

A Comparative study on SBI and HDFC in Ambala City

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ABSTRACT

Internet banking or e-banking is widely popular nowadays, and because of digitalization and demonetization e-banking has been the recent trend as it is easier to access to one's accounts, no need to visit the branch. But unfortunately, many people are not aware of this amazing technology thus are not accessing e-banking. An empirical study was conducted on 'Knowledge, Utilization and Challenges in E-banking services: A Comparative study on SBI and HDFC in Ambala city' with the sample size of 200 (100 each) with the help of self-structured questionnaires and SPSS version 21.0 was used to analyze the data. Results revealed that more of the respondents were aware in SBI but the usage was more in HDFC. Further it was found that there was significant negative correlation between the educational qualification and the e-banking usage in HDFC moreover it was found that there was significant positive correlation between the age of the respondents and their knowledge about e-banking in HDFC. Study highlighted that there was only time saving factor which was the main purpose of using e-banking by the respondents of SBI with p-value (4.09) and in HDFC special offers was the main purpose of using e-banking by the respondents with mean of (3.79). Study highlighted that majority of the respondents were facing problem due to Lack of knowledge under HDFC with mean (3.43) Respondents were also having security and privacy issues in HDFC with mean of (3.23) and in SBI respondents said they don't find an ATM nearby when they want to have, with the mean of (3.09).

INTRODUCTION

E-Banking/ internet banking/ online banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The E-Banking system will typically connect to the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed in banking services. The types of financial transactions which a customer may transact through online banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts. Most banks also enable a customer to download copies of bank statements, which can be printed at the customer's premises (some banks charge a fee for mailing hard copies of bank statements). Some banks also enable customers to download transactions directly into the customer's accounting software.

The facility may also enable the customer to order a cheque book, statements, report loss of credit cards, stop payment on a cheque, advise change of address and other routine actions. While financial institutions took steps to implement e-banking services in the mid-1990s, many consumers were hesitant to conduct monetary transactions over the internet. By 2000, 80% of U.S. banks offered e-banking. Customer's satisfaction grows slowly. At Bank of America, for example, it took 10 years to acquire 2 million e-banking customers. Around 1994, banks saw the rising popularity of the internet as an opportunity to advertise their services. In India ICICI was the first bank to provide internet banking facility in early 1997 under the brand name 'Infinity'. The RBI constituted a working group on

internet banking. The group divided the internet banking products in India into 3 types based on the level of access guaranteed. They are Information System, Electronic Information Transfer System, Fully Electronic Transactional System (ATM, Debit/Credit cards, Smart cards).

E-banking provides various benefits to customers such as it offers less waiting time and more convenience as compared to traditional banking system and lowers the cost structure than traditional delivery channels. It also reduces the place limitation so that the customers feel convenient while doing banking services. It enables customers to keep an eye on their accounts or transactions from their homes, offices, or elsewhere so they feel satisfied and convenient. Even ordering non-transactional facilities like ordering cash books online, updating accounts, inquiring about interest rates on various financial products have become simpler and easier. It is a self-service channel so the customers do not need to depend on bank's staff.

It also provides benefits to Banks such as adoption of internet helps the banks to increase their profitability. Banks with internet banking have better operating efficiency ratios and profitability as compared to banks, which are not using internet facilities. The banks using internet also provides far low cost to their customers than in traditional banking. As it provides a self-service platform it reduces the workforce up to a particular extent that results in reduction in administrative costs bear by the bank. It also reduces paperwork as compared to traditional banking. It has expanded its geographical reach and may increase customer base by deploying electronic delivery channels at lower costs. Banks are doing this where they have no branches to satisfy existing customers and to attract new customers in a cost-efficient manner.

E-banking has various functions some of which are as follows:

-Inquire about information of account: The client inquires about the details of his own account information such as the card's / account's balance and the detailed historical records of the account and downloads the report list.

-Card accounts transfer: The client can achieve the fund to another person's Credit Card in the same city.

-Bank-securities account transfer: The client can achieve the fund transfer between his own bank savings accounts of his own Credit Card account and his own capital account in the securities company. Moreover, the client can inquire about the present balance at real time.

-Foreign exchange transaction: The client can do the real- time transfer and get the feedback information about payment from our bank when the client does shopping in the appointed web-site.

-Client Service: The client can modify the login password, information of the Credit Card and the client information in e-bank on net.

- Account Management: The client can modify his own limits of right and state of the registered account in the personal e-bank, such as modifying his own login password, freezing or deleting some cards and so on.

-Reporting the loss if any: The client can report the loss in the local area (not nationwide) when the client's Credit Card or passbook is missing or stolen.

OBJECTIVES OF THE STUDY

- To compare the customer's knowledge level towards e-banking services of HDFC and SBI banks.
- To study the utilization level of e-banking services among the customers of HDFC and SBI banks.
- To study the challenges faced by customers in utilizing e-banking services of HDFC and SBI banks.

HYPOTHESIS OF THE STUDY

H_0 = There is no significant relationship between demographic factors of respondents and Awareness and Utilization of E-banking facilities provided by SBI and HDFC.

H_1 = There is significant difference significant relationship between demographic factors of respondents and Awareness and Utilization of E-banking facilities provided by SBI and HDFC.

LIMITATIONS OF THE STUDY

- The study was limited to Ambala city only. Thus it is not a very comprehensive study to represent the whole of the economy. Size of the sample is 207, which is of course small in comparison to entire population.
- Due to the 7 non-responded questionnaires sample of 200 was taken into consideration for the data collection purpose.
- Time constraint also put limitations on the number of respondents surveyed so the sample may not be sufficient enough to generalize the study.
- It may be possible that the respondent may not have provided true information
- Data collected is according to the objectives of the study and thus due to not having full knowledge about the questionnaires some respondents didn't fill the forms fully.

LITERATURE REVIEW

Salim (2008) found that with the increasing popularity of E-banking now banks have to think how to deal in competitive market because of the low cost services offered by bank in e-banking than in branch banking. One of the benefits of internet banking is that the bankers would be able to respond more quickly which might not be possible in branch banking.

Singhal and padhmanabhan (2008) studied that there are major factors, affecting customer perception towards internet banking. Most important facility that was used by the customers was online bill payments and ticket booking.

Gupta and Islamia (2008) internet Banking has no geographical boundaries and bank should adapt strategies to expand the services to its customers. Study was conducted to find out the customer behavior regarding e-banking and the significant portion of e-banking users were using e-banking 1-5 times a month which is low compared to e-developed countries another portion of e-banking users were using e-banking 6-10 times a month. The study revealed that significant portion of users were graduate and post graduates. Bank's strategies to go online are **assets of the banks**; larger banks are more likely to offer services online. **Years of operation**; new banks are more adaptive to technology and are has more probability to offer internet banking. **Urban locations**; banks located in urban areas are more likely to offer internet banking than in non-urban areas, because of densely populated areas which cover more demand and competitive pressure. Study concluded that banks cannot avoid the internet banking phenomenon, but for the competitive advantage, they must structure their business models to suit to Indian conditions.

Rani (2012) identifies the customer perception towards e-banking. Only 52% respondents are using e-banking services and reason for not using e-banking services was that people were less educated in those areas and they

hesitate to use computers and internet. Majority of the respondents are agreed that e-banking provides up-to-date knowledge. Respondents have negative views about 24 hour availability because of non-availability of cash in ATMs sometimes and electricity was also an issue. He concluded that 60% people are satisfied and have positive perception.

Vimla (2013) Illustrated that HDFC provide the best timely quality services at the reasonable cost to their customers and there is still a need to provide better and efficient banking services to their customers. Role, impact and development of credit cards were analyzed. Interestingly customers were aware about the credit cards through newspapers. There should be usage of innovative products of banking in India.

Elavarasi and Surulivel (2014) suggested to increase awareness, banks should open ATMs near cinema theatres, markets etc. which are near to the customer places.

Jyoti et.al (2014) Studied the current scenario of e-banking and found that 36% of the respondents are between the ages of 20 and 29 and 29% is between the age of 30 and 39. 15% of the respondents are between the ages of 40 and 49, 14% of the respondents are between the ages of 50 and 59. Then the remaining 6% is higher than the 60 years old. Within the respondents 45% are female and remaining 55% is male. 45% hold Bachelor Degree, 35% hold Master degree & 20% hold PhD, it was found that Bachelor degree respondent are using highest e-banking.

88% consumers are visit 1-4 times in a month & 12% consumers are never visit branch of the Bank. There is 76% consumer are using ATM for 1-4 times in a month. & 18% consumer are use over period of 12 months & 6% consumers are never use ATM. There is 34% consumers are using debit card for 1-4 times in a month & 18% consumers are using 5-8 times in a month & 48 % respondents are not using a debit card services. There is 32% consumers are using tele-banking for 1-4 times in a month & 19% consumers are using 5-8 times in a month & 49% respondents are not using a tele-banking services.

Dagar (2014) in her study concluded that customers have many benefits through online banking and is a great opportunity for them to have an access on their accounts anytime, anywhere. Banks should provide more facilities and convenience to the customers. The only difficulty there was to make e-banking more secure and safe for the customers.

Rajput (2015) studied customer perception on online banking activities and its impact and promotional measures used by banks to promote online banking. He mentioned that customers adapting e-banking services such as ATM, online payment methods etc. some customers feel satisfied and some not. studied on customer perception on e-banking services and education, gender, income played an important role in e-banking usage. In his study 95% people were aware about e-banking and 89% are using e-banking regularly.

Pathak (2015) in her study illustrated the participation levels of employees of different hierarchical level in private sector banks. There was a low level of communication, improper structure and less involvement of employees in decision-making process related to targets.

Hayikader S et.al.(2016) He have discussed some security issues that related to mobile banking apps, examine issues on the architecture as well as some security measures to deal with the related security challenges. He found that mobile banking apps need to have a foundation to enhance app security and support future technologies. This ensures that mobile apps and their security framework remains future-proof and requires fewer resources to manage long-term.

RESEARCH GAP

Despite many studies have been conducted in context to e-banking services but very few have been conducted on the comparison of SBI and HDFC e-banking services in Ambala, those have been conducted are on particular states and outside the country, Hence with the purpose to address this knowledge gap regarding Knowledge, Utilization and challenges in Ambala city this study has been conducted to fulfill these gaps.

RESEARCH METHODOLOGY

The area of the study for the research purpose was Ambala city. The study was conducted by visiting the residences of respondents. Descriptive study design was used to fulfill the objectives. The sampling method used for the research purpose was Simple Random sampling. The sample size for research purpose is 207 respondents. The sample size is calculated by taking .001% of Population of Ambala city i.e. 2079304.

DATA COLLECTION TOOLS AND TECHNIQUE

Based on research problem and the framed objectives of the study primary data were collected through a well framed and semi structured questionnaire which comprises of three parts. First part deals with the demographic profile of the respondent. Second part consists of Awareness and utilization of e-banking. Third part consists of Challenges and Problems of e-banking and consists most applicable among the five-point Likert scale (i.e. 5- “strongly agree”, “4- agree”, “3-neutral”, “2-disagree”, “1- strongly disagree”). The questionnaire was conducted entirely in English. Please see appendix 1 for a copy of the questionnaire.

STATISTICAL ANALYSIS

Data entry and analysis were done in SPSS version 21.0. Descriptive and inferential statistics were used to describe the demographic characteristics of the sample. In order to interpret data, various tools like, Correlation, mean and standard deviation and Independent t-test were used.

RESULTS AND DISCUSSIONS

Table 1: SOCIO-DEMOGRAPHIC PROFILE OF RESPONDENTS

S. No.	Socio-Demographic Traits	SBI	HDFC
		Total No. = 100	Total No. = 100
		Frequency(percent)	Frequency (Percent)
i)	Age (years):		
	Below 20-30	52.0	58.0
	30-40	17.0	14.0
	40-50	18.0	21.0
	Above 50	13.0	7.0
ii)	Gender:		
	Male	66.0	60.0
	Female	34.0	40.0
iii)	Educational Qualification:		
	High school	22.0	17.0
	Graduate	41.0	39.0
	Post-Graduate	34.0	44.0
	Others	3.0	0.0
iv)	Marital status:		
	Married	49.0	47.0

	Unmarried	51.0	53.0
v)	Profession:		
	Housewife	15.0	14.0
	Shopkeeper	2.0	5.0
	Employee	23.0	16.0
	Student	31.0	36.0
	Teacher	6.0	8.0
	Advocate	1.0	1.0
	Agriculturist	7.0	2.0
	Businessmen	15.0	17.0
	Investment banker	0.0	1.0
	Other	0.0	0.0
vi)	Monthly Income:		
	Below 15000	58.0	57.0
	15,000-30,000	21.0	13.0
	30,000-45,000	14.0	14.0
	Above 45,000	7.0	16.0

ASSOCIATION OF THE FACTORS OF UTILIZATION OF E-BANKING OF SBI AND HDFC USING INDEPENDENT T-TEST

Table 2: MEAN AND P-VALUE OF SBI AND HDFC E-BANKING BENEFITS

PAIRS	SBI		HDFC			
	MEAN	RANK	MEAN	RANK	P value	t
Pair 1-Are you aware about technology	3.64	3	3.66	6	.923	-.097
Pair-2 Your time is saved	4.09	1	3.65	7	.019*	2.365*
Pair-3 Special offers	3.59	5	3.79	1	.185	-1.330
Pair-4 24 hours access	4.01	2	3.77	3	.187	1.326
Pair-5 Fear of theft is eliminated	3.43	7	3.73	4	.124	-1.547
Pair-6 It is a lot more easier with mobile apps	3.55	6	3.70	5	.402	-.840
Pair-7 Trustworthy	3.60	4	3.78	2	3.74	-.892

*Significant at 0.05% of level of significance.

Only time saving is highest because t-test indicates about (your time is saved) at 0.05% level of significance (2.245), degree of freedom 62.

The above table shows there is significant difference only in the 'time saving factor' with p-value of 0.019. This shows that there was no significant difference in rest of the factors, depicting that respondents were using e-banking for the same purpose in SBI and HDFC, except for the time saving purpose.

RELATIONSHIP OF UTILIZATION WITH THE CUSTOMER DEMOGRAPHIC

Table 3: Correlation of SBI Bank customers with their Demographic

H_0 = There is no Significant Difference between Customer demographic factors and Utilization of E-banking facilities provided by SBI and HDFC.

H_1 = There is Significant Difference between Customer demographic factors and Utilization of E-banking facilities provided by SBI and HDFC.

	Age	Edu. Qual.	Monthly Income
Knowledge about e-banking	-.230	-.238	-.033
How do you know about e-banking	.222	-.117	-.019
Do you use mobile banking	.210	-.327	-.110
How often do you use	.122	-.255	-.314
For what purpose you use e-banking	.033	-.105	.031
You got aware about technology	-.127	.127	-.185
Your time is saved	-.120	.028	-.150
Special offers	-.008	-.035	-.135
24 hour access	.090	-.067	.014
Fear of theft is eliminated	-.152	-.003	.075
It is a lot more easier with mobile apps	-.113	-.092	.009
Trustworthy	-.176	-.034	-.004

Correlation is significant at the 0.01 level **

Correlation is significant at the 0.05 level *

The table above depicts the relationship of the SBI customers regarding their awareness, utilization with their Demographic. It shows there is no significant relation between customer's demographics and its Knowledge and Utilization, it means neither their knowledge is increased or decreased with their Age, Gender, Qualification, Profession, Income, Marriage status nor its utilization is affected by these.

Based on above data, H_0 = There is no Significant Difference between Demographic factors of respondents and Awareness and Utilization of E-banking facilities provided by SBI and HDFC is accepted here, as it is perceived

that there is no significant difference in the Demographic factors of the respondents and their Awareness and Utilization of e-banking services.

Table 4: Correlation of HDFC Bank customers with their Demographic

	Age	Edu. Qual.	Monthly Income
Knowledge about e-banking	-.230*	-.238*	-.033
How do you know about e-banking	.222*	-.117	-.019
Do you use mobile banking	.210*	-.327**	-.110
How often do you use	.122	-.255*	-.314**
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Trustworthy	-.176	-.034	-.004

Correlation is significant at the 0.01 level--

Correlation is significant at the 0.05 level-

The above table shows the relationship between the HDFC customers regarding their awareness, utilization with their Demographic. It shows there is significant relation between customer's demographics and its Knowledge and Utilization, it means either their knowledge is increased or decreased with their Age, Qualification, Income, status or its utilization is affected by these. There is negative correlation of Knowledge with Age i.e. with the increasing age of respondents their knowledge for e-banking is decreasing. Significant negative correlation can be seen with the Education which means as the education is increasing their e-banking usage is decreases. There was a positive correlation of Age and mobile banking, with the increase of Age of respondents their use for mobile banking increases.

Based on above data, H_1 = There is Significant Difference between Customer demographic factors and Utilization of E-banking facilities provided by SBI and HDFC is accepted here, it is perceived that there is significant difference in the Demographic factors of the respondents and their Awareness and Utilization of e-banking services.

TABLE 5: COMPARISON OF MEAN OF SBI AND HDFC CHALLENGES IN E-BANKING

CHALLENGES	MEAN	
	SBI	HDFC
Non- Availability of ATMs	3.09	3.09

Bad-Internet Connection	2.97	3.09
Late Response	3.08	3.15
Security and Private Issues	3.29	3.23
Lack of knowledge	3.06	3.43
Don't have a Debit/Credit card	2.57	2.98
Service Charges	2.91	3.15

Above table shows the Mean comparison of HDFC and SBI banks regarding the difference between their means towards its challenges or the problems faced by the customers of e-banking services. Highest means represents the highest reason for its challenge in e-banking.

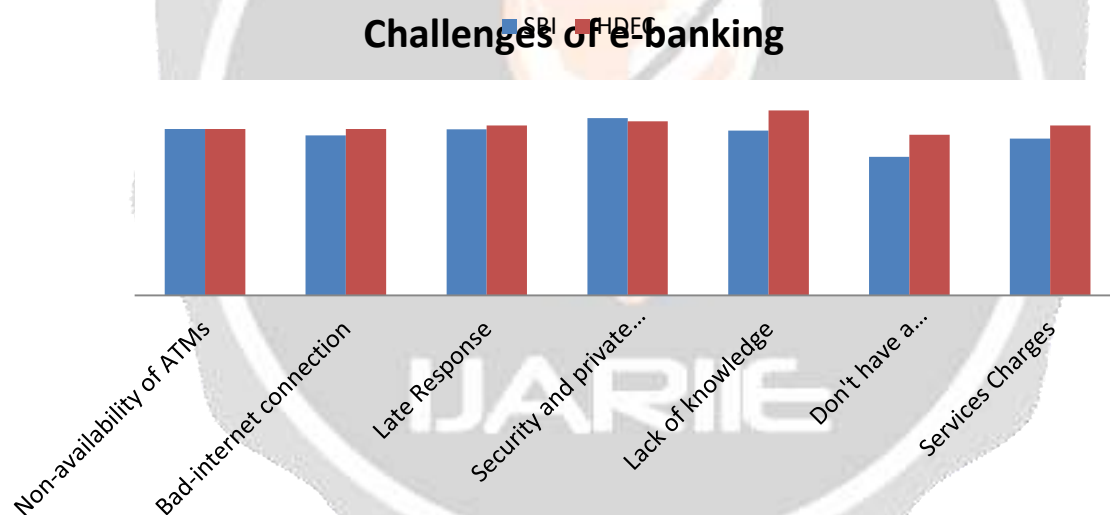


Figure 1: Graph showing Mean of Challenges in e-banking in SBI and HDFC

This graph depicts that majority of the respondents were facing problem due to Lack of knowledge under HDFC with mean (3.43) and there were majority of respondents facing problem with the Security and Privacy issues with mean of (3.29). Respondents were also having security and privacy issues in HDFC with mean of (3.23) and in SBI respondents said they don't find an ATM nearby when they want to have, with the mean of (3.09).

CONCLUSION

It is found that out of most of the respondents are utilizing e-banking services in SBI and in HDFC. It is found that there was no significant difference between SBI and HDFC e-banking utilization and getting benefits. Mean and t-test was used to find that only time saving is more because t-test indicates about (your time is saved) at 0.05% level of significance and p-value 0.019 with mean of SBI at (4.09) Which means respondents of SBI were using e-

banking services to save their time. Whereas in HDFC the highest mean is (3.79) i.e., respondents are using e-banking services to avail special offer benefits, although there is no significant difference among the benefits of utilizing e-banking of SBI and HDFC.

The study examines that majority of the respondents were facing problem due to Lack of knowledge under HDFC with mean (3.43) and there were majority of respondents facing problem with the Security and Privacy issues with mean of (3.29). Respondents were also having security and privacy issues in HDFC with mean of (3.23) and in SBI respondents said they don't find an ATM nearby when they want to have, with the mean of (3.09).

SUGGESTIONS

The following suggestions can be given after detailed and careful investigation of the investigation of the research problem. These suggestions would definitely help SBI and HDFC to enhance their base by delivering customer satisfying services.

- Banks should create awareness among people about e-banking products and services. Customers should be made literate about the use of e-banking products and services.
- Special arrangements should be made by banks to ensure full security of customer funds. Technical defaults should be avoided by employing well trained and expert technicians in field of computers, so that loss of data can be avoided. Banks should use latest technologies with timely updates to secure customers valuable money from the hands of hackers.
- Customers should never share personal information like PIN numbers, passwords etc. with anyone, including employees of the bank. Documents that contain confidential information should be safeguarded. PIN or password mailers should not be stored, the PIN and/or passwords should be changed immediately and memorized before destroying the mail. Take simple precautions like changing the ATM PIN and online login and transaction passwords on a regular basis. Ensure that the logged in session is properly.
- E-banking services should be customized on basis of age, gender, occupation etc. so that needs and requirements of people are met accordingly.
- More focus should be given on appropriate network facility.
- Easy method to operate online banking should be installed by the bank so as to make more and more customer to use net banking.
- Employees of banks should be given special technical training for the use of e-banking so that they can further encourage customers to use the same.
- Bank should take initiative to organize training campaign, seminar and workshop for their customer to boost use of e banking.
- Government should make huge investments for building the information infrastructure.

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