

A COMPARATIVE ANALYSIS ON THE SERVICE QUALITY OF PRIVATE AND PUBLIC SECTOR BANKS IN INDIA

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ABSTRACT

Customer service is an integral a part of any organization it's necessary to spot the key success factors in terms of customer satisfaction. To develop and to sustain business any of the banks should have quality of customer service which will meet up cordial relation with the customer and lead to the satisfaction level of the client. within the analysis an attempt has done to satisfaction level of customer to bank in India . Banks give valuable services to the public and additionally to the trade. Not solely kind of services and profit area unit necessary, however at the same time the standard of services, the price of services and safety of public cash is additionally necessary. throughout the course of analysis plenty of issues of monetary nature and non financial nature, are emerged. This paper aims to analyse the customer service satisfaction between private and public sector banks.

KEYWORDS: Dynamic, vibrant, merchandise, aspirations , expectations, nationalised, private sector banks, public sector banks.

INTRODUCTION:

Customers all over the world have become more quality conscious,hence there has been an increased customer demand for higher quality service.customer satisfaction.(Ramu and Anbalagan,2017). The bank plays an important role in the economic development of country.The development of banks in the country and development through banks in the country have placed amongst the top five growing economics of the world (Mamta

Brahmbhatt and Dharmendra ponelia 2008).The year 1786 marked the beginning of the establishment of formal banks in India.In this era two banks namely General Bank of India and Bank of Hindustan came into existence .Rise in India paved way for establishment of Bank of Bengal in 1806 at Calcutta.Slowly the banking industry was improved .Today,banking industry of India is one of the most dynamic,vibrant and deep rooted one (Dr.Anita,2014). The RBI was announced as the official central authority for the smooth supervision of banking industry of India. Banks in India are classified as private sector banks and public sector banks.(Ashish Gupta and V.S.Sundram, 2015).Public sector bank is a bank in which the government holds a major portion of the shares .The public sector banks are classified as nationalised and state bank and its association . (C.Joanna Lee , 2011).In these banks, most of the equity is owned by private bodies , corporations , institutions or individuals rather than government.These banks are managed and controlled by the private promoters.(Garima Chandhary,2014). The Reserve Bank Of India is the central bank that is fully owned by the government. It is governed by a central board appointed by the central government. It issues guidelines for the functioning of all banks operating in the country.(Ashish Gupta and VS Sundram ,2015).During the past two and half many regulatory ,structural and technological factors contributed to significant changes in the financial services.The outcome of such changes was a competitive industry which has been challenged to please sophisticated consumers who are experienced and have elevated expectations and choices.In competing for bank customers,Bank managers,have been Searching for competitive advantages that would differentiate their institutions from others(C.Joanna lee,2011).Both public and private sector financial institutions are framing strategies in maintaining customer relationship but the private sector banks are continuously identify the customer needs in services, compare with public sector banks the services what they offered, especially in customer focus, customized and flexible services, customer care, solving customer complaints quickly and in communication (Senthil Kumar.B, 2017). The introduction of new economics policy of 1991has also affected the Indian banking systems. India is witnessing robust growth in both private and public sector banking. In urban areas where penetration of banking is much better than rural areas. It is no denying fact that SBI, CBI, PNB are topmost public sector banks in India. One of the most important striking findings is the weightage scores of both banks are highest .(Reema kamlani,2016). From the economy point of view the major task of banks and other financial institutions is to act as an intermediate, channelling savings to investment and consumption through them ,the investment requirement of savers are reconciled with the credit needs of investors and

consumers. India is witnessing robust growth in both private and public sector banking. (Dr.K.Alagarsamy and S.Wilson,2013). The banks success mainly depends up on its customer services. Customer satisfaction is integral part of business to run the business for long term and to retain the potential customers. In this speedy century technology, service quality and customer satisfaction are the key elements for each banks credible success. (G.Uma Maheswari and N.Sundaram, 2017). The objective of this research paper is to compare the level of customer satisfaction in Private sector banks and Public sector banks and to study the preferences of services provided by private and public sector banks.

HYPOTHESIS:

NULL HYPOTHESIS :

There is no significant impact on the comparison of customer's satisfaction in private and public sector banks in India .

ALTERNATIVE HYPOTHESIS:

There is significant impact on the comparison of customer's satisfaction in private and public sector banks in India

MATERIALS AND METHODS:

The study collected primary data through questionnaire with simple random sampling methods. The primary data were collected with information, such as name, gender, age, bank details where they having account, etc.

RESULT:

The majority of the respondents that about 34.4 percent are fall in age group of below 30 years, 29.1 percent are fall in age group of 31-50 years and only 9.4 percent are fall in age group of 51-60 years. Nearly 52.4 percent are male and 42.6 percent are female. Among respondents 12.9 percent are completed high school, 21.1 percent are completed intermediate and 49.3 percent are completed degree. About 25.4 percent of the respondents were self employed, 23.2% was private employers, 12.9% was government employees and 20.7% was having business. 41.9% of the respondent's monthly income was 20,001-40,000, 34.1% of the respondents income was 10,000-20,000 and 13% was up to 10,000. 64.5% of the respondents answered that they have account in any bank, 23.8% answered that they don't have account in any bank and 11.7% answered as maybe. In those persons who have account in

the bank 30% have account in private sector banks, 51.5% have account in public sector banks and 18.5% of the respondents doesn't know at which sector banks they have the account. 3e.9% of the people think that private sector banks are most technically advanced, 50.2% consider the public sector banks as most technically advanced and the remaining customers doesn't consider the both. 23.9% of the respondents value the quality of service most, 29% with technology used, 26.1% as the trust of the bank and 16.2% insider the location of the bank. 21.3% of the respondents thinks that reduced time of transactions promotes them to use the new techniques in banking, 39.6% supports cost effectiveness, 28.4% supports easy of use, 10.8% supports technology savvy as these factors promotes them to use the new techniques in banking. The politeness and hospitality of the employees to the customers is better in private sector banks (38.7%), public sector banks (46.9%), none (14.4%). 34.1% of the respondents feels that their account and transaction has been confidential in private sector banks, 46.8% feels in public sector banks and 19.1% of the respondents feels unsafe in their account and transaction in both private and public sector banks. The speed, promptness and accuracy is good in transaction in private sector banks (34.8%), public sector banks (48.1%), none (17%). The investment has been safeguarded properly in private sector banks (34.4%), public sector banks (46.7%), none (18.9%). 22% of the respondents tells that variety of services are offered in private sector banks, 52.7% tells that variety of services are offered in public sector banks and 25.4% reels that both the sector banks does not offer any variety of services. The mobile banking, e banking and other latest technologies are provided properly in private sector banks (32.1%), public sector banks (47.6%), none (20.3%). The infrastructure facilities like parking, ATM machine etc are good in private sector banks (46.3%), public sector banks (36.9%), none (16.8%). 35.6% of the respondents supports private sector banks, 44.2% supports public sector banks and 20.2% of the respondents does not support both the banks in calculating the interest amount fairly. The method of imposing service charges, fines and penalties are better in private sector banks (28.9%), public sector banks (49.2%), none (21.8%). People feel convenient in operating account in private sector banks (34.1%), public sector banks (47.9%), none (18%). The customers grievances are been handled properly in private sector banks (36.4%), public sector banks (43.4%), none (20.2%). 31.3% of the respondents are are satisfied with overall services in private sector banks, 44.5% of the respondents supports public sector banks and 24.3% of the respondents doesn't feel satisfied with overall services in both the sector banks.

DISCUSSIONS:

Based on the primary study conducted, there are a number of the suggestions given by the customers of however the banking ought to be. These measure the comment given by them regarding the advance of the banking sector in India.

Banks ought to adapt the tally norms and supply facilities as per the norms, that aren't being followed by the banks. whereas the customer should incline prompt services and therefore the bank officer should not have any concern on mind to supply the facilities as per tally norms to the units going sick. Banks ought to increase the speed of saving account. Banks ought to give loan at the lower charge per unit and education loans ought to incline with ease while not abundant documentation. All the banks should give loans against shares. Fair handling the shoppers. additional contribution from the employee of the bank. The employees ought to be co-operative, friendly and should be capable of understanding the issues of shoppers Internet banking facility should be created out there altogether the banks. Prompt handling permanent customers and speedy transaction without harassing the shoppers. Each section of each bank ought to be computerised even in rural areas also. Real time gross settlement will play a awfully necessary role. More ATM coverage ought to be provided for the convenience of the customers. No limit on money withdrawals on ATM cards. The bank ought to bring out new schemes at time-to-time so additional individuals is attracted. Even some gifts and prizes could also be offered to the customers for his or her retention. 24 hours banking ought to be iatrogenic therefore on facilitate the customers who might not have a free time within the daytime. it'll facilitate in facing the competition additional effectively. The charges for saving account gap ar high, in order that they ought to even be reduced. Customers usually complain that full information isn't granted to them. therefore the bank ought to properly disclose the options of the merchandise and services to the purchasers. furthermore door to door service scan even be introduced by bank. The need of the client ought to properly be understood therefore that customer feels glad. the link price nought to be maintained. The branch ought to promote cooperation and coordination among employees that facilitate them in economical operating. Maintenance of correct hierarchy ought to be done. an honest hierarchy set up will guarantee higher results with within the bank. Banking sector is up by leaps however still it must be improved. Proper and economical relationship staffs having information for one stop banking, client friendly atmosphere, and higher rate of interest.

CONCLUSION:

Banks have to understand the changing needs of the customers, their aspirations and expectations to create a brand value. (Bauer, Hans H et al., 2005). Customer must be given prompt services and the bank officer should not have any fear on mind to provide the facilities as per RBI norms. Banks may follow a feedback system to know the customer expectations for improving the level of customer satisfaction to maintain level. (Mukesh Kumar, 2015). The banks should pay special attention to the service quality to the customers by giving timely training to the employees to conduct themselves better.

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