

# A STUDY ON CUSTOMERS' SATISFACTION IN PUBLIC AND PRIVATE SECTOR BANKS

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## Abstract

Multiple sectors are using increment policies to attract customers. Banking sector is one of them as they have higher competition. There is a huge difference in working policies of public and private sector banks. Majorly public sector banks are focusing on service bases whereas private sector banks are focusing on offering services as well profit earning. The dilemma is not cleared in point view of customers. Thus, it is necessary to examine the satisfaction level of the customers towards their banking services offered to them. This research is carried out to examine the customers' satisfaction level in public and private sector banks. Major three types of services are examined in this research. An application of chi-square test is used to test the inferential results. It is observed that the public sector banks are offering best services than the private sector banks for all the three types of selected services.

**Keywords:** Public and Private sector banks, Customers satisfaction, Chi-square test.

## 1. INTRODUCTION

'Improvement includes not just financial changes but rather likewise social and mechanical in numerous immature nations call for new arrangements of qualities and new ideas of society and government. No way to improve is probably going to be smooth. Managing an account is the base for financial improvement.' As India commends its 65th commemoration and an astonishing development as one of the quickest developing economies on the world (second to China), one segment which has assumed a fundamental part in counteractive action from flopping up economy is without a doubt the saving money division. The managing an account part's execution is viewed as the precise of financial exercises of the country as a sound saving money division framework goes about as the fundamental realities of strong monetary and mechanical development of a country. Amid the previous sixty-five years, since autonomy, the saving money area has witness critical changes and has doubtlessly made some amazing progress from the nationalization and privatization, in the post - 1997 period. The most recent two decades has achieved noteworthy changes in the saving money range in the nation with innovation being a noteworthy facilitator of this change. ATMs, Internet Banking, CCs, EFTPORS and now Mobile Banking have altered the managing an account scene in the nation. The old ideas, mentalities and strategies in keeping money have yield place to new procedures of feasibility, need base fund and showcasing. Rather than the banks only moving with the incline into quickly gainful endeavours, they are required to take an interest in the country building beneficial endeavours, they are required to take an interest in the country building exercises and help in achieving financial changes. Banks are not just budgetary foundations those activate stores starting with one then onto the next yet as social associations, need to go out the general population and help weaker segments in accomplishing their desires. Banks are, consequently, to go about as reactant specialists for the improvement of the nation, assembling assets whether these are and channelizing them towards profitable people. New techniques must be included for mechanical improvement, both in little scale and huge scale segments and instead of binding to the conventional method for capacity and conveyance fund of a short sort, formative back and term loaning must be taken up by business banks. So also opening of branches in provincial and urban zone proficient client administrations have accepted extraordinary significance.

### 1.2 THE "BANK"

There are others, who are in the conclusion that the world "Bank" is initially gotten from the German word "Bank" which means a joint stock store, which was Italianized into "Banco" when the German were experts of an extraordinary Part of Italy. This seems, by all accounts, to be more conceivable. Be that as it may, whatever be the root of "Bank" as Professor Ramchandra Rao says, "It would follow the historical backdrop of managing an account in Europe from the medieval times."

### 1.3 DEFINITIONS

As bank is an extremely far reaching word, different definitions have been given of the term bank at different spots and in different structures. To comprehend the essential thought and the significance of the term bank obviously, couples of meanings of the term bank are taken in various classifications as under:

1. "A bank is a foundation for care of cash got from or for the benefit of its clients. Its fundamental obligation is to pay their drafts on it. Its benefit emerges from the utilization of the cash left unemployed by them."
2. "Bank is an organization that arrangements in cash and its substitutes and gives other money related administrations. Banks acknowledge stores and make credits and drive a benefit from the distinction in the loan fees paid and charged, individually. A few banks additionally have the ability to make cash."
3. "Banks implies a seat or table for evolving cash."
4. "Bank is a foundation which brokers in cash, foundation for cash, as additionally to make credits and rebates and encouraging the transmission of settlements starting with one place then onto the next."
5. "Tolerating with the end goal of the arrival of venture of stores of cash from open repayable on request or other insightful and pull back capable by cheque, draft, arrange or something else."
6. "Any organization which executes the Business of Banking in India"

However, the acknowledgment of stores by organizations with the end goal of financing their own particular business is not viewed as managing an account inside the significance of the demonstration. The basic qualities of the keeping money business as characterized in segment 5(b) of the managing an account Regulation Act is as per the following.

1. Acceptance of stores from general society
2. For the reason for loaning or venture
3. Repayable on request or something else and
4. Pull back capable by methods for any instrument whether a check or something else,

## WORKING HOURS

The banking sector is functioning from morning ten o'clock to evening five for all services. Moreover, after closing the transactions they forfeit all the accounts till end. A new starting with new transactions. During a day they have to balance all offline and online transactions. The respondents are inquired about the timing of the banks. The respondents are inquired that there should be increase the banking hours or not. The Their responses are presented in table

Table 1 Working Hours (Public Sector Banks)

	SBI				PNB				BOB			
	G	B	M	A	G	B	M	A	G	B	M	A
SDA	14	12	11	18	15	11	13	13	16	16	19	20
DA	8	14	12	12	14	9	11	15	14	14	18	12
N	9	1	8	2	9	8	2	5	1	6	4	2
A	12	13	17	6	9	21	14	12	12	12	5	9
SA	7	10	2	12	3	1	10	5	7	2	4	7
Total	50	50	50	50	50	50	50	50	50	50	50	50

Table 2 Working Hours (Private Sector Banks)

	ICICI				AXIS				HDFC			
	G	B	M	A	G	B	M	A	G	B	M	A
SDA	18	16	12	15	16	18	14	16	19	16	13	12
DA	14	17	18	16	12	11	12	14	16	17	14	14
N	6	9	6	4	6	3	9	8	3	2	6	6
A	6	5	12	10	14	14	12	7	9	7	8	9
SA	6	3	2	5	2	4	3	5	3	8	9	9
Total	50	50	50	50	50	50	50	50	50	50	50	50

It can be seen that the customers are disagreed and strongly disagreed to increase the banking hours. The office hours are enough for them to reach and complete the transactions. Total 331 and 360 respondents of public and private sector bank respondents out of total 600 are strongly disagree or disagree with increasing of the working hours of the banks. On other hand, 212 and 172 respondents are strongly agreeing or agreed that the banking hours should be increase for financial transactions. Total 57 respondents of public sector and 68 respondents of private sector banks have neutral response towards the statement. Many of the times it happens that due to own problems one cannot reached to the bank within time. Due to that the demand for increasing of banking hours may cause. The actual scenario can be examined with support of inferential statistics.

Many of the times it happens that due to own problems one cannot reached to the bank within time. Due to that the demand for increasing of banking hours may cause. The actual scenario can be examined with support of inferential statistics. Thus, the hypothesis can be stated.

Table 3 Chi –Square test Working Hours (Public Sector Banks)

	SBI	PNB	BOB	SBI E	PNB E	BOB E	SBI RES	PNB RES	BOB RES	CHI SBI	CHI PNB	CHI BOB
SDA	55	52	71	40	40	40	15	12	31	5.63	3.60	24.03
DA	46	49	58	40	40	40	6	9	18	0.90	2.03	8.10
N	20	24	13	40	40	40	-20	-16	-27	10.00	6.40	18.23
A	48	56	38	40	40	40	8	16	-2	1.60	6.40	0.10
SA	31	19	20	40	40	40	-9	-21	-20	2.03	11.03	10.00
Total	200	200	200	200	200	200				20.15	29.45	60.45

Table 4 Chi –Square test Working Hours (Private Sector Banks)

	ICIC I	AXI S	HDF C	ICIC IE	AXI SE	HDF CE	ICIC I RES	AXI S RES	HDF C RES	CHI ICICI	CHI AXIS	CHI HDF C
SDA	61	64	60	40	40	40	21	24	20	11.03	14.40	10.00
DA	65	49	61	40	40	40	25	9	21	15.63	2.03	11.03
N	25	26	17	40	40	40	-15	-14	-23	5.63	4.90	13.23
A	33	47	33	40	40	40	-7	7	-7	1.23	1.23	1.23
SA	16	14	29	40	40	40	-24	-26	-11	14.40	16.90	3.03
Total	200	200	200	200	200	200				47.90	39.45	38.50

The stated hypothesis is examined at 5% level and 4 degree of freedom. The calculated chi-square values for all the three banks is computed as 20.15, 29.45 and 60.45 respectively. While comparing the values with 9.49 all the values are higher than chi-square table value for all the three banks. Thus, the null hypothesis is rejected for all the three banks. It shows that there is a significance difference in working hours in public sector banks. It is concluded that the public sector banks have to balance their working hours. The stated hypothesis is examined at 5% level and 4 degree of freedom. The calculated chi-square values for all the three banks is computed as 47.9, 39.45 and 38.5 respectively. While comparing the values with 9.49 all the values are higher than chi-square table value for all the three banks. Thus, the null hypothesis is rejected for all the three banks. It shows that there is a significance difference in working hours in private sector banks. It is concluded that the private sector banks have to balance their working hours. They wind up all their transaction. It is difficult for the bank to complete the one-day transaction. Still the banks are accepting all their unbound transactions of the day. To enhance the CRM policies, the banks has to intimate the customers about their working process. Though the unknown processes of banking the customers are having doubt in mind. The banks must clarify their all practices to the customers. The bank should inform the customer that how they are functioning. This may build good repo in mind of customers.

### ATM NEAR TO LOCATION

Grace of technology can be seen in form of Automatic Tailor Machine (ATM). It is a mini automatic bank which can support the customer 24x7, 365 days for financial transactions. All most all banks have arranged their ATM as per the density and need of the customers. The respondents are inquired to examine about the availability of ATM nearer to them. The collected responses are presented in tables.

Table 5 ATM Near to Your Location (Public Sector Banks)

	SBI				PNB				BOB			
	G	B	M	A	G	B	M	A	G	B	M	A
SDA	15	16	9	16	13	16	14	16	18	15	16	16
DA	16	14	5	15	16	9	16	13	17	14	18	15
N	1	5	6	1	6	8	2	12	1	1	6	5
A	15	6	21	15	12	15	10	5	12	6	9	9
SA	3	9	9	3	3	2	8	4	2	14	1	5
Total	50	50	50	50	50	50	50	50	50	50	50	50

Table 6 ATM Near to Your Location (Private Sector Banks)

	ICICI				AXIS				HDFC			
	G	B	M	A	G	B	M	A	G	B	M	A
SDA	12	16	21	22	20	16	16	12	16	19	22	21
DA	15	18	14	12	12	15	15	14	18	18	14	22
N	2	3	2	4	5	4	11	3	1	6	6	1
A	14	9	8	8	6	8	7	14	11	4	7	4
SA	7	4	5	4	7	7	1	7	4	3	1	2
Total	50	50	50	50	50	50	50	50	50	50	50	50

The results for disagreement is higher than the agreement level. It is calculated that total 348 respondents of public sector bank are disagreed or strongly disagreed that they are provided facility of ATM nearer to their location. Similarly, total 400 respondents of private sector bank are disagreed or strongly disagreed about the availability of ATM in their locality. Total 198 respondents of public sector and 152 of private sector respondents are agreed or strongly agreed that they have ATM facilities nearer to their locality.

The fourth general hypotheses are examined for the services relating to the ATM services offered by the banks to the customers. The hypothetical study resulted with support of chi-square test for hypothetical statements:

H04: There is no significance difference in ATM banking services of public and private sector banks.

H14: There is a significance difference in ATM banking services of public and private sector banks.

Table 7 Chi –Square test ATM Near to Location (Public Sector Banks)

	SBI	PNB	BOB	SBI E	PNB E	BOB E	SBI RES	PNB RES	BOB RES	CHI SBI	CHI PNB	CHI BOB
SDA	56	59	65	40	40	40	16	19	25	6.40	9.03	15.63
DA	50	54	64	40	40	40	10	14	24	2.50	4.90	14.40
N	13	28	13	40	40	40	-27	-12	-27	18.23	3.60	18.23
A	57	42	36	40	40	40	17	2	-4	7.23	0.10	0.40
SA	24	17	22	40	40	40	-16	-23	-18	6.40	13.23	8.10
Total	200	200	200	200	200	200				40.75	30.85	56.75

Table 8 Chi –Square test ATM Near to Location (Private Sector Banks)

	ICICI	AXIS	HDFC	ICICI E	AXIS E	HDFC E	ICICI RES	AXIS RES	HDFC RES	CHI ICICI	CHI AXIS	CHI HDFC
SDA	71	64	78	40	40	40	31	24	38	24.03	14.40	36.10
DA	59	56	72	40	40	40	19	16	32	9.03	6.40	25.60
N	11	23	14	40	40	40	-29	-17	-26	21.03	7.23	16.90
A	39	35	26	40	40	40	-1	-5	-14	0.03	0.63	4.90
SA	20	22	10	40	40	40	-20	-18	-30	10.00	8.10	22.50
Total	200	200	200	200	200	200				64.10	36.75	106

The stated hypothesis is examined at 5% level and 4 degree of freedom. The calculated chi-square values for all the three banks is computed as 40.75, 30.85 and 56.75 respectively. While comparing the values with 9.49 all the values are higher than chi-square table value for all the three banks. Thus, the null hypothesis is rejected for all the three banks. It shows that there is a significance difference in availability of ATM nearer locality in public sector banks. It is concluded that the public sector banks have to provide maximum ATM services to the nearer locality. While accessing the inferential part for private sector bank hypothesis is derived to examine the particulars. The stated hypothesis is examined at 5% level and 4 degree of freedom. The calculated chi-square values for all the three banks is computed as 64.1, 36.75 and 106 respectively. While comparing the values with 9.49 all the values are higher than chi-square table value for all the three banks. Thus, the null hypothesis is rejected for all the three banks. It shows that there is a significance difference in availability of ATM nearer locality in private sector banks. It is concluded that the private sector banks have to balance total number of ATMs. The customers have given prior reference to the ATM nearer to them rather going to the bank. They are

allowing to do limited transactions with another bank ATM and withdraw limit. In that case, the customers have to drive a little for doing transactions. The banks should have research cell. They should examine the density and need based analysis for ATM centre. Accordingly, if they provide the service to the customers. If they make relaxation for using other bank ATM it will be more applicable to short customers' problem. The banking sector has to think about the centralize ATM service so the customers can do transaction as and when they required. This may also reduce the rush to the bank. The bank can manage proper relationship with the customers.

## CONTINUOUS SERVICE

Finance is the daily base need of the human life since the money introduced as a medium of transactions. As well the establishment of banking sector provides support to the economy to grow. In such circumstances the daily bases transaction is taken place. Thus, it is compulsory to provide continuous services to the customers to velocities of the money. The customers are inquired about the continuous services provided to them by the bank. Their responses are recorded in tables.

Table 9 Continuous Service (Public Sector Banks)

	SBI				PNB				BOB			
	G	B	M	A	G	B	M	A	G	B	M	A
SDA	8	2	1	4	1	3	4	3	6	2	3	6
DA	9	4	2	3	5	2	5	7	8	5	5	7
N	2	5	6	5	6	9	6	8	5	8	6	4
A	14	15	21	30	24	24	7	16	11	9	20	16
SA	17	24	20	8	14	12	28	16	20	26	16	17
Total	50	50	50	50	50	50	50	50	50	50	50	50

Table 10 Continuous Service (Private Sector Banks)

	ICICI				AXIS				HDFC			
	G	B	M	A	G	B	M	A	G	B	M	A
SDA	8	4	2	6	6	6	1	3	5	6	4	2
DA	9	5	4	5	4	8	6	5	4	8	9	4
N	5	5	2	4	8	1	5	4	6	9	8	9
A	21	12	16	19	12	16	18	13	19	15	21	12
SA	7	24	26	16	20	19	20	25	16	12	8	23
Total	50	50	50	50	50	50	50	50	50	50	50	50

Majority of respondents are agreed that he banking services offered to them is on continuous bases. Few of them are not satisfy. But they are considered as optional due to one or other reason. Else, banking is well known service provider. Even during the time of Covid-19 and demonetization the banking sector has function properly.

## CONTINUOUS SERVICE

It is necessary to examine the reviews of respondents through hypothetical statement analysis. Thus, hypothesis is stated:

Table 11 Chi –Square test Continuous Service (Public Sector Banks)

	SBI	PNB	BOB	SBI E	PNB E	BOB E	SBI RES	PNB RES	BOB RES	CHI SBI	CHI PNB	CHI BOB
SDA	15	11	17	40	40	40	-25	-29	-23	15.63	21.03	13.23
DA	18	19	25	40	40	40	-22	-21	-15	12.10	11.03	5.63
N	18	29	23	40	40	40	-22	-11	-17	12.10	3.03	7.23
A	80	71	56	40	40	40	40	31	16	40.00	24.03	6.40
SA	69	70	79	40	40	40	29	30	39	21.03	22.50	38.03
Total	200	200	200	200	200	200				100.85	81.60	70.50



Table 12 Chi –Square test Continuous Service (Private Sector Banks)

	ICIC I	AXI S	HDF C	ICIC IE	AXI SE	HDF CE	ICIC I RES	AXI S RES	HDF C RES	CHI ICICI	CHI AXIS	CHI HDF C
SDA	20	16	17	40	40	40	-20	-24	-23	10.00	14.40	13.23
DA	23	23	25	40	40	40	-17	-17	-15	7.23	7.23	5.63
N	16	18	32	40	40	40	-24	-22	-8	14.40	12.10	1.60
A	68	59	67	40	40	40	28	19	27	19.60	9.03	18.23
SA	73	84	59	40	40	40	33	44	19	27.23	48.40	9.03
Total	200	200	200	200	200	200				78.45	91.15	47.70

The stated hypothesis is examined at 5% level and 4 degree of freedom. The calculated chi-square values for all the three banks is computed as 100.85, 81.6 and 70.5 respectively. While comparing the values with 9.49 all the values are higher than chi-square table value for all the three banks. Thus, the null hypothesis is rejected for all the three banks. It shows that there is a significance difference in continuous services in public sector banks. It is concluded that the public sector banks have to balance their working hours to provide continuous services to the customers. While accessing the inferential part for private sector bank hypothesis is derived to examine the particulars. The stated hypothesis is examined at 5% level and 4 degree of freedom. The calculated chi-square values for all the three banks is computed as 78.45, 91.15 and 47.7 respectively. While comparing the values with 9.49 all the values are higher than chi-square table value for all the three banks. Thus, the null hypothesis is rejected for all the three banks. It shows that there is a significance difference in continuous services in private sector banks.

## CONCLUSION

It is concluded that the private sector banks have to balance their continuous services. To balance the CRM, the banking sector has to offer continuous services. They already consistently provide the services. During the situation of Covid-19 the banking sector has initiated many facilities to the customers. They have extended the online trading and have launched new applications. They have provided contact less transactions. Similarly, during the time of demonetisation the banking sector has managed their best services towards the customers If the reasons are proper the banks should manage the lacking points and must manage the gap. This may help the industry to augment the business.

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