

AN ANALYTICAL STUDY OF E-BANKING SERVICES IN PUBLIC AND PRIVATE BANKS IN HARYANA STATE

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ABSTRACT

The Indian banking sector has undergone a remarkable digital transformation driven by rapid technological advancements and increasing internet penetration. E-banking services—including internet banking, mobile banking, ATM services, Unified Payments Interface (UPI), and electronic fund transfer systems—have become essential components of modern banking operations. This study presents a comparative analysis of e-banking services offered by public and private sector banks in Haryana State. The primary objectives are to evaluate the overall performance of e-banking services in both sectors and to assess customer satisfaction levels. Primary data were collected through structured questionnaires administered to customers of selected banks across Haryana. Secondary data were sourced from Reserve Bank of India (RBI) annual reports, peer-reviewed banking journals, and official bank websites. The findings indicate that private sector banks outperform their public sector counterparts in terms of technological innovation, service speed, and user interface design. Conversely, public sector banks continue to command stronger customer trust and offer wider geographic accessibility. The study further identifies key challenges—including cybersecurity threats, inadequate digital literacy among rural users, and recurring technical issues—that impede seamless e-banking adoption.

Keywords: E-Banking, Public Sector Banks, Private Sector Banks, Customer Satisfaction, Haryana, Digital Banking, UPI, Mobile Banking, Cybersecurity

1. INTRODUCTION

Information technology has fundamentally transformed banking industries across the globe, accelerating the shift from traditional brick-and-mortar banking toward dynamic digital platforms. This paradigm shift has given rise to Electronic Banking (E-Banking), defined as the delivery of banking and financial services through electronic channels such as internet portals, mobile applications, Automated Teller Machines (ATMs), debit and credit cards and real-time online fund transfer systems.

In India, digital banking has gained extraordinary momentum following landmark initiatives such as the Digital India Programme, the 2016 demonetization exercise and the widespread proliferation of the Unified Payments Interface (UPI). Haryana, one of India's economically advanced states, has recorded significant growth in digital banking adoption among both urban and semi-urban populations. Leading public-sector institutions—namely the State Bank of India (SBI) and Punjab National Bank (PNB) along with major private-sector banks such as HDFC Bank and ICICI Bank, actively compete to deliver advanced e-banking services to this market.

Despite the overall progress, notable differences persist between public and private sector banks in areas such as service quality, technological efficiency, customer satisfaction, and

grievance redressal mechanisms. This study, therefore, undertakes a systematic comparative analysis of e-banking services offered by these two banking categories within Haryana State, to generate evidence-based insights that may guide future policy and service improvements.

2. REVIEW OF LITERATURE

A growing body of literature addresses the evolution and impact of e-banking services in India. The following review highlights foundational and contemporary studies relevant to this inquiry.

Malhotra and Singh (2010)

Malhotra and Singh established that private sector banks were early adopters of internet banking services in India. They observed that public sector banks subsequently expanded their digital service portfolios primarily to reduce operational costs and enhance customer convenience. This early mover advantage among private banks laid the foundation for the service quality gap that persists to the present day.

Kumar and Sharma (2020)

Kumar and Sharma identified that customer satisfaction in e-banking is predominantly determined by four critical factors: reliability of services, overall service quality, ease of use, and transaction security. Their findings underscored the importance of seamless, secure digital interfaces in sustaining long-term customer engagement.

Sharma (2022)

Sharma highlighted a significant post-pandemic acceleration in digital banking adoption, attributing the surge to expanded mobile banking features and UPI services. The COVID-19 pandemic acted as a catalyst, compelling customers across age groups to migrate to digital banking channels out of necessity, thereby creating lasting behavioral shifts.

Contemporary Trends (2024–2026)

Recent studies indicate that contemporary bank customers prioritize faster digital transactions, intuitive mobile applications, multilingual interface support, and robust online security protocols. User Interface (UI) design and responsive customer support have emerged as key competitive differentiators among banking institutions (RBI Digital Banking Report, 2024).

3. OBJECTIVES OF THE STUDY

The present study is guided by the following primary objectives:

1. To conduct a comparative analysis of the overall performance of e-banking services offered by public and private sector banks in Haryana State.
2. To assess and compare levels of customer satisfaction towards e-banking services provided by public and private sector banks in Haryana State.

4. RESEARCH METHODOLOGY

4.1 Research Design

The study adopts a descriptive and analytical research design, enabling both the systematic description of e-banking service characteristics and the examination of relationships between service parameters and customer satisfaction.

4.2 Sources of Data

Primary Data: Primary data were gathered through structured questionnaires administered to bank customers across selected districts of Haryana. The questionnaire was designed to capture respondents' frequency of e-banking use, satisfaction levels across various service dimensions, and experiences with banking challenges.

Secondary Data: Secondary data were sourced from RBI annual reports on digital banking, peer-reviewed banking and finance journals, published research articles, and official websites of selected banks.

4.3 Sampling and Sample Size

A convenience sampling technique was employed to identify and recruit respondents. A total of 200 bank customers were selected from five major districts of Haryana - Gurugram, Hisar, Rohtak, Ambala and Faridabad chosen for their diversity in urbanization levels and banking activity.

4.4 Tools for Analysis

The following analytical tools were employed to interpret the collected data:

- Percentage Analysis
- Mean Score Analysis
- Comparative Analysis
- Tabular and Graphical Representation of Data

5. DATA ANALYSIS AND INTERPRETATION

5.1 Frequency of Using E-Banking Services

Table 1 presents the percentage of respondents who reported regular use of each e-banking service type, disaggregated by bank sector.

Banking Service	Public Sector Banks (%)	Private Sector Banks (%)
Mobile Banking	68	85
Internet Banking	60	78
ATM Services	90	88
UPI Payments	75	92

Table 1: Frequency of E-Banking Service Usage Among Respondents

As evidenced by Table 1, private sector bank customers exhibit markedly higher usage rates for mobile banking (85%) and UPI payments (92%) when compared to their public sector counterparts (68% and 75%, respectively). This disparity can be attributed to the superior application interfaces and faster transaction processing capabilities offered by private banks. ATM service usage remains high across both sectors, indicating that physical self-service infrastructure continues to hold relevance alongside digital channels.

5.2 Customer Satisfaction Levels

Table 2 presents a comparative assessment of customer satisfaction across key service parameters for both banking sectors.

Parameter	Public Sector Banks	Private Sector Banks
Security	High	Moderate–High
Ease of Use	Moderate	High
Service Speed	Moderate	High
Customer Support	Moderate	High

Table 2: Customer Satisfaction Levels Across Key Service Parameters

The data in Table 2 reveal that private sector banks consistently score higher on ease of use, service speed, and customer support—dimensions largely driven by technology investment and operational agility. Public sector banks, however, retain a competitive edge in perceived security, reflecting the enduring trust that customers place in government-affiliated institutions. This trust advantage is particularly pronounced among rural, elderly and low-income customer segments.

6. MAJOR FINDINGS

The following key findings emerged from the data analysis:

3. Private sector banks provide more technologically advanced and user-friendly digital banking platforms, resulting in higher user engagement and satisfaction scores.
4. Public sector banks are the preferred choice of rural and middle-aged customers, primarily owing to higher perceived institutional trust and extensive physical branch networks.
5. UPI and mobile banking are the most widely adopted e-banking services across both sectors in Haryana.
6. Customers of private sector banks report significantly higher satisfaction with transaction processing speed and the efficiency of grievance redressal systems.
7. Cybersecurity concerns and instances of cyber fraud remain major sources of anxiety among e-banking users in both sectors.

7. CHALLENGES IN E-BANKING ADOPTION

7.1 Cybersecurity Threats

A significant proportion of respondents expressed apprehension regarding phishing attacks, One-Time Password (OTP) frauds, and unauthorized access to banking accounts. These security concerns act as a substantial barrier to deeper e-banking adoption, particularly among first-time and infrequent digital banking users.

7.2 Technical Infrastructure Deficiencies

Inadequate network connectivity and frequent server downtime continue to disrupt digital transactions, disproportionately affecting users in rural and peri-urban areas of Haryana. These technical limitations undermine user confidence and deter consistent use of e-banking platforms.

7.3 Digital Literacy Gaps

A considerable segment of the population—particularly elderly and rural residents—encounters significant difficulty in operating mobile banking applications and internet banking portals. The absence of structured digital literacy programmes remains a critical impediment to inclusive e-banking growth.

7.4 Language Accessibility Barriers

The predominant availability of banking applications in the English language creates accessibility challenges for non-English-speaking users. The limited availability of Hindi and other regional language interfaces restricts the effective use of e-banking services by a significant portion of Haryana's population.

8. SUGGESTIONS AND RECOMMENDATIONS

8.1 For Public Sector Banks

- Redesign and modernize mobile banking application interfaces to improve usability and visual appeal.
- Invest in robust server infrastructure to minimize downtime and ensure consistent service availability.
- Launch targeted digital awareness and financial literacy programmes in rural and semi-urban communities.

8.2 For Private Sector Banks

- Develop trust-building strategies tailored to rural and low-income customer segments.
- Review and rationalize fee structures to reduce hidden charges and annual maintenance costs.
- Enhance transparency in customer grievance redressal processes to improve accountability.

8.3 Common Recommendations for Both Sectors

- Strengthen cybersecurity frameworks through advanced encryption, real-time fraud detection, and periodic security audits.
- Conduct sustained financial literacy and cyber-awareness campaigns targeting diverse demographic groups.
- Expand multilingual digital banking interfaces to serve India's linguistically diverse population effectively.

9. CONCLUSION

This study concludes that both public and private sector banks have made substantial contributions to the growth and expansion of e-banking services in Haryana. Private sector banks currently demonstrate a clear advantage in technological innovation, service quality, and overall customer satisfaction. Public sector banks, in contrast, maintain a strong and loyal customer base underpinned by institutional trust, affordability, and extensive geographic reach.

To remain competitive in an increasingly digital banking landscape, public sector banks must prioritize investments in technology upgradation and user experience design. Private sector banks, meanwhile, should direct their efforts toward inclusive banking models that extend quality digital services to underserved and rural populations. Collectively, e-banking has fundamentally reshaped the banking habits of customers in Haryana and will remain a cornerstone of India's financial future.

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