

SATISFACTION OF CUSTOMERS IN USING CUSTOMER SERVICES PROVIDED BY PUBLIC AND PRIVATE SECTOR BANKS IN THANJAVUR DISTRICT – A COMPARATIVE STUDY

A. Karthikkumar

Part time Ph.D., Research Scholar, A.V.V.M Sri Pushpam College (Autonomous), Poondi.
(Affiliated to Bharathidasan University, Thiruchirapalli.)

Dr. R. Sivanantham

Research advisor & Assistant Professor of Commerce, A.V.V.M Sri Pushpam College
(Autonomous), Poondi. (Affiliated to Bharathidasan University, Thiruchirapalli.)

Abstract: The primary objective of this study is to assess customers' satisfaction in using customer services provided by public and private sector banks in Thanjavur district. The explorative research method was used. Both qualitative and quantitative data were collected and used to assess customer satisfaction. Related information was collected and tested to test the hypothesis. The multi-stage sampling technique was used to select the sample public and private sector banks and sample customers. There are 8 public sector banks with 161 branches and 7 private sector banks with 83 branches functioning in rural and urban areas of Thanjavur district. From this, only 30 branches i.e., every two branches from sample public and private sector banks (one from rural and another from urban), were determined as sample branches. The simple random sampling technique was used to select the branches of banks. Bank officials did not provide a list of customers due to the banks' policy. Thus, the population of the study was considered unknown. Therefore, using simple random sampling techniques, every 10 customers from sample branches were determined as sample respondents. Hence, 160 customers from sample public sector banks and 140 customers from sample private sector banks were used as sample customers. The analysis result reveals that irrespective of the banks' the majority of the sample customers have a moderate and low level of satisfaction with the various customer services provided by public and private sector banks. However, most of the public sector banks' sample customers are highly satisfied with the service cost charged by banks. At the same time, most of the private sector banks' sample customers are dissatisfied with the service cost charged by banks. Further, the result reveals that the customers' satisfaction level is based on bank officials' approaches and service costs charged by banks.

Keywords: Customer Satisfaction, Public Sector Banks, Private Sector Banks, Thanjavur District.

1. INTRODUCTION

The service sector in the world has grown significantly over the past three decades. Many companies began to offer different types of customer service to retain their customers, especially as the banking industry entered new events. The banking sector in India has changed significantly after economic liberalisation. After introducing the word globalisation, the Indian banking industry moved to the international market. Many foreign banks started entering the Indian banking sector. Indian banks began to offer different types of customer services to attract different types of customers, including online banking, mobile banking, debit card and credit card, various types of

loans and deposits, SMS, Home Banking, Currency Services, Mutual Funds, Buying and Selling of Shares and Shares and many more. The ultimate goal of these services is to provide better and more convenient services to customers to retain and attract new customers.

2. STATEMENT OF THE PROBLEM

After introducing globalisation, the Indian banking industry was brought up to international standards. The banking industry in the service sector is one of the businesses that customers meet daily. Thus, all banks in India offer different banking services to their customers. In particular, public and private sector banks offer a wide variety of customer services to attract and retain customers in the globally competitive banking sector. However, banks face many problems when providing better and more convenient services to customers, including high investment costs for ATM points, technological advancement, extra labour, high cost of machines and others. At the same time, several studies have found that most bank customers in India, especially in rural areas, have not yet received all the customer services offered by banks. In this context, the study was conducted.

3. OBJECTIVE OF THE STUDY

The primary objective of the study is to assess the satisfaction of customers in using customer services provided by public and private sector banks in Thanjavur district.

4. HYPOTHESIS OF THE STUDY

There is no significant difference between the sample public and private sector banks' customers' satisfaction in using customer services provided by public and private sector banks.

5. RESEARCH METHODOLOGY

The study's objective is to assess customers' satisfaction in using customer services provided by public and private sector banks in Thanjavur district. Therefore, the explorative research method was used. Both qualitative and quantitative data were collected and used to assess customers' satisfaction. Related information was collected and tested to test the hypothesis. Accordingly, primary and secondary data were collected from sample banks and customers.

6. SAMPLING

The multi-stage sampling technique was used to select the sample public and private sector banks and sample customers. The stages of selection are as follows:

6.1. Selection of Banks

As per the PLP report of NABARD district office Thanjavur there are 8 public sector banks with 161 branches and 7 private sector banks with 83 branches functioning in rural and urban areas Thanjavur district. From this, only 30 branches i.e., every two branches from sample public and private sector banks (one from rural and another from urban) were determined as sample branches. The simple random sampling technique was used to select the branches of banks.

6.2 Selection of sample customers

Bank officials did not provide a list of customers due to the banks' policy. Thus, the population of the study was considered unknown. Therefore, using simple random sampling techniques, every 10 customers from sample branches were determined as sample respondents. Hence, a total of 160 customers from sample public sector banks and 140 customers from sample private sector banks were used as sample customers.

7. TOOLS AND TECHNIQUES USED

A structured and semi-structured interview schedule was used to collect primary data from sample customers. Secondary information on various types of services provided by public and private sector banks was collected from sample bank officials and banks' websites, and other relevant information was collected from various reports, journals, books, magazines and other related records. The Multiple Linear Regression analysis was used to test the framed null hypothesis.

8. RESULTS AND DISCUSSION

8.1 Demographic information

The demographic information of sample customers was analysed using simple percentage analysis. The analysis results reveal that;

- ❖ Irrespective of banks majority of the sample customers were under the age group of 40-50 years.
- ❖ Most of the sample public sector banks' customers are females, and private sector banks' customers are males.
- ❖ Most of the sample public sector banks' customers have completed school-level education, and private sector banks' customers have completed degree-level education.
- ❖ Most of the sample public sector banks' customers are daily wage and private employees. On the other side majority of the private sector banks' customers are private employees doing business.
- ❖ Most of the sample public sector banks' customers state that they earn less than Rs.10000 per month. On the other side majority of the private sector banks' customers state that they are earning Rs.10000 to 20000 per month.

8.2 Bank related variables

- ❖ Irrespective of banks majority of the sample customers have 5 to 10 years of accounts held with banks.
- ❖ Most public sector banks' customers state that they have savings and loan accounts. On the other side majority of the private sector banks' sample customers state that they have loans and business accounts.
- ❖ The majority of the public sector banks' sample customers state that they have a low and moderate level of satisfaction with the approaches of bank officials. However, most of the private

sector banks' sample customers state that they have moderate and high-level satisfaction with the approaches of bank officials.

❖ Most sample customers in public sector banks state that the banks charge moderate service costs for customer services. On the other side, most of the sample customers in private sector banks state that the banks charge high service costs for customer services.

8.3 Customers' level of satisfaction with the use of customer services provides by banks

To assess the satisfaction of customers in using customer services provided by sample public and private sector banks, the Likerts five-point scaling techniques were used, i.e. very high, high, moderate, low and very low. The analysis result reveals that irrespective of the banks' the majority of the sample customers have a moderate and low level of satisfaction with the various customer services provided by public and private sector banks. However, most of the public sector banks' sample customers are highly satisfied with the service cost charged by banks. At the same time, most of the private sector banks' sample customers have low satisfaction with the service cost charged by banks. Further, the Multiple Linear Regression analysis was used to test the framed hypothesis. The analysis results are as follows.

Figure 1

Relationship between the sample customer level of satisfaction about the use of customer services provides by public and private sector banks.

CONCEPTUAL MODEL

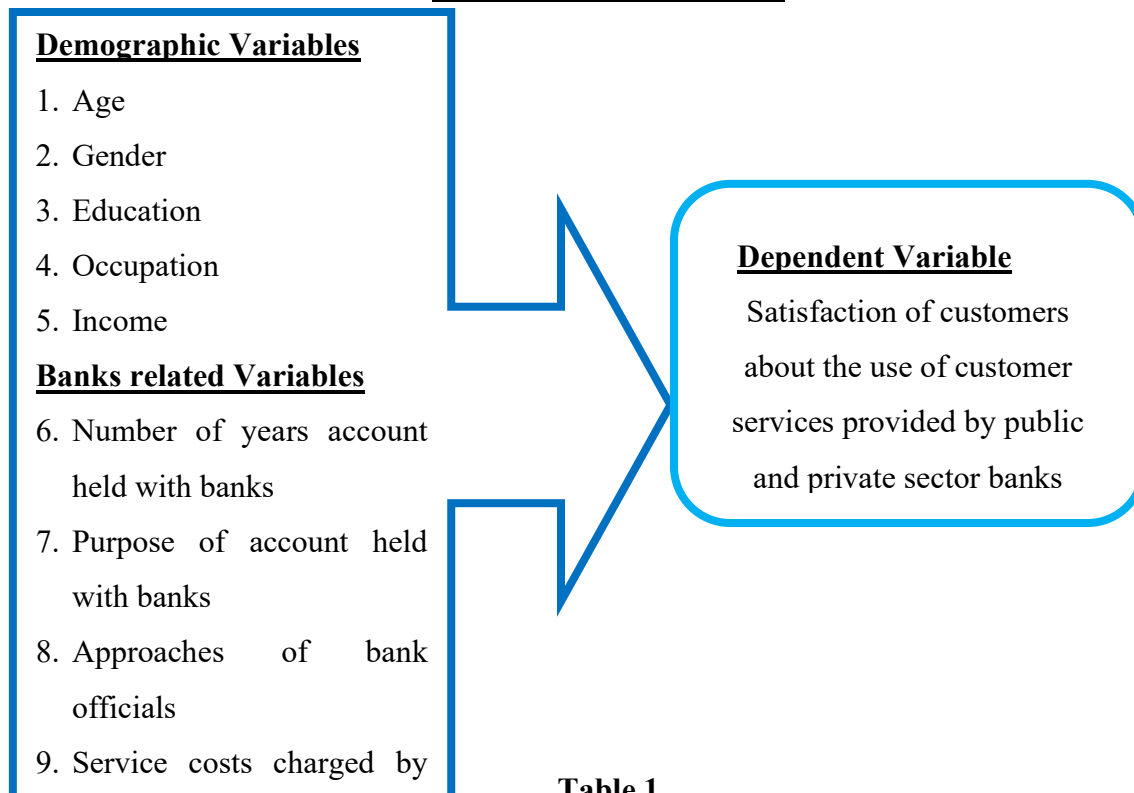


Table 1

Customers' level of satisfaction on different types of customer services provided by public and private sector banks - Multiple Linear Regression analysis

S N	Independent Variables	Public sector banks	Private sector banks
Demographic Variables			
1	Age	-2.822**	-2.943**
2	Gender	-2.796**	2.014
3	Education	3.014**	2.977**
4	Occupation	2.836**	2.915**
5	Income	3.210**	3.428*
Banks related Variables			
6	Number of years account held with banks	1.020	-0.285
7	Purpose of account held with banks	2.945**	3.014**
8	Approaches of bank officials	2.863**	3.055**
9	Service costs charged by banks	-2.973**	-3.825*
	Constant	15.002	20.354
	R²	0.7260	0.7351
	N	160	140

Source: Compiled from primary data

* Significant at 1 percent level ** Significant at 5 percent level.

PUBLIC SECTOR BANKS: The result of Multiple Linear Regression analysis show that all the demographic variables except the bank-related variable number of years account held with the bank of sample customers, have a significant relationship between their level of satisfaction with the use of customer services provides by public sector banks. It means that the sample customers' level of satisfaction is based on their age, gender, education, occupation, income, the purpose of account held, approaches of bank officials and service cost charged by banks. The result also indicates that the higher income earning customers, business and loan account holding customers, approach by bank officials and service cost charged by banks played important roles in customer satisfaction by using customer services provides by public sector banks. **Hence, the stated null hypothesis is accepted.**

PRIVATE SECTOR BANKS: The demographic variables age, education, occupation and income and except the bank related variable number of years accounts held with the bank of sample customers, have a significant relationship between their level of satisfaction with the use of customer services provided by private sector banks. It means that the sample private sector bank customers' level of satisfaction is based on their age, education, occupation, income, the purpose of account held, approaches of bank officials and service cost charged by banks. Therefore, the result clearly shows that the higher income earning customers, business and loan account holding customers, approach by bank officials and service cost charged by banks played important roles

in customer satisfaction by using customer services provided by private sector banks. **Hence, the stated null hypothesis is accepted.**

9. CONCLUSION AND RECOMMENDATIONS

From the analysis result, it is concluded that irrespective of the banks' the majority of the sample customers have a moderate and low level of satisfaction with the various customer services provided by public and private sector banks. However, most of the public sector banks' sample customers have a high level of satisfaction with service costs charged by banks. At the same time, most of the private sector banks' sample customers have low satisfaction with the service cost charged by banks. Further, the result reveals that the customers' satisfaction level is based on bank officials' approaches and service costs charged by banks. Hence, the following suggestion has been given:

1. Both public and private sector banks may revise their service cost charged to customers. In particular private sector banks should give more attention to service costs charged to customers.
2. Most private sector banks' customers state that they have loans and business accounts. Therefore, the private sector banks should encourage savings by providing different kinds of savings accounts convenient to all types of customers like zero balanced accounts, lesser minimum amounts and more.
3. Most public sector banks' customers state that the employees' approach is not good. Therefore, the government and public sector banks should instruct their employees to approach all types of customers well.

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