**Prof. Ashok Sinha**

**Prof. Seema Deshmukh**

### **ABSTRACT**

**This paper aims to analyze the prevalent alternate channel services ,its awareness and utilization by the customers and its further effectiveness in all the three different banking sectors such as private, government and foreign. Since the sources of data is of primary nature hence the relevant areas of data collection are Punjab and Haryana. Analysis has been done by SPSS software.**

**Key words:Alternate channels,Customer awareness**

### **1.RESEARCH METHODOLOGY :**

**Data has been collected through primary data in Punjab and Haryana in India.**

**Questionnaires were framed and structure and altogether 1440 responded were asked to respond it.Data analysis were completed with the assistance of SPSS software and result were framed.**

### **2.DATA ANALYSIS**

#### **2.1 Awareness about the Alternate Banking Channel Services provided by Banks**

**In this section awareness about the alternate banking channel services provided by banks is sought to investigated. Awareness level is shown in Table 4.7.**

**Table .1: Awareness about the Alternate Banking Channel Services provided by Banks**

Awareness	Frequency	Percent	Valid Percent	Cumulative Percent	Mean	SD
Yes	1440	100	100	100	1	.000
No	-	-	-	-		
Total	1440	100	100			

From the above Table .1, results reveal that everyone are aware bout the alternate banking channel services provided by banks.

## 2.2 Alternate Banking Channel Services use by Customers

In this section, which alternate banking channel services use by customer is investigated sector wise.

Table shows the frequency and percentage distribution along with mean score of alternate banking channel services uses by respondents. From public banks, 63 (13.1%) respondents use debit cards while this frequency is somewhat low and equal in case of private and foreign banks i.e. it is 51 (10.6%). From public banks, 62 (12.9%) use credit cards while this frequency is somewhat low and equal in case of private and foreign banks i.e. it is 51 (10.6%). From public banks, 45(9.4%) respondents use (ATM)Automated Teller Machines, Internet banking, Electronic transfers (EFTs), Point of sale (POS), RTGS (Real Time Gross Settlement) and NEFT (National Electronic Funds Transfer) while 42 (8.8%) respondents use mobile banking.From private banks, 50 (10.4%) respondents use Electronic transfers (EFTs), Point of sale (POS), RTGS (Real Time Gross Settlement) and NEFT (National Electronic Funds Transfer) while 42 (8.8%) respondents use mobile banking; 52(10.8%) respondents use internet banking; 38(7.9%) respondents use mobile banking while only 37 (7.7%) respondents use telephone banking only.From foreign banks, 50 (10.4%) respondents use (ATM)Automated Teller Machines, Internet banking, Electronic transfers (EFTs), Point of sale (POS), RTGS (Real Time Gross Settlement) and NEFT (National Electronic Funds Transfer) while 39 (8.1%) respondents use mobile and telephone banking only.

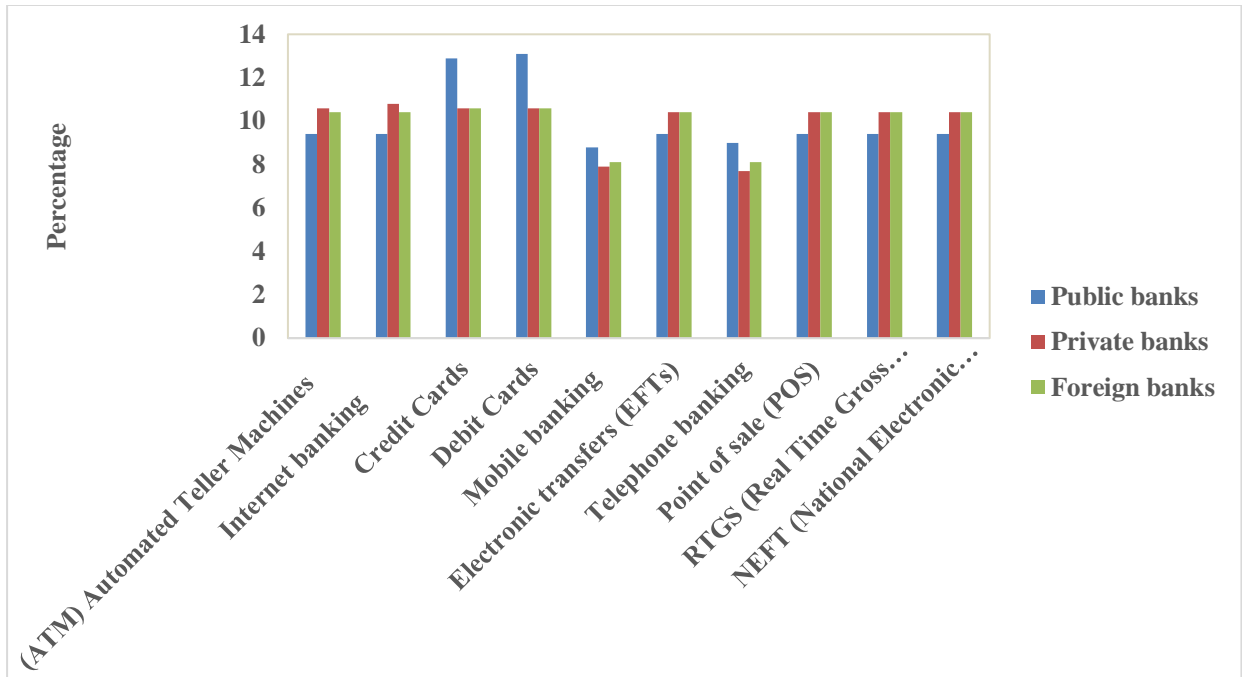


Fig. Alternate banking channel services use by customers

Table .: Alternate Banking Channel Services use by Customers

Alternate Banking Channel Services	Public banks		Private banks		Foreign banks	
	Frequency	Percent	Frequency	Percent	Frequency	Frequency
(ATM) Automated Teller Machines	45	9.4	51	10.6	50	10.4
Internet banking	45	9.4	52	10.8	50	10.4
Credit Cards	62	12.9	51	10.6	51	10.6
Debit Cards	63	13.1	51	10.6	51	10.6
Mobile banking	42	8.8	38	7.9	39	8.1
Electronic transfers (EFTs)	45	9.4	50	10.4	50	10.4
Telephone banking	43	9	37	7.7	39	8.1
Point of sale (POS)	45	9.4	50	10.4	50	10.4
RTGS (Real Time Gross Settlement)	45	9.4	50	10.4	50	10.4
NEFT (National Electronic Funds Transfer)	45	9.4	50	10.4	50	10.4
Total	480	100	480	100	480	100
Mean score	5.3521		5.4396		5.4687	
SD	2.8326		2.9414		2.9276	

## **5. Source of Information About Alternate Banking Channel Services**

In this section, source of information about alternate banking channel services associated with customer is investigated sector wise.

Table shows the frequency and percentage distribution along with mean score of sources of information about alternate banking channel services associated with respondents.

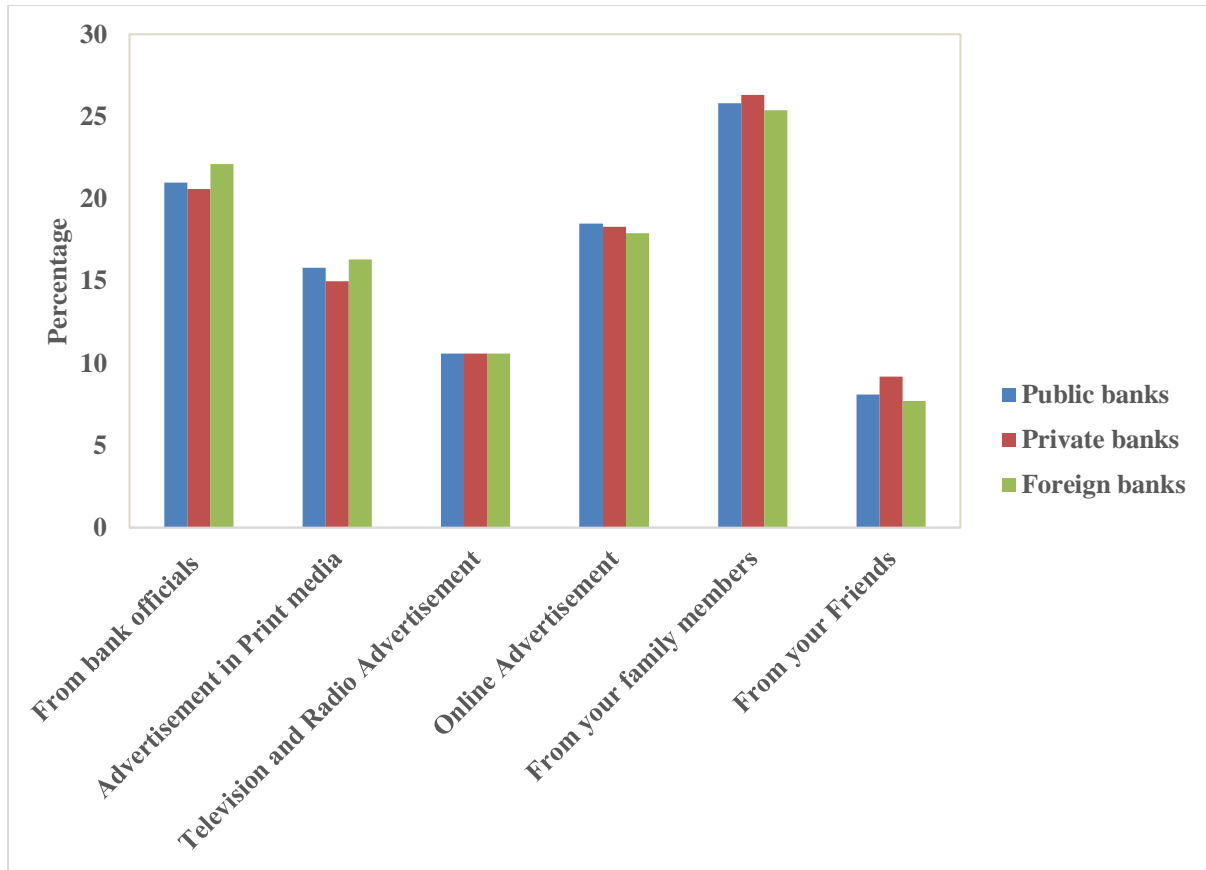
From public banks, 124 (25.8 percent) respondents know about the alternate banking channel services from family members; 101 (21 percent) respondents know about the alternate banking channel services from bank officials; 89 (18.5 percent) respondents know about the alternate banking channel services from online advertisement; 76 (15.8 percent) respondents know about the alternate banking channel services from advertisement in print media; 51 (10.6 percent) respondents know about the alternate banking channel services from television and radio advertisement and only 39(8.1 percent) respondents know about the alternate banking channel services from friends.

From private banks, 126 (26.3 percent) respondents know about the alternate banking channel services from family members; 99 (20.6 percent) respondents know about the alternate banking channel services from bank officials; 88 (18.3 percent) respondents know about the alternate banking channel services from online advertisement; 72 (15 percent) respondents know about the alternate banking channel services from advertisement in print media; 51 (10.6 percent) respondents know about the alternate banking channel services from television and radio advertisement and only 44(9.2 percent) respondents know about the alternate banking channel services from friends.

From foreign banks, 122 (25.4 percent) respondents know about the alternate banking channel services from family members; 106 (22.1 percent) respondents know about the alternate banking channel services from bank officials; 86 (17.9 percent) respondents know about the alternate banking channel services from online advertisement; 78 (16.3 percent) respondents know about the alternate banking channel services from advertisement in print media; 51 (10.6 percent) respondents know about the alternate banking channel services from television and radio advertisement and only 37(7.7 percent) respondents know about the alternate banking channel services from friends.

Table . Source of Information about Alternate Banking Channel Services

Source of Information about Alternate Banking Channel Services	Public banks		Private banks		Foreign banks	
	Frequency	Percent	Frequency	Percent	Frequency	Frequency
From bank officials	101	21	99	20.6	106	22.1
Advertisement in Print media	76	15.8	72	15	78	16.3
Television and Radio Advertisement	51	10.6	51	10.6	51	10.6
Online Advertisement	89	18.5	88	18.3	86	17.9
From your family members	124	25.8	126	26.3	122	25.4
From your Friends	39	8.1	44	9.2	37	7.7
Total	480	100	480	100	480	100
Mean score	3.366		3.4208		3.3146	
SD	1.679		1.6918		1.6859	



**Fig. . Percentage distribution of source of information about alternate banking**

## 5. Duration of using Alternate Banking Channel Services

In this section, duration of using alternate banking channel services associated with customer is investigated sector wise.

Table 4.10 shows the frequency and percentage distribution along with mean score of duration of using alternate banking channel services associated with customer is investigated sector wise.

From public banks, 116 (24.2 percent) respondents use alternate banking channel services from 2 to 3 years; 105 (21.9 percent) respondents use alternate banking channel services from 3 to 5 years; 100 (20.8 percent) respondents use alternate banking channel services from more than 5 years; 89 (18.5 percent) respondents use alternate banking channel services from 1 to 2 years and 70 (14.6 percent) respondents use alternate banking channel services from less than 1 year.

Table : Duration of using Alternate Banking Channel Services

Duration of using alternate banking channel services	Public banks		Private banks		Foreign banks	
	Frequency	Percent	Frequency	Percent	Frequency	Frequency
Less than 1 year	70	14.6	76	15.8	75	15.6
Between 1 – 2 years	89	18.5	110	22.9	98	20.4
Between 2 – 3 years	116	24.2	104	21.7	103	47.9
Between 3 – 5 years	105	21.9	107	22.3	117	24.3
More than 5 years	100	20.8	83	17.3	87	18.1
Total	480	100	480	100	480	100
Mean score	3.1583		3.0229		3.0708	
SD	1.3414		1.3342		1.3520	



From private banks, 110 (22.9 percent) respondents use alternate banking channel services from 1 to 2 years; 107 (22.3 percent) respondents use alternate banking channel services from 3 to 5 years; 104 (21.7 percent) respondents use alternate banking channel services from 2 to 3 years; 83 (17.3 percent) respondents use alternate banking channel services from than 5 years and 76 (15.8 percent) respondents use alternate banking channel services from less than 1 year.

From foreign banks, 117 (24.3 percent) respondents use alternate banking channel services from 3 to 5 years; 103 (47.9 percent) respondents use alternate banking channel services from 2 to 3 years; 98 (20.4 percent) respondents use alternate banking channel services from 1 to 2 years; 87 (18.1 percent) respondents use alternate banking channel services from than 5 years and 75 (15.6 percent) respondents use alternate banking channel services from less than 1 year.

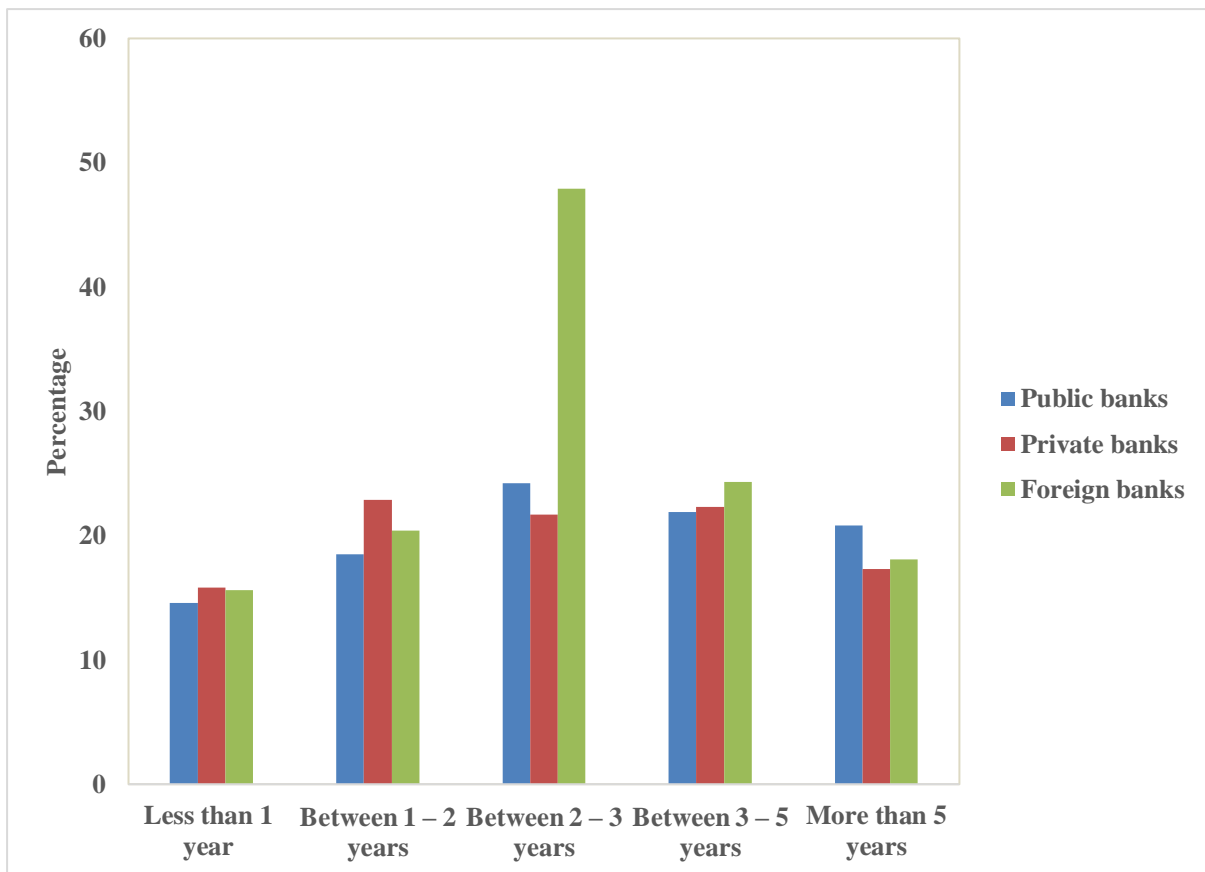


Fig. : Percentage distribution of duration of using alternate banking channel services

## 7.Usage Pattern of Alternate Banking Channel Services

In this section, usage pattern of alternate banking channel services associated with customer is investigated sector wise.

Table shows the frequency and percentage distribution along with mean score of usage pattern of alternate banking channel services associated with customer is investigated sector wise.

From public banks, 130 (27.1 percent) respondents use alternate banking channel services,more than twice in a week; 99 (20.6 percent) respondents use alternate banking channel services,once in a two week; 95 (19.8 percent) respondents use alternate banking channel services,twice in a month; 83 (17.3 percent) respondents use alternate banking channel services,once in a month and 73 (15.2 percent) respondents use alternate banking channel services,once in a week.

From private banks, 120 (25 percent) respondents use alternate banking channel services,more than twice in a week; 105 (21.8 percent) respondents use alternate banking channel services,once in a month; 102 (21.3 percent) respondents use alternate banking channel services,once in a week; 82 (17 percent) respondents use alternate banking channel services,once in a two week and 71 (14.7 percent) respondents use alternate banking channel services,twice in a month.

From foreign banks, 115 (24 percent) respondents use alternate banking channel services,once in a week; 102 (21.3 percent) respondents use alternate banking channel services,twice in a month; 95 (19.8 percent) respondents use alternate banking channel services,once in a week; 88 (18.3 percent) respondents use alternate banking channel services,more than twice in a week and 80 (16.7 percent) respondents use alternate banking channel services,once in a two week.

Table : Usage pattern of alternate banking channel services

Usage pattern of alternate banking channel services	Public banks		Private banks		Foreign banks	
	Frequency	Percent	Frequency	Percent	Frequency	Frequency
Once in a week	73	15.2	102	21.3	115	21.3
More than twice in a week	130	27.1	120	25	88	25
Once in a two week	99	20.6	82	17	80	17
Once in a month	83	17.3	105	21.8	95	21.8
Twice in a month	95	19.8	71	14.7	102	14.7
Total	480	100	480	100	480	100
Mean score	3.1896		2.9833		2.9604	
SD	1.3459		1.4214		1.4807	

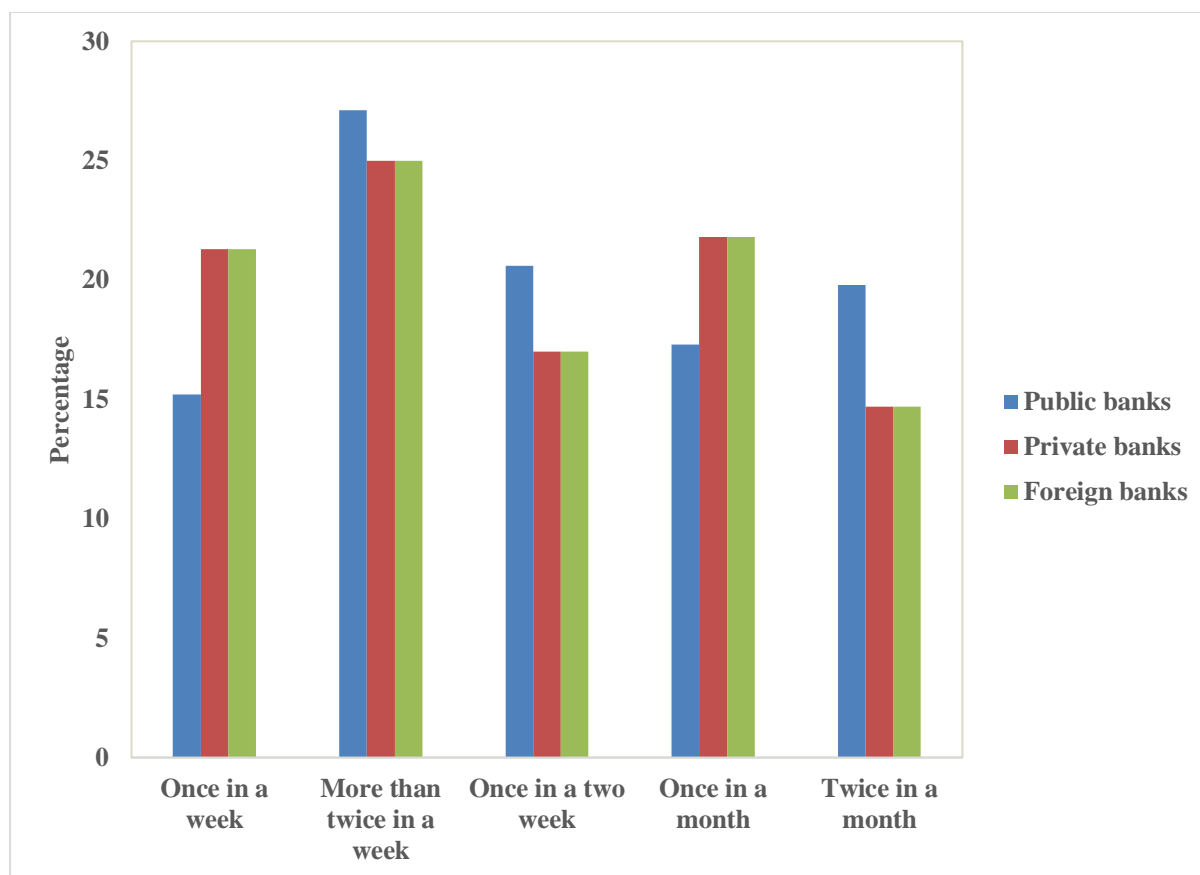


Fig. : Percentage distribution of usage pattern of alternate banking channel services

## 8. Necessity to use Alternate Banking Channel Services

In this section, necessity to use of alternate banking channel services associated with customer is investigated sector wise.

Table shows the frequency and percentage distribution along with mean score of necessity to use of alternate banking channel services associated with customer is investigated sector wise.

From public banks, out of 480 respondents i.e. 94.16 percent are agreed that alternate banking channel services are generally faster than traditional banking while 28 (5.8 %) respondents are neutral about it. 443 (92.29%) respondents are agreed that alternate banking channel services have no time limit since I can use them at anytime and anywhere of the day while 37 (7.7%) respondents are neutral about it. 438 (91.2%) respondents are agreed that there is high degree of convenience in accessing alternate banking channel services while 42 (8.8%) respondents are neutral about it.

Table : Necessity to use alternate banking channel services- public banks

Necessity to use alternate banking channel services	Strongly agree	Agree	Neutral	Mean	SD
Alternate banking channelservices are generally faster than traditional banking(Rapid Services)	135 (28.1)	317 (66)	28 (5.8)	4.222	.5389
Alternate banking channel services have no time limit since I can use them at anytime and anywhere of the day (Anytime, Anywhere banking)	152 (31.6)	291 (60.6)	37 (7.7)	4.239	.5236
There is high degree of convenience in accessing alternate banking channel services (Convenience)	131 (27.3)	307 (64)	42 (8.8)	4.185	.5715
Alternate banking channels are easier to use than traditional channels (Ease of Use)	94 (19.6)	371 (77.3)	15 (3.1)	4.164	.4476
Alternate banking channel services are generally cheaper than traditional banking at the branch (Cost factor)	174 (36.3)	252 (52.5)	54 (11.3)	4.25	.6429
Using alternate banking channel services is more prestigious than queuing at the bank halls (Prestigious)	93 (19.4)	338 (70.4)	49 (10.2)	4.09	.5366
Alternate banking channel services are more time saving than the traditional services (Time Saving)	117 (24.4)	349 (72.7)	14 (2.9)	4.214	.4768

Table : Necessity to use alternate banking channel services- private banks

Necessity to use alternate banking channel services	Strongly agree	Agree	Neutral	Mean	SD
Alternate banking channel services are generally faster than traditional banking (Rapid Services)	134 (27.9)	316 (65.8)	30 (6.3)	4.2167	.54345
Alternate banking channel services have no time limit since I can use them at anytime and anywhere of the day (Anytime, Anywhere banking)	163 (34)	274 (57.1)	43 (9.0)	4.25	.60616
There is high degree of convenience in accessing alternate banking channel services (Convenience)	128 (26.7)	308 (64.2)	44 (9.2)	4.175	.5730
Alternate banking channels are easier to use than traditional channels (Ease of Use)	99 (20.6)	367 (76.5)	14 (2.9)	4.1771	.4522
Alternate banking channel services are generally cheaper than traditional banking at the branch (Cost factor)	181 (37.7)	247 (51.5)	52 (10.8)	4.268	.6434
Using alternate banking channel services is more prestigious than queuing at the bank halls (Prestigious)	89 (18.5)	344 (71.7)	47 (9.8)	4.087	.5256
Alternate banking channel services are more time saving than the traditional services (Time Saving)	114 (23.8)	351 (73.1)	15 (3.1)	4.206	.4761

Table : Necessity to use alternate banking channel services- foreign banks

Necessity to use alternate banking channel services	Strongly agree	Agree	Neutral	Mean	SD
Alternate banking channelservices are generally faster than traditional banking. (Rapid Services)	132 (27.5)	319 (66.5)	29 (6.0)	4.2146	.538
Alternate banking channel services have no time limit since I can use them at anytime and anywhere of the day. (Anytime, Anywhere banking)	148 (30.8)	296 (61.6)	36 (7.5)	4.23	.587
There is high degree of convenience in accessing Alternate Banking Channel Services. (Convenience)	130 (27.1)	306 (63.7)	44 (9.2)	4.179	.575
Alternate banking channels are easier to use than traditional channels. (Ease of Use)	97 (20.2)	369 (76.9)	14 (2.9)	4.172	.449
Alternate banking channel services are generally cheaper than traditional banking at the branch (Cost factor)	177 (36.9)	253 (52.7)	50 (10.4)	4.264	.635
Using alternate banking channel services is more prestigious than queuing at the bank halls. (Prestigious)	89 (18.5)	343 (71.5)	48 (10)	4.085	.527
alternate banking channel servicesare more time saving than the traditional services. (Time Saving)	116 (24.2)	349 (72.7)	15 (3.1)	4.210	.478

From table , it is ascertained that 466 (97.08%) respondents are agreed that alternate banking channels are easier to use than traditional channels while 15 (3.1%) respondents are neutral about it.426 (88.7%) respondents are agreed that alternate banking channel services are generally cheaper than traditional banking at the branch while 54 (11.3%) respondents are neutral about it. 431 (89.7%) respondents are agreed that using alternate banking channel services is more prestigious than queuing at the bank halls while 49 (10.2%) respondents are neutral about it. 466 (97%) respondents are agreed that alternate banking channel services are more time saving than the traditional services while 14 (2.9%) respondents are neutral about it.

From private banks, out of 480 respondents i.e 450(93.7%) are agreed that alternate banking channel services are generally faster than traditional banking while 30(6.3%) respondents are neutral about it. 437 (91.04%) respondents are agreed that alternate banking channel services have no time limit since I can use them at anytime and anywhere of the day while 43 (9%) respondents are neutral about it. 436 (90.8%) respondents are agreed that there is high degree of convenience in accessing alternate banking channel services while 44 (9.2%) respondents are neutral about it. From table 4.13, it is ascertained that 466 (97.08%) respondents are agreed that alternate banking channels are easier to use than traditional channels while 14 (2.9%) respondents are neutral about it.431(89.1%) respondents are agreed that alternate banking channel services are generally cheaper than traditional banking at the branch while 52 (10.8%) respondents are neutral about it. 433(90.2%) respondents are agreed that using alternate banking channel services is more prestigious than queuing at the bank halls while 47 (9.8%) respondents are neutral about it. 465(96.8%) respondents are agreed that alternate banking channel services are more time saving than the traditional services while 15 (3.1%) respondents are neutral about it.

From foreign banks, out of 480 respondents i.e. 451(93.9%) are agreed that alternate banking channel services are generally faster than traditional banking while 29(6%) respondents are neutral about it. 444(92.5%) respondents are agreed that alternate banking channel services have no time limit since I can use them at anytime and anywhere of the day while 36(9.5%) respondents are neutral about it. 436 (90.8%) respondents are agreed that there is high degree of convenience in accessing alternate banking channel services while 44(9.2%) respondents are neutral about it. From table 4.13, it is ascertained that 466 (97.08%) respondents are agreed that alternate banking channels are easier to use than traditional channels while 14(2.9%) respondents are neutral about it.430(89.5%) respondents are agreed that alternate banking channel services are generally cheaper than traditional banking at the branch while 50 (10.4%) respondents are neutral about it. 432(90%) respondents are agreed that using alternate banking channel services is more prestigious than queuing at the bank halls while 48 (10%) respondents are



neutral about it. 465(96.8%) respondents are agreed that alternate banking channel services are more time saving than the traditional services while 15 (3.1%) respondents are neutral about it.

### 9. Frequency of using Alternate Banking Channel Services

In this section, frequency of using alternate banking channel services associated with customer is investigated sector wise.

Table shows the frequency and percentage distribution along with mean score of frequency of using alternate banking channel services associated with customer is presented sector wise.

**Table : Frequency of using alternate banking channel services-public banks**

<b>Frequency of using alternate banking channel services</b>	<b>Yes</b>	<b>No</b>	<b>Mean</b>	<b>SD</b>
Mobile recharge	288 (60)	192 (40)	1.4	.491
Payment of telephone bill	337 (70.2)	143 (29.7)	1.29	.332
Payment of electric bill	365 (76)	115 (23.9)	1.23	.287
Money transfer	402 (83.7)	78 (16.2)	1.162	.243
Railway ticket booking	336 (70)	144 (30)	1.7	.458
Air ticket booking	377 (78.5)	103 (21.4)	1.214	.346
Filing of tax returns Investment	384 (80)	96 (20)	1.8	.423
Movie Ticket Booking	288 (60)	192 (40)	1.4	.490

**Table : Frequency of using alternate banking channel services-private banks**

<b>Frequency of using alternate banking channel services</b>	<b>Yes</b>	<b>No</b>	<b>Mean</b>	<b>SD</b>
Mobile recharge	310 (64.6)	170 (35.4)	1.354	.367

Payment of telephone bill	384 (80)	96 (20)	1.2	.285
Payment of electric bill	278 (57.9)	202 (42.1)	1.421	.452
Money transfer	387 (80.6)	93 (19.4)	1.194	.532
Railway ticket booking	345 (71.9)	135 (28.1)	1.281	.415
Air ticket booking	366 (76.3)	114 (23.8)	1.238	.256
Filing of tax returns Investment	354 (73.8)	126 (26.3)	1.263	.237
Movie Ticket Booking	410 (85.4)	70 (14.6)	1.146	.341

**Table : Frequency of using alternate banking channel services-foreign banks**

<b>Frequency of using alternate banking channel services</b>	<b>Yes</b>	<b>No</b>	<b>Mean</b>	<b>SD</b>
Mobile recharge	342 (71.3)	138 (28.8)	1.288	.238
Payment of telephone bill	432 (90)	48 (10)	1.100	.312
Payment of electric bill	388 (80.8)	92 (19.2)	1.192	.432
Money transfer	278 (57.9)	202 (42.1)	1.421	.277
Railway ticket booking	338 (70.4)	142 (29.6)	1.296	.310
Air ticket booking	389 (81)	91 (19)	1.190	.338
Filing of tax returns Investment	392 (81.7)	88 (18.3)	1.183	.247
Movie Ticket Booking	456 (95)	24 (5)	1.050	.368

From Table, it is ascertained that out of 480 respondents from public banks, i.e 288(60%) use alternate banking channel services for mobile recharge; 337(70.2%) use alternate banking channel services for

payment of telephone bill; 365(76%) use alternate banking channel services for payment of electric bill; 402(83.7%) use alternate banking channel services for payment of money transfer; 336(70%) use alternate banking channel services for railway ticket booking; 377(78.5%) use alternate banking channel services for air ticket booking; 384(80%) use alternate banking channel services for filing of tax returns investment; and only 288(60%) use alternate banking channel services for Movie ticket booking.

From Table .16, it is ascertained that out of 480 respondents from private banks, i.e 310(64.6%) use alternate banking channel services for mobile recharge; 384(80%) use alternate banking channel services for payment of telephone bill; 278(57.9%) use alternate banking channel services for payment of electric bill; 387(80.6%) use alternate banking channel services for payment of money transfer; 345(71.9%) use alternate banking channel services for railway ticket booking; 366(76.3%) use alternate banking channel services for air ticket booking; 354(73.8%) use alternate banking channel services for filing of tax returns investment; and only 410(85.4%) use alternate banking channel services for Movie ticket booking.

From Table .17, it is ascertained that out of 480 respondents from foreign banks, i.e 342(71.3%) use alternate banking channel services for mobile recharge; 432(90%) use alternate banking channel services for payment of telephone bill; 388(80.8%) use alternate banking channel services for payment of electric bill; 278(57.9%) use alternate banking channel services for payment of money transfer; 338(70.4%) use alternate banking channel services for railway ticket booking; 389(81.7%) use alternate banking channel services for air ticket booking; 392(81.7%) use alternate banking channel services for filing of tax returns investment; and only 456(95%) use alternate banking channel services for Movie ticket booking.