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A RESEARCH STUDY ON THE IMPACT OF E-BANKING ON PRIVATE BANKS AND PUBLIC BANKS AND CUSTOMERS

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Abstract: *E-banking refers to utilizing digital technologies to create banking possibilities on both local and international scales. Financial organizations can leverage modern technology to reduce operational costs and offer services that are no longer restricted by geographical boundaries.*

Banking services are now readily accessible through e-banking, both locally and internationally. In contrast to attract a wider clientele, lower operational expenses, offer customized services extensively, strengthens customer connections, and generates opportunities for growth in unconventional banking services. A key advantage is the ability to offer banking services round the clock and from anywhere.

With technological progress, e-banking is expected to transform into a completely unified banking system. It enables users to handle their accounts online, eliminating the necessity to go to physical locations and consequently conserving both time and money.

Keywords: *E-banking, Customer perception, cost efficiency, and time savings.*

1. INTRODUCTION

E-banking holds a competitive edge over conventional banking methods because of enhance efficiency and customer experience. It enable banks to reach a wider audience reduce transaction and administrative cost, and a offer tailored services to large segments of consumers.

Additionally, it fosters innovation in financial products, enhance communication strategy and aids in establishments of supplementary business services all while ensuing accessibility at any time and from any place.

This study aims to provide important insights to the current knowledge of electronic banking.
The research aims to assist scholars, financial organizations, and clients in understanding the growing significance and practical implications of digital banking services in the contemporary digital economy by examining their various aspects.

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Online banking, commonly referred to as digital or web-based banking, is a contemporary financial service enabling individuals to manage their banking tasks online rather than going to a physical location. It provides an easy- to-use platform for users to check their accounts anytime and anywhere with a computer or mobile device. This system connects directly to the bank's main database, enabling real-time updates and effective transaction processing.

In contrast to conventional branch banking that requires face- to face interaction, online banking offers a quicker and more adaptable way to handle financial operations. Certain financial institutions function entirely online as virtual banks without any physical locations, which reduces operational expenses and enhances customer convenience.

Through online banking services, users can perform several tasks such as checking account balances, downloading statements, reviewing transaction history, transferring funds between accounts and paying bills or other commitments. In the current digital era, these services improve the effectiveness, safety, and availability of banking.

2. Research Objectives: -

1. To analyse financial institutions in the public and private domains, focusing on their digital competencies and e-banking services.
2. To recognize and examine the main elements that drive people to adopt and favour e-banking services instead of traditional approaches.
3. To explore the benefits of e-banking relative to conventional banking methods regarding cost efficiency, time efficiency, operational productivity, data protection, service quality, and grievance handling from the perspectives of both customers and employees.
4. To determine the economic viability of e-banking for both banks and customers by evaluating its cost-effectiveness and total worth. To assess how satisfied clients and bank staff are with the current banking services and digital solution.

3. Literature Review: -

Krishna Moorthy, V. and R. Srinivasan (2013) Draw the conclusion that banks have a very hard time keeping their current clientele. To guarantee their long-term survival, banks need to deal with a variety of crucial concerns; such building strong bonds and trust with their present clients or creating new products that cater to their wants and needs.
Sharma, Himani (2011) Reveals that bankers encourage their clients to use online banking services because they know these services will improve the client-banker relationship and that this activity can improve the bank's efficiency and profitability in the current competitive environment.
Safeena, Rehmath (2010) The adoption of internet banking is viewed through the eyes of the customer. The major purpose of this study is to look into how customer views of perceived value, ease of use, and confusion affect how many people utilize internet banking. Convenience and minimal time commitment are two reasons why consumers can use internet banking, according to the study's findings.
Malhotra and Singh (2010) When it comes to providing a greater range of more specialized Internet banking services, private and foreign Internet banks do better than public sector banks. As a result, foreign and private businesses were able to offer better customer service than their counterparts in the state sector.
Mishra A. K. (2005) An investigation was conducted to determine the factors behind customers' satisfaction with the services offered by the (UCB). As UCB entered the banking industry, they quickly learned that maintaining a loyal customer base is essential to surviving in this cutthroat market. The investigation's findings indicated that in order to enhance customer service, bank workers must be actively involved.

4. Hypothesis: -

H0 (Null Hypothesis): There is no significant difference between public and private sector banks in terms of customer preference and satisfaction with e-banking services. H1: There is a significant difference between public and private sector banks in terms of customer preference for e-banking services.
H2: E-banking service quality factors have a notable impact on customer satisfaction levels. H3: Customers of private sector banks experience better e-banking service quality than those of public sector banks.
H4: Customer awareness and usage of e-banking services have a significant influence on their overall banking preference.

5. Research Methodology: -

The word research is often utilized to refer to a variety of interconnected and occasionally overlapping endeavours that encompass the organized pursuit of information. This type of search typically aims at collecting data instead of creating new insights or performing through analysis, and the necessary responses are frequently available from just one source.

This study compares the e-banking services offered by public and private sector banks. For this purpose, the State Bank of India will represent the public sector, while HDFC Bank will represent the private sector. The selection of these banks was influenced by two main criteria: the need to incorporate banks that are both diversified and well-established in their industries, along with the ease of data collection within the same geographical area specifically Vadodara.

Problem Identification, Need, and Relevance of the Study:

A review of the literature clearly shows that e-banking is advantageous for both financial institutions and their customers. In today's highly competitive financial sector, banks need to provide efficient services, innovative products, strong protocols and full compliance with RBI regulatory standards. A comparative analysis of public and private sector banks is thus necessary to enhance understanding of the current e-banking landscape from the perspective of customers and bank employees.

The researcher was motivated to carry out the present study due to this necessity. The findings of the research are expected to benefit customers, the selected banks, and other financial entities aiming to improve their online banking offerings.

Research Gap

- Several studies do not effectively evaluate the online banking services of public and private banks from the client's opinion.
- minimal research has been conducted to detail how different elements of service quality influence the decisions of e-banking customers.
- Previous studies have given less focus to the actual difficulties customers face when using e-banking services.

Sample Size

A structured questionnaire sent out through google forms collected data from the 100 participants who comprise the study's sample. The responses were gathered online, providing convenience and reaching a larger audience compared to face-to-face interactions. A variety of journals and relevant online sources were reviewed for secondary data, fresh information was obtained from official sources of state Bank of India and HDFC Bank. The analysis of the collected data considered the respondents socioeconomic characteristics including age, education, income level.

6. Data Analysis:

Analysis & Interpretation

The data collected using Google Forms indicates that a larger portion of respondents are female (53.92%) compared to males (44.11%), showing slightly higher involvement of women in the survey. Most participants fall in the 18–24 age group (58.82%), which means young individuals are more active and comfortable with online tools. Looking at occupation, students make up the biggest share (54.90%), followed by employees and business people, suggesting that the respondents are mostly educated and familiar with digital platforms. In terms of income, 50% of respondents have no earnings, which matches the high number of students in the sample. Overall, the survey represents a young, student-dominated, and digitally aware group, providing helpful insights into online usage and preferences.

Table-1

	F(N=100)	%
GENDER		
MALE	45	44.11%
FEMALE	55	53.92%
AGE		

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Below 18 years	5	4.90%
18-24 Years	60	58.82%
25-39 Years	22	21.57%
40-60 Years	6	5.88%
Above 60 Years	9	8.82%

	F(N=100)	%
PROFESSION		
Student	56	54.90%
Employee	23	22.55%
Business	19	18.63%
Retired	4	3.92%
INCOME		
No salary	51	50.00%
<20000	15	14.71%
20000-40000	17	16.67%
40000-60000	8	7.84%
60000-80000	5	4.90%
Above 80000	6	5.88%

Which bank's online banking services do you like better?

Table-1.1

Bank Name	Respondents	Percentage
SBI	59	57.84%
HDFC	43	42.16%

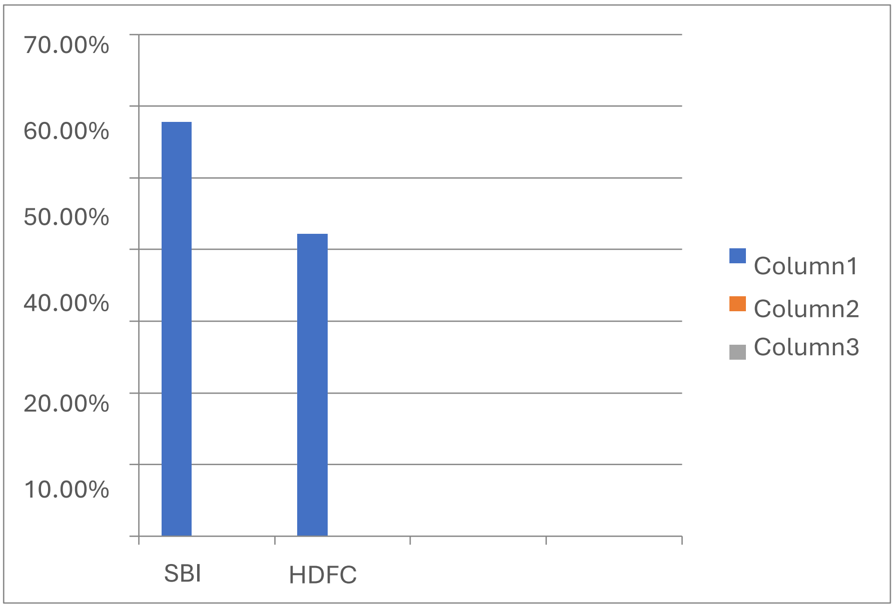

Chart-1.2

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Analysis & Interpretation

The data shows that out of 102 respondents, 59 people (57.84%) prefer the online banking services of State Bank of India (SBI), while 43 respondents (42.16%) prefer HDFC Bank. This indicates that SBI has a higher level of preference among users compared to HDFC Bank. It can be concluded that a majority of respondents are more satisfied with the online banking services provided by SBI. However, HDFC Bank also has a significant share, showing that it is a strong competitor. Overall, both banks are preferred by customers, but SBI has a slight advantage in terms of user preference.

How happy are you with the aforementioned online banking services, if questioned?

Table-1.3

Satisfaction	respondents	%
Very satisfied	41	40.20
Satisfied	39	38.24
Neutral	18	17.65
Dissatisfied	2	1.96
Very dissatisfied	2	1.96

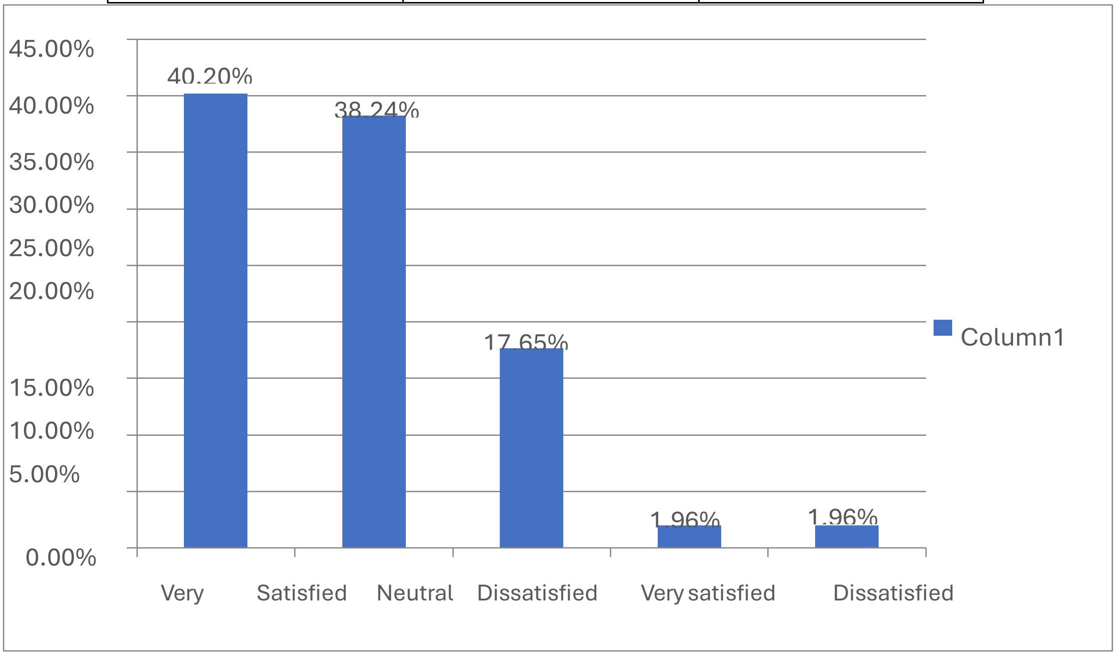

Chart-1.4

Analysis & Interpretation

The data indicates that the majority of respondents feel positive about the service. A significant portion of people are either very satisfied (40.20%) or satisfied (38.24%), showing a high level of overall satisfaction. A smaller percentage (17.65%) have a neutral opinion, meaning they do not have strong feelings either way. Very few respondents reported dissatisfaction, with only 1.96% each being dissatisfied and very dissatisfied, which suggests minimal negative feedback. Overall, the findings show that the service is doing well and is able to meet the expectations of most customers.

7. Result / Findings: -

The survey highlights Indian customers' opinions about online banking, which offers insightful information for banking decision-makers. These findings can help banks satisfy customer demands and improve their digital offerings as online banking adoption in India keeps increasing.

The results show that most clients of SBI and HDFC know that it is possible to open an account through online banking. SBI respondents appear to be slightly more informed about e-banking services compared to HDFC clients. In terms of general awareness, 58.18% of SBI customers and 72.22% of HDFC customers stated they were knowledgeable about online banking, indicating a significant level of user awareness; nevertheless, SBI customers demonstrate a better understanding of the range of services available.

Further analysis uncovers distinct consumer experiences. SBI customers experience an average issue rate of 32.04%, whereas HDFC clients have a greater rate of 41.20%. this suggests that SBI clients encounter fewer issues with online banking compared to HDFC clients.

In general, the findings indicate that even though both banks have reached important awareness levels, SBI shows slightly superior performance regarding customer understanding and fewer reported problems, while HDFC displays higher awareness but also experiences more customer complaints.

8. Conclusions: -

The research concludes that key factors such as utility, usability, trust, security, and privacy influence the satisfaction of Vadodara city residents with online banking. These factors significantly influence consumers behaviour, intentions and loyalty towards online banking services. SBI clients have greater awareness of the available digital services, while HDFC exhibit a higher tendency to utilize them.

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