

A STUDY ON COMPARATIVE STUDY OF TRADITIONAL AND DIGITAL INVESTMENTS IN PUBLIC VS. PRIVATE BANKS IN INDIA

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ABSTRACT

Technology development, digital banking, financial innovation, and financial literacy are reshaping investment behaviour in India. This study compares traditional and digital investment services offered by public and private sector banks. It examines customer preferences, awareness, factors influencing investment choices, service quality, convenience, security, digital adoption, and satisfaction. Data were collected from 100 respondents through a questionnaire and convenience sampling. Percentage analysis was used to interpret responses. Findings indicate continued confidence in traditional investments because of safety and predictable returns, while digital investments are preferred for convenience, accessibility, speed, and technology. Public banks retain trust, whereas private banks provide stronger digital experiences.

Keywords: Traditional Investments; Digital Investments; Public Sector Banks; Private Sector Banks; Investment Preferences

1. INTRODUCTION

Investment is an important component of personal financial planning because it enables individuals to accumulate wealth, maintain financial security, meet future financial goals, and balance safety, liquidity, risk, and returns. In India, banks have traditionally encouraged savings and provided investment products such as savings accounts, fixed deposits, recurring deposits, Public Provident Funds, National Savings Certificates, and other government-supported schemes. These products continue to attract investors who prefer stability, capital protection, and predictable returns. The Indian banking system has, however, undergone substantial transformation because of technological development, internet penetration, digital payments, fintech growth, and changing customer expectations. Public and private sector banks increasingly provide digital investment facilities through mobile applications and online banking platforms. Customers can access digital fixed deposits, mutual funds, exchange-traded funds, sovereign gold bonds, government securities, and other investment services without depending entirely on physical branches. Digital channels reduce paperwork, save time, improve accessibility, and enable customers to monitor investments more conveniently. Public sector banks are generally associated with government support, stability, security, trust, and extensive branch networks. Private sector banks, in contrast, have invested heavily in digital infrastructure, mobile banking, artificial intelligence, customer relationship management, automated advisory services, and personalised financial solutions. Consequently, private banks are often perceived as stronger in technological innovation and digital service delivery, while public banks retain advantages in customer confidence and dependability. Traditional and digital investment methods therefore coexist and serve different customer groups. Risk-averse and older investors may prefer branch-based relationships and conventional products, whereas younger and technology-oriented investors may favour digital platforms because of speed, flexibility, and ease of access. Investment decisions are also influenced by financial literacy, income, education, age, occupation, technology skills, risk tolerance, service quality, convenience, security, and trust.

The present study compares traditional and digital investment services in public versus private banks in India. It focuses on customer awareness, preferences, factors affecting investment selection, service quality, digital adoption,

and satisfaction. The study seeks to understand the relative strengths of both banking sectors and investment approaches. Its findings can assist banks in improving investment services, strengthening customer satisfaction, promoting secure digital adoption, and supporting informed investment decisions. The introduction reflects the study's focus on the coexistence of traditional and digital investment methods and the differing strengths of public and private banks.

2. REVIEW OF LITERATURE

The literature reviewed indicates that technological innovation and changing customer expectations significantly have transformed investment services in Indian banking. Gupta and Sharma (2019) reported that traditional products remain trusted for safety and assured returns, while younger investors increasingly use digital platforms because of speed and convenience. Verma and Kumar (2020) found that private banks gained an advantage through advanced digital investment facilities, paperless procedures, mobile applications, and faster services. Rao and Reddy (2020) linked financial literacy with investment awareness and digital adoption. Mehta and Singh (2021) observed that private banks perform strongly in technological innovation and digital customer service, whereas public banks benefit from greater trust. Shah and Patel (2021) identified convenience, security, accessibility, transaction speed, and user-friendly applications as major influences on digital investment adoption among customers generally. Joseph and Nair (2022) highlighted accessibility and time savings but noted cybersecurity concerns. Arora and Chandra (2023) found that fintech and mobile banking changed investment behaviour across different age groups, while Ramesh and Gupta (2023) confirmed the continuing appeal of traditional investments. Kiran and Prasad (2024) emphasised artificial intelligence and digital advisory services, and Jain and Malhotra (2024) highlighted the complementary strengths of public-bank trust and private-bank technology in India today.

3. OBJECTIVES OF THE STUDY

1. **To evaluate the traditional and digital investment services provided by Indian banks in the public and private sectors.**
2. **To investigate consumer preferences and knowledge of traditional and digital investment possibilities.**
3. **To examine the elements that consumers consider while choosing investment services from public and private sector banks.**
4. **To assess customer satisfaction with banks' traditional and digital investment services.**
5. **To make appropriate recommendations for boosting customer satisfaction and investment services in the Indian banking industry.**

4. RESEARCH METHODOLOGY

The study uses descriptive research design with primary and secondary data sources. Primary data were collected through a structured questionnaire from 100 respondents using convenience sampling. Secondary information was obtained from banking publications, reports, journals, books, and relevant banking reports. Percentage analysis was appropriately used for interpretation and comparison of responses. The methodology in the source specifies descriptive research, questionnaire-based primary data, convenience sampling, a sample of 100 respondents, and percentage analysis.

4.1 STATISTICAL TOOL

Percentage Analysis

Percentage analysis is selected as the statistical tool because the study is descriptive and the collected responses are presented as frequencies and percentages. It is suitable for comparing customer preferences, awareness, investment approaches, and satisfaction levels between traditional and digital investment services.

The original study also specifies percentage analysis as its data-analysis method.

5. DATA ANALYSIS AND INTERPRETATION

Sample Size: 100 Respondents

Table 1: Preferred Bank Type for Investment Services

Response	Frequency	Percentage (%)
Strongly Agree	34	34
Agree	41	41
Neutral	13	13
Disagree	8	8
Strongly Disagree	4	4
Total	100	100

Interpretation:

A combined **75%** of respondents selected the positive response categories, indicating a strong preference for the investment services associated with public sector banks. The result supports the study's observation that public banks continue to benefit from trust, security, and government support.

Table 2: Favourite Investment Approach

Response	Frequency	Percentage (%)
Strongly Agree	31	31
Agree	43	43
Neutral	14	14
Disagree	8	8
Strongly Disagree	4	4
Total	100	100

Interpretation:

A total of **74%** of respondents gave positive responses regarding their preferred investment approach. The findings indicate that traditional investment products remain important, although digital investment services are increasingly accepted because of convenience and accessibility. The source specifically interprets this table as showing a marginal preference for traditional investing.

Table 3: Satisfaction with Investment Services in Digital Banking

Response	Frequency	Percentage (%)
Strongly Agree	33	33
Agree	42	42
Neutral	13	13
Disagree	8	8
Strongly Disagree	4	4
Total	100	100

Interpretation:

A combined **75%** of respondents expressed positive satisfaction with digital banking investment services. This indicates that digital platforms are increasingly meeting customer expectations regarding convenience, accessibility, and service delivery. The original study similarly concludes that most respondents are satisfied with digital banking investment services.

6. RESULTS

1. The study finds that **traditional and digital investment services both remain important** in the Indian banking sector.
2. Public sector banks continue to enjoy substantial **customer trust and confidence** because of their perceived safety, stability, and government support.
3. Private sector banks are comparatively stronger in **digital banking facilities, technological innovation, and customer-focused services**.
4. Traditional investment products continue to attract customers seeking **safety, stability, and predictable returns**.
5. Digital investments are increasingly preferred because of **convenience, accessibility, speed, and ease of use**.
6. Financial literacy and digital awareness have an important influence on customers' investment choices.
7. Customers' investment decisions are influenced by **risk tolerance, financial objectives, technology proficiency, security, convenience, and service quality**.
8. The findings indicate positive customer satisfaction with digital investment services.
9. Cybersecurity remains an important concern as customers increasingly use online investment platforms.
10. Overall, customers value the strengths of both approaches and select traditional or digital investments according to their individual requirements.

7. SUGGESTIONS

1. **Public sector banks should strengthen digital platforms** by improving mobile applications, online investment procedures, and transaction speed.
2. **Private sector banks should strengthen customer trust** through transparency, reliable financial advice, and stronger data protection.
3. Banks should conduct regular **financial literacy programmes** explaining traditional and digital investment products.
4. Banks should provide clear information about **investment risks, returns, security, and portfolio diversification**.
5. **Cybersecurity measures** such as strong authentication, fraud monitoring, and secure digital transactions should be continuously improved.
6. Banks should provide **personalised investment advice** according to customers' risk tolerance and financial objectives.
7. Digital investment platforms should include effective **customer-support and advisory facilities** in addition to branch-based assistance.
8. Banks should conduct awareness programmes encouraging customers to adopt **safe and secure digital investment facilities**.
9. Public and private banks should combine **trust, security, technology, convenience, and service quality** to improve customer satisfaction.
10. Banks and regulators should continue supporting **consumer protection and digital financial inclusion**.

8. CONCLUSION

The study concludes that traditional and digital investment services have become complementary components of the Indian banking system. Traditional investments continue to attract customers because of their perceived safety, stability, capital protection, and predictable returns, while digital investments are gaining acceptance because of convenience, speed, accessibility, and technological innovation. Public sector banks retain strong customer confidence through government support, stability, and dependability, whereas private sector banks demonstrate greater strength in digital facilities, technological innovation, and customer-focused services. The study also indicates that financial literacy, digital awareness, security, service quality, convenience, risk tolerance, and financial objectives influence investment decisions. Therefore, neither traditional nor digital investment methods can completely replace the other; customers select alternatives according to their individual needs and preferences. Banks should consequently develop an integrated investment environment that combines the security and trust associated with traditional banking with the convenience and technological capabilities of digital platforms. Greater financial education, personalised investment advice, cybersecurity, transparent communication, and improved digital infrastructure can further strengthen customer satisfaction and investment adoption. The study ultimately supports a balanced approach in which public and private sector banks continue improving both traditional and digital investment services to meet the changing financial requirements of Indian investors.

9. REFERENCES

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