

**E-BANKING COMPARATIVE STUDY OF PUBLIC AND PRIVATE SECTOR  
BANKS IN HARYANA STATE**

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**ABSTRACT**

Studying the subject from several angles is possible through the use of research methods. There is an explanation of the research topic and its aims as well as the structure of the chapter and the necessity for it. It has also been explored in detail the statistical tools and procedures that are used to examine data. The current investigation is both descriptive and analytical. E-banking customer impression in Haryana is the focus of this study. It has to do with the collection of primary and secondary data using a well-crafted and well validated questionnaire.

Customer awareness and satisfaction with e-banking services in public and private sector banks are the primary goals for this study. In Haryana, both private and public sector banks offer e-banking services. Because of their computer proficiency, today's young people are more likely to utilize electronic banking services, according to the study's findings. E-banking is preferred by those in the high-income and professional categories (such as teachers, physicians, surgeons, and dentists). As a result of their higher levels of education, the residents of Ambala and Rohtak districts utilize e-banking services at a higher rate than those in the other districts studied.

**Keywords:** E-Banking, comparative study, public, private sector, banks in Haryana

**INTRODUCTION**

India has been praised for its ability to remain relatively unharmed during the global financial crisis. A large part of it depended on the country's financial sector. The banking system underwent a major overhaul as a result of these changes. The changes have a significant influence on the financial system's overall efficiency and stability. The number of branches and ATMs owned by banks rose.

They also expanded in terms of both their balance sheets and their total banking business Profitability, net interest margin, return on assets (ROA) and return on equity (ROE) of Indian banks improved as a result of increasing competition (ROE). The banks' non-performing assets dropped dramatically as a result of the significant improvement in their

capital position. During this time of change, technology was increasingly used, which helped to enhance the quality of customer service.

While the Reserve Bank's law (RBI Act, 1934) does not specifically mention that financial stability is a goal, numerous steps were taken from time to time to enhance the system's financial stability and spanned a wide range. As a result of a continual exchange between micro- and macroeconomic judgments, the methodology has evolved. "Financial stability has been maintained in India thanks to the Reserve Bank's multiple-indicator monetary policy, as well as prudent financial sector management and a synergetic approach through tight interaction with other financial sector authorities."

Capital Account management, systemic interconnectivity management, enhancing the regulatory framework, and steps to improve financial market infrastructure are a few more examples of policy interventions. In order to deal with systemic issues arising from interbank and bank-to-nonbank financial company (NBFC – our shadow banks) interconnections and common exposures, prudential limits were placed on aggregate interbank liabilities as a percentage of banks' net worth, banks and primary dealers were restricted access to the uncollateralized funding market with borrowing and lending limits, and increasingly subjected to risk-based regulation.

It has also been observed that countercyclical initiatives have been used to solve the procyclicality difficulties. While the RBI has utilized time-varying sectoral risk weights and funding intermittently even before, the countercyclical measures were first implemented in 2004. It is widely accepted that these unusual steps implemented in response to rising concerns were essential in shielding the Indian financial system from critical vulnerabilities.

Much progress has been made since the changes of 1991, and we may be proud of that. Our accomplishments and success should not blind us to the fact that we still have a long way to go in our quest of perfection. Look ahead to see what is ahead of us.

## **CUSTOMER PERCEPTION ON SERVICE QUALITY OF PUBLIC AND PRIVATE BANKS**

The development of the economy is greatly influenced by the performance of the banking sector. As a result, the Indian government is concerned about the growth of the bank's customer base. In today's retail banking market, the focus has changed from pricing to service quality. The rivalry has grown as technology has advanced and other banks have stepped up their service offerings. Now, financial institutions are making an effort to

improve the quality of their services. The banking industry's profitability is heavily reliant on the services it provides to other institutions. In today's competitive economy, it's becoming increasingly difficult to maintain service quality. The level of service supplied to potential clients of the bank has been evaluated as an overall measure. A customer's needs and expectations are often considered while determining the quality of a service. Another way of defining service quality is by comparing it to client expectations. It has been categorized into five categories based on the amount of time spent using the service.

### **NEED OF THE STUDY**

There is a fierce battle between Indian banks and new-generation and global banks nowadays. The banking business has seen radical transformations as a result of the rapid progress of information technology. Customers are growing increasingly demanding, and banks are able to meet their needs thanks to their widespread use of technology. With the advent of Ebanking services, banks now provide a wider range of services. E-banking services and their effects on operational efficiency and customer satisfaction necessitate more investigation. E-banking services have become increasingly important, although research on e-banking in India has been minimal.

Research on Haryana consumers' perceptions has been mostly limited to studies undertaken on a national and international scale. In this context, the current study aims to determine if clients in Haryana favour e-banking or not. E-impact banking's on customers' perceptions is examined in a small-scale experiment.

### **SCOPE OF THE STUDY**

Customers in Haryana's E-banking sector were surveyed in this study. Haryana's 6 six districts were chosen based on population density. According to Indian Banking at Glance 2015, two public sector banks (PNB and SBI) and two private sector banks (HDFC Bank and ICICI Bank) were selected for the research ([www.iba.org.in](http://www.iba.org.in)). The research spans the years 2012-13 through 2016-17. Pooled data is used in the study.

### **LITERATURE REVIEW**

**Kapoor, Sheetal & Vashishth, Vibhuti (2021)** The Indian banking industry exemplifies the sturdiness and adaptability required of a business its size and scope. Banking is widely understood to be a relationship built on trust. Our country's entire financial structure revolves around the banks. Protecting retail financial services consumers effectively while

empowering them to exercise their rights and fulfill their duties is the goal of an effective customer protection regime in the financial industry.

**Buddhika, H & Gunawardana, T.S.L.W. (2020)** For their everyday operations, the vast majority of contemporary financial institutions rely on computerized banking processes rather than traditional banking techniques. Experts report that Sri Lankan e-banking services fall short of international standards. Sri Lankans' views on e-banking vary from nation to nation, according to a study. Surveys were distributed to 150 people in Galle district who use e-banking through the purposive sample approach and the snowball method.

**Kadam, Mahesh & Sapkal, Deepak (2019)** the banking industry is one of the most rapidly expanding in today's world and a large amount of money is being invested there. When it comes to rating financial institutions, particularly commercial banks, for their capital sufficiency, asset quality, management capabilities, profits potential and liquid assets, CAMEL Rating is one of the commonly utilized techniques by major regulators throughout the world.

**Shimpi, Leena (2018)** Because of this, the banking industry's capacity to expand and deliver better customer service is significantly impacted. E-banking services are expected to increase customer pleasure and satisfaction, as well as lower operating costs, improve competition, and increase profitability for banks. As a result, e-banking's impact on customer satisfaction must be assessed in terms of its many components.

**Glara, K.Thanga & Franco, C. (2017)**

The banking business has undergone several changes during the past two decades in order to compete with its rivals. The banking sector is putting a lot of emphasis on technology in this rivalry. E-banking is the most widely utilized technology in banks today. Technological advancements and competition have led to the development of e-banking.

## **RESEARCH METHODOLOGY**

A research technique is a method for investigating an issue in a methodical manner. A thorough explanation of the study's issue statement and objectives, as well as its purpose, scope, hypotheses, and data source are provided. In addition, the data analysis methods and tools have been described. The following is a brief summary of the study's research methodology:

It was decided to adopt a survey approach in order to acquire primary data from a large number of respondents. Structured questionnaires and one-on-one interviews are used to

gather the bulk of the main data. Open-ended and closed-ended questions were included in the survey. It was divided into two halves. To begin, we'll look at some basic demographic data, including things like race and income level. Gender, marital status, educational attainment, employment, and family income were all included in this survey's findings about its participants. Section two is broken into three parts once more. First, there are questions about customers' preferences for E-banking, and then there are questions about customers' preferences for E-banking that don't exist.

## ANALYSIS

Customers are critical to the success of the banking industry. So banks provide a wide range of products and services to attract new consumers as well as keep current ones. Banking institutions, too, have a strong desire to learn about and meet the desires of their customers. Customers' preferences and disfavorites for private (HDFC & ICICI) and public sector (PNB & SBI) E-banking services have been explored in this chapter. There are two parts to this chapter. For example, consumers' names, ages, genders and marital statuses as well as their occupations and incomes are all included in Section A's demographic and background information. Section B focuses on a series of comments that indicate whether or not clients like or reject E-banking.

**Table 1: Distribution of respondents on the basis of types of account in different banks**

Type of bank account/Bank	Private sector banks				Public sector banks				Total	
	HDFC		ICICI		PNB		SBI			
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Saving a/c	72	48	83	55	108	72	109	73	372	62
Current a/c	16	11	29	19	6	4	17	11	68	11
Saving a/c & Current a/c	23	15	24	16	19	13	9	6	75	13
Saving a/c, Fixed Deposita/c	17	11	6	4	5	3.3	4	2.7	32	5.3
Saving a/c, Current a/c, Fixed Deposita/c	22	15	8	5.3	12	8	11	7.3	53	8.8
Total	150	100	150	100	150	100	150	100	600	100

Responses are shown in Table based on the kind of account in private (HDFC & ICICI) and public (PNB & SBI) sector banks, respectively. Of those who responded, 62% have a savings account, followed by 12.5% who have both a savings and a current account. A

bank-wise research shows that SBI and PNB of Savings A/c have the greatest percentage of responders (72%) followed by ICICI (55.3 percent). Fewer than 5% of ICICI, PNB, and SBI customers have combined accounts (Current a/c and Fixed Deposit a/c).

**Table2: Distribution of respondents on the basis of awareness of net banking services offered by bank**

Response/Bank	Privatesectorbanks				Publicsectorbanks				Total	
	HDFC		ICICI		PNB		SBI			
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	Frequency	%
Yes	110	73.3	102	68	95	63.3	93	62	400	66.7
No	40	26.7	48	32	55	36.7	57	38	200	33.3
Total	150	100	150	100	150	100	150	100	600	100

Net banking services supplied by private (HDFC & ICICI) and public (PNB & SBI) sector banks are shown in Table 66.7 percent of respondents replied "Yes" and 33.3 percent said "No" when asked if they were aware of online banking services. Bank-wise, HDFC has the largest percentage of net banking users (73.3 percent), followed by ICICI (68 percent), and PNB (63.3 percent). Only 26.7 percent of the respondents are aware of net banking, and the majority of those are HDFC customers).

## **FINDINGS RELATED TO CUSTOMERS ON THE BASIS OF DEMOGRAPHIC PROFILE**

- HDFC and ICICI, as well as Public (PNB and SBI) sector banks, have the highest percentage of respondents in the 21-30 age group, followed by 31-40 age group. ICICI bank has the biggest percentage of customers in the 21-30 age bracket, while SBI comes in second. Only a small percentage of those over the age of 60 are customers of ICICI bank or HDFC.
- Private (HDFC & ICICI) and Public (PNB & SBI) sector banks had the highest percentage of married respondents. Respondents from HDFC and ICICI have the greatest percentages, while those who are not married have the lowest percentages. SBI and ICICI had approximately the same percentage of married and unmarried respondents.

- Graduates (HDFC& ICICI) and postgraduates (PNB & SBI) make up the majority of responses, with matriculants and postgraduates following closely behind. HDFC has the greatest percentage of responders, followed by ICICI, SBI, and HDFC, according to a bank-by-bank analysis.
- Among private and public sector banks, the majority of responders are servicemen, followed by businessmen, in terms of occupation. An examination of responses by bank reveals that ICICI and SBI had the most serviceman responders, followed by HDFC. For all banks, the proportion of respondents who are retired is lower than that of other groups.
- Among respondents from the private (HDFC& ICICI) and public (PNB& SBI) sector banks, the highest percentage came from the income brackets of 10001-20000 and 20001-30000. According to a bank-by-bank study, ICICI has the greatest percentage of respondents in the 10001-20000 income bracket, followed by SBI and PNB.

### **Conclusion**

Incorporating human assistance via E-banking service delivery channels might alleviate consumers' concerns about security and so increase their adoption of E-banking and use of complicated banking services and product facilities.. Because of this, customers frequently rely on one another to help them cope with the stress of a new product or service. In addition, there are just a few researches examining Indian customers' use of E-banking. As a result, future study should focus on identifying the major factors that influence the adoption of E-banking in India.

The present study is centred on Customers perspective about E-banking in Haryana. In future, investigations can be carried out in the following areas: The research of acceptability and satisfaction of various E-banking goods and services in other states even all over the India which would offer better image on Customers perspective regarding E-banking services at National Level. A comparison research may also be undertaken on E-banking adoption across public sector, private sector and overseas banks.

A comprehensive analysis may be done to determine the Information Communication Technology hazards associated in the delivery of E-banking services for improved adoption of E-banking services.



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