

CUSTOMER SERVICE SATISFACTION AND AWARENESS A COMPARISON OF PUBLIC AND PRIVATE SECTOR BANKS IN COIMBATORE

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ABSTRACT

If the context of the Indian banking system, which comprises both public and private sector banks, there exists a notable difficulty pertaining to customer service satisfaction and awareness. Despite the widespread availability of many banking options, a considerable number of consumers express discontentment with the quality of service provided. This research does a comparative analysis to investigate the disparity in service encountered by clients of public and private sector banks in Coimbatore City. The goals of this study include doing a thorough analysis of service gaps, examining customer satisfaction with the services and goods provided, identifying obstacles faced, and evaluating consumer perceptions and expectations. Public sector banks and private sector banks is dominant player which have important role in growth of Indian economy.. Service is an activity that creates value and provides benefits for customers at specific time. Service quality seems to be a moral string for every organization. In today's competitive scenario, service quality, customer satisfaction and loyalty are becoming principal challenges for banking sector.

Keywords: Public & Private Bank, Customer Service, Satisfaction Awareness.

I. INTRODUCTION

Bank, an institution that deals in money and its substitutes and provides other money-related services. In its role as a financial intermediary, a bank accepts deposits and makes loans. The banking sector is an essential part of every country's financial system. It affects the country's economy by providing credit, infrastructure, and investment. The banking sector plays a vital role in the growth and expansion of any country. Banking is a financial service industry that deals with the management of money, credit, and other financial transactions. Banks are institutions that accept deposits from customers and use those funds to provide loans and other financial services. They play a crucial role in the economy by providing individuals, businesses, and governments with access to capital, facilitating payments, and helping to manage risk. The banking industry has evolved significantly over time, from traditional brick-and-mortar banks to online and mobile banking services. Today, banks offer a wide range of products and services, including checking and savings accounts, loans, mortgages, credit cards, investment and retirement accounts, and insurance. As such, banking is a complex and dynamic industry that impacts the lives of individuals and businesses worldwide. Service quality is a critical factor of effectiveness for establishing and sustaining satisfactory relationships with consumers. A customer inclined business culture, an outstanding service-system proposal, and effective usage of expertise and information are decisive to loftier service quality. The Indian banking industry is diversified with public sectors banks and private sectors banks; there exists a staff race amid them. Owing to this competitive landscape, banks were enforced to the consumer-centric in order to preserve their prevailing customers and to obtain new ones.

OBJECTIVES OF THE STUDY

The objective of the study are

- To analyse and compare service gap of customers in public sector banks and private sectors banks in Coimbatore City.
- To study Customer's perception and their expectations levels provided by the public sector banks and private sector banks
- To find out the problem faced by the customer while utilizing the service offered by public sector banks and private Sector banks.

II. REVIEW OF LITERATURE

Bose and Gupta (2013), the new generation private sector banks are perceived to provide better quality of services in comparison to public sector banks. The managers of public sector banks were suggested to focus upon the assurance dimension of service quality, i.e. the behavior and response of bank's staff should instill the trust and confidence among its customers. However, in context of perception of service quality,

Franklin and Arul (2014) surveyed banks of Chennai city and compared satisfaction and expectation of consumers of public and private sector banks. They reported that service gap of private sector is better than public sector across all service dimensions except assurance. Public sector banks must concentrate on improving their performance in order to maintain their market share in Chennai.

Dr. S. Kavitha & Ms. Ananthavalli (2015) – The study appreciated and analyzed the service quality of the Government run PSU Banks, Privately managed private sector banks and Privately managed Foreign banks operating in major metros in India. The study further understands expectations of the customers along with their perceptions, whose customers operate active bank accounts in these banks.

Justin P, Arun M and Garima S, (2016) provided statement about Private Banks prompt services, fast connected to the right person, try to reduce processing time of transactions, knowledge about products of the banks and feedbacks of the employees are positively related with the customers' satisfaction level. In Public sector banks, delay services, poor knowledge about banking products and services are generating a negative impression on the satisfaction level of the customers.

III. METHODOLOGY

The present study was confined to a selected group of Bank Account holders in Coimbatore District of Tamil nadu. Convenience sampling technique was adopted in the selection of samples. Database for the study was drawn from 125 responses elicited through a detailed interview schedule personally administered and observation from surveying the locality and through personal interviews. On completion of data collection , appropriate research analytical tools such as simple percentage, weighted average method, Rank analysis and Chi square analysis were applied.

IV. FINDINGS OF THE STUDY

SOCIO ECONOMIC BACKGROUND OF THE RESPONDENTS

The findings of socio-economic background of the respondents revealed that about 60% of the respondents were between 18 to 25 years of age, most(68.8%) – ' male ' and around 60% were UG qualified.

S. No.	Variables	Percentage	
1.	Age of the Respondents(in years)	18- 25	60
		26-35	16.8
		36-50	11.2
		Above 50	12
2.	Gender of the Respondents	Male	68.8
		Female	31.2
3.	Educational qualification of the Respondents	SSLC	12.8
		UG	60
		PG	18.4
		Profession	8.8
4.	Occupation of the Respondents	Student	60
		Govt. Sector Employee	8.8
		Private Sector Employee	12.8
		Entrepreneur	18.4

Source: Primary data, 2023.

SATISFACTION WITH RESPECT TO CUSTOMER SERVICE-WEIGHTED AVERAGE

Findings on Satisfaction with respect to customer service revealed that bank branch mean score 3.4

SI. No.	VARIABLES	TOTAL SCORE	MEAN SCORE
1	Bank branch	431	3.4
2	ATM'S	420	3.3
3	Adequate space in Bank	400	3.2
4	Adequate space in ATM	390	3.12
5	Proper furniture	402	3.21
6	Drinking water facility	398	3.1
7	Separate enquiry counters	405	3.24
8	Reception counter	395	3.16
9	Display of indicator boards	395	3.16
10	Display in different languages	379	3.03
11	Booklets/pamphlets of bank services and facilities	385	3.08
12	Security system	418	3.34

Source: Primary data, 2023.

The study revealed that the respondents gave high importance to Bank branch (mean score:3.4), Security system (mean score:3.34), ATM's(mean score:3.3), Separate enquiry counters(mean score:3.24), Proper furniture(mean score:3.21), Adequate space in bank (mean score:3.2), Reception counter(mean score:3.16), Display of indicator boards(mean score:3.16), Adequate space in ATM(mean score:3.12), Drinking water facility(mean score:3.1), Booklets/pamphlets of bank services and facilities(mean score:3.08) and Display in different languages(mean score:3.03).

The factors influenced to select bank account was found using Henry Garret ranking (Figure 1) Results revealed that most of them Convenient location (Rank 1), Good service (Rank 2), Safety and security (Rank 3), Provides new generation facilities (Rank 4), More working hours (Rank 5), Better interest rate (Rank 6) and Better customer service (Rank 7).

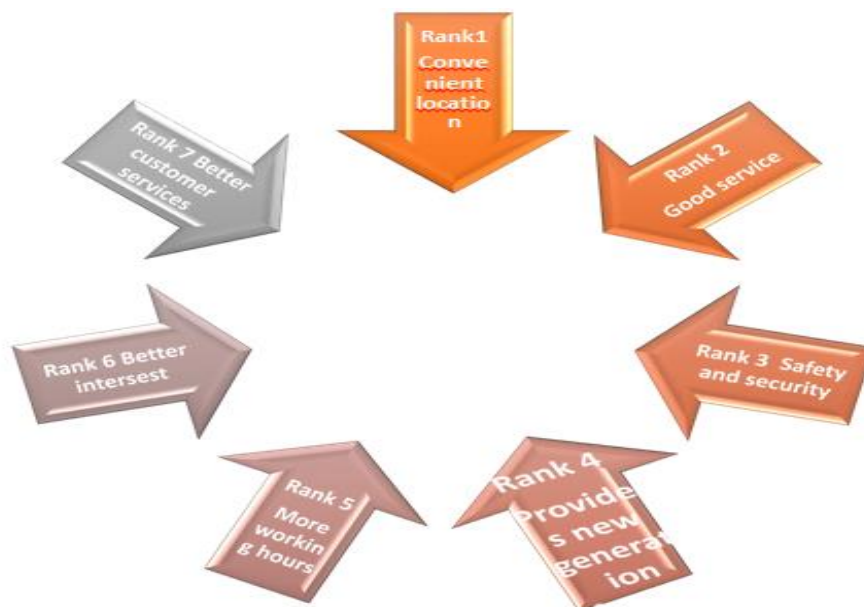


Figure 1: Factor Influenced To Select Bank Account

RESPONDENT AWARENESS ON THE PRODUCTS OF THE BANKS

Awareness On Products Of The Banks

Awareness on products of the banks was found. Results showed that Awareness on Awareness of the products of the banks. Mobile banking (3.12), Online banking system (3.05), Debit card facilities (3.02), Safety locker facility (3), Different kinds of loans (2.72), Credit card facilities(2.53) and Foreign exchange services (2.4)

RELATIONSHIP BETWEEN EDUCATION AND ONLINE BANKING OF THE RESPONDENTS

To find out a relationship between Education and Online Banking of the respondents, Chi-square test was used.

Hypothesis:

Ho: There is no significant relationship between Education and Online banking of the respondents.

H1: There is significant relationship between Education and Online banking of the respondents.

Table: Relationship Between Education And Online Banking Of The Respondent-Chi-Square Test

FACTORS	CALCULATION	DF	TABLE VALUE	REMARKS
Online banking	17.400	3	16.919	Rejected

Source: Calculated data, 2023

The findings revealed that Calculated value of chi square is greater than the table value. Hence the hypothesis is rejected stating that there is significant relationship between Education and online banking.

OPINION ON THE CUSTOMER SERVICE AT YOUR BANK

Weighted average method is used to find out the respondents opinion on the customer service at your bank. Responsiveness (mean score:3.21), Active listening (mean score:3.19), Bank Communication with Customers (mean score:3.19), Conflict resolution Skills (mean score:3.07), Service hours (mean score:3.06), Conducting customer relationship programmes (mean score:2.97), Patience of Staff (mean score:2.95), Empathy of Bank staff (mean score:2.92) and Consultancy (mean score:2.87).

V. CONCLUSION

Both public sector and private sector banks play an essential role in the financial system of a country. Public sector banks are government-owned and are responsible for providing banking services to all segments of the society, including the economically weaker sections. Private sector banks, on the other hand, are owned by private individuals or institutions and operate with the primary objective of maximizing profits. The study revealed that education among the bank account users was high most of them were using public sector banks, Savings account were mostly used, Hence, awareness among the bank account users has to be raised and importance of banking among the users has to be instilled.

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