

## AN EMPRICAL ANALYSIS ON SATISFACTION AND PROBLEMS OF CUSTOMERS OF PUBLIC SECTOR AND PRIVATE SECTOR BANK IN TIRUNELVELI DISTRICT

**B.VANDIMALAICHI @ SELVI**

Research Scholar

Reg.No: 19222211012013

Department of Commerce

St.Mary's College (Autonomous), Thoothukudi

Affiliated to Manonmaniam Sundaranar University, Tirunelveli – 627 012, Tamilndu, India

**Dr.A.SALETH MARY VETRISselvi**

Assistant Professor of Commerce

Department of Commerce

St.Mary's College (Autonomous), Thoothukudi

Affiliated to Manonmaniam Sundaranar University, Tirunelveli – 627 012, Tamilndu, India

### ABSTRACT

A lot has changed in the banking business over the past 20 years so that it can compete with other industries. In order to stay competitive, the banking industry is putting a lot of emphasis on technology. Nowadays, the most common technology utilized by banks is e-banking. Innovations in technology and healthy competition led to the rise of online banking. In order for banks to meet the difficulties and stay competitive, client satisfaction is crucial. Consequently, the degree to which clients in the Tirunelveli District are satisfied with the e-banking services offered by both public and private sector banks is the primary subject of this article. Only the Tirunelveli area in Tamil Nadu is included by this study. The study's goals are to(1) determine the extent to which public and private sector bank clients are satisfied with their E-banking experiences and(2) determine the factors that influence the adoption of E-Banking by these two types of financial institutions. This study utilized the convenience sampling method. Questionnaires were used to gather the main data. According to the results, clients of both types of banks are equally content with the services provided by ATMs. Customers are also pleased with the private sector banks' online banking offerings. Customer adoption of e-banking is largely driven by its ease of use, according to the research. Hence, financial institutions should keep their apps current and user-friendly. Of all the e-banking channels, ATMs are the most popular. Financial institutions should prioritize the expansion of automated teller machines (ATMs) as a means of disseminating all banking services.

**Keywords:** Public and Private sector banks, Banking, Customer Satisfaction

### 1. INTRODUCTION

The day-to-day operations of Indian banks rely heavily on technological enclosures. Many positive changes have occurred in the Indian banking sector throughout the past 20 years. Nowadays, the most common technology utilized by banks is e-banking. With electronic banking, any customer with access to a computer and web browser can do all of their banking transactions online. Innovations in technology and healthy competition led to the rise of online banking. Actually, a plethora of value-added products and services have been made available by banks through the use of electronic and telecommunication networks.

Banks provided customers with additional delivery channels through their E-Banking initiatives, including ATMs/Cash Dispensers (CDs), phone banking, online banking, and mobile banking. In order to combat the intense market rivalry and hold on to their existing customer base, banks turned to online banking as a weapon. The customers' reaction to online banking was positive and in line with the expected trajectory of the Technology Adoption Life Cycle models.

### 1.1 E-Banking

The term "e-banking" refers to the practice of banking online. You may hear it referred to as internet banking, virtual banking, or simply online banking. Customers are able to access their accounts and conduct a variety of transactions through e-banking from any internet-connected device, including desktop computers, laptops, and mobile phones. The Value of Online Banking Banks may cut down on transaction and fixed costs with e-banking; fewer human errors mean less paperwork; and clients are more loyal to the bank as a result. E-banking also helps consumers since it makes transactions easier, cuts down on the hassle of going to the bank, and saves them time, money, and energy. No geographical limits are encountered by customers. Therefore, it would appear that e-banking is a blessing for consumers. All organizations will reap the benefits of e-banking since it allows them to effortlessly monitor their accounts and all activities related to them. This, in turn, boosts productivity, while also reducing costs and errors.

### 1.2 E-banking services in India

Accessing one's accounts from anywhere in the globe has never been easier than with the wide range of e-banking options offered by banks. Internet banking, mobile banking, EFS, EFT, debit/credit cards, telephone banking, ECS, etc. are all examples of the e-banking services offered by the bank.

## 2. STATEMENT OF THE PROBLEM

After liberalization, the market became much more relaxed as a result of reforms in the financial sector. Innovative technological distribution channels have allowed banks to evolve new products and services in order to attract clients. In addition, there are a number of specialized activities that provide a strong marketing push to expand the bank's clientele and encourage the use of cutting-edge banking technology. There is a large untapped market for online banking services in India. The proliferation of online purchases and the revolutionary change in banking brought about by technological advancements have created an urgent need for online banking services. E-Banking is fast, easy, and cheap from the customer's and the provider's points of view. Therefore, it is necessary to determine why online banking is preferred by customers.

## 3. OBJECTIVES OF THE STUDY

- ❖ With the aim of determining the level of client knowledge about the different online banking services offered by banks.
- ❖ The factors that influence the use of e-banking services are also investigated in the study.
- ❖ The objective is to compare the overall performance of different online banking services provided by public and private banks.
- ❖ The objective is to compare the level of satisfaction that customers have with e-banking services offered by public and private sector banks.
- ❖ The purpose of the study is to compare the way public and private sector banks handle customer feedback regarding the quality of their e-banking services.

## 4. SCOPE OF THE STUDY

Electronic banking services that are widely utilized by clients are the main subject of this study. These services include automated teller machines (ATMs), internet banking,

mobile banking, credit and debit cards, a variety of fund transfer options (including NEFT, RTGS, and IMPS), cash deposit machines, passbook printing machines, and more. Customers of public and private sector banks in the Saurashtra region who use e-banking services are surveyed using a structured questionnaire as part of the study's core methodology. Public and private sector banks' e-banking performance and consumer satisfaction are compared in the study. Customers' opinions of public and private sector banks' online banking services are compared in this study using a number of service quality criteria, including responsiveness, accessibility, security, ease of use, and reliability. Additionally, the study identifies the issues that clients encounter when utilizing e-banking services and offers recommendations to enhance customer happiness.

The purpose of this research is to compare and contrast the public and private sector banks' online banking services in order to determine the customers' views and preferences. In addition to identifying issues and providing solutions, this survey seeks to gauge consumer happiness. Customers' views and preferences about public and private sector banks' e-banking services in the Tirunelveli district are also compared in this study.

## 5. RESEARCH METHODOLOGY

Research methodology provides an overarching framework for planning and carrying out an investigation in order to answer research questions, address research problems, and verify or refute research hypotheses. Research methodology provides an overview of the research design, data gathering technique and source, sample strategy, data analysis tools, and more. A research design is a detailed blueprint for how a study will be carried out, including how data will be measured and analyzed. This study describes the awareness towards e-banking banking facilities, compares the performance, perception, and happiness of consumers regarding e-banking services, and uses a descriptive research design as its type of research methodology. This study uses a descriptive research design since it is a comparison study that aims to determine which bank type offers superior e-banking services. This research makes use of both primary and secondary sources of information. Structured questionnaires are used to gather primary data, while literature evaluations of previous research publications are used to gather secondary data.

### 5.1 Analysis and Interpretation of Data

One of the key characteristics that determine the respondents' practices and usage is their demographic profile. The demographic profile of the respondents in the research area who favor traditional banking over online banking is clearly shown in the following table.

**Table 1: Gender wise classification**

Area	Private		Public	
	No. of respondents	Percentage	No. of respondents	Percentage
Male	42	42	55	55
Female	58	58	45	45
Total	100	100	100	100

Source: Primary Data

**Table 2: Age wise classification**

Age	Private		Public	
	No. of respondents	Percentage	No. of respondents	Percentage
Up to 20 years	6	6	10	10
21-40 years	38	38	45	45
41-60years	48	48	20	20
Above 60years	8	8	30	30
Total	100	100	100	100

Source: Primary Data

According to the data in the table, in the private sector, 48% of the respondents are between the ages of 41 and 60, 38% are between the ages of 21 and 40, 6% are under the age of 20, and 6% are over 60. On the other hand, in the public sector, 45% of the respondents are between the ages of 21 and 40, 20% are between the ages of 41 and 60, 10% are over 60, and 15% are under the age of 25. People between the ages of 41 and 60 make up the bulk of private sector bank clients, whereas those between the ages of 21 and 40 make up the bulk of public sector replies.

**Table 3: Area wise classification**

Area	Private		Public		Percentage
	No. of respondents	Percentage	Area	No. of respondents	
Rural	42	42	Rural	65	65
Urban	58	58	Urban	35	35
<b>Total</b>	<b>100</b>	<b>100</b>	<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

According to the data shown in the table above, out of a total of 100 respondents, 58% are from urban areas and 42% are from rural areas; in contrast, 65% are from rural areas and 35% are from urban areas in the public sector. To that end, public banks serve a larger rural population than private ones, and vice versa.

**Table 4: Classification based on Educational Qualification**

Educational Qualification	Private		Public	
	No. of respondents	Percentage	No. of respondents	Percentage
Up to 12 <sup>th</sup> Std	18	18	16	16
Undergraduate	22	22	27	27
Postgraduate	22	22	21	21
Professional	38	38	36	36
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Primary Data

The respondents' level of education is shown in the table above. In the private sector, 38% of respondents have finished their professional courses, 22% have completed postgraduate studies, 22% have graduated from college, and 18% have completed high school. In the public sector, on the other hand, 21% have completed postgraduate studies, 27% have graduated from college, 36% are professionals, and 16% have only completed elementary school. Customers in the public sector tend to be recent college grads, whereas those in the private sector tend to be working professionals.

**Table 5: Classification based on Occupation**

Occupation	Private		Public	
	No. of respondents	Percentage	No. of respondents	Percentage
Farmers	7	7	17	17
Business man	29	29	14	14
Professionals	24	24	13	13
Govt. Employee	5	5	32	32
Private Employee	27	27	12	12
Self-Employee	8	8	10	10
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Primary Data

In the private sector, out of 100 respondents, 29% are business people, 27% are private employees, 24% are professionals, 8% are self-employed, 7% are farmers, and 5% are government employees. In the public sector, on the other hand, 32% are government employees, 14% are business people, 13% are professionals, 12% are private employees, and 10% are self-employed. It reveals that government employees make up the bulk of public sector bank clients, whereas businessmen make up the majority of private sector consumers.

**Table 6: Classification based on Monthly Income**

Monthly Income	Private		Public	
	No. of respondents	Percentage	No. of respondents	Percentage
Up to Rs.10,000	15	15	17	17
Rs.10,001-20,000	27	27	29	29
Rs.20,001-30,000	36	36	34	34
Above Rs.30,000	22	22	20	20
Total	100	100	<b>100</b>	<b>100</b>

Source: Primary Data

According to the data shown in the table, 36% of the respondents have a monthly income of Rs.20,000 to Rs.30,000, 27% have a monthly income of Rs.10,000 to Rs.20,000, 22% have a monthly income of more than Rs.30,000, and 15% have a monthly income of less than Rs.10,000. The following percentages of respondents in the public sector earn between Rs.20,000 and Rs.30,000 per month: 34% in the 20-to-30-kilogram range, 29% in the 10-to-20-kilogram range, 20% above 30,000, and 17% below 10,000. The average monthly income of banking customers in both industries is between Rs. 20,001 and 30,000.

**Table 7: Factors Influencing the Satisfaction of the Customers**

Factors Influencing the satisfaction of the customers	Private			Public		
	Means Scores	S.D	Rank	Means Scores	S.D	Rank
Efficient work	71.69	8.851	I	67.09	8.946	IV
Safety Measures	67.68	9.554	VI	70.83	9.060	I
Interest levels	66.00	8.608	VII	67.13	8.960	III
No of Services	65.09	7.852	VIII	64.89	8.726	VI
Parking Facilities	46.04	6.648	IXV	50.50	4.62	IX
Drinking Facility	43.30	7.379	XVI	62.60	8.373	VIII
Collecting the Loans	44.69	6.397	XV	66.83	8.276	V
Commitments of Employees	69.76	8.352	II	45.56	7.427	XI
No of Branches	47.85	6.605	XIII	68.68	9.334	II
Procedures for Opening Account	62.57	8.536	XI	41.29	6.739	XVI
E-banking Services	64.09	8.946	IX	45.54	7.082	XII
Quick Services	67.68	7.065	VI	48.66	7.787	X
ATM Facilities	69.19	6.902	IV	45.33	7.045	XIII
Infrastructures inside the branch bank	64.03	6.667	X	45.07	6.617	XIV
Waiting in the line	60.14	5.958	XII	43.42	5.143	XV
Getting Loan Easily	69.09	8.946	V	45.69	7.082	XI
<b>TOTAL</b>	<b>67.09</b>	<b>8.95</b>		<b>56.74</b>	<b>6.541</b>	

Source: Computed data

The private sector ranks efficient work (71.69), commitments of employees (69.76), and banker customer relationship (69.38) according to means scores. In terms of satisfaction

levels, the drinking facility(43.30), the ability to collect loans(44.69), and parking facilities(46.04) are at the top of the list, while the other two are at the bottom. Concerning public sector banks, the most important characteristics that consumers find highly satisfactory are safety measures (70.83), the number of branches (68.68), and interest level (67.13). On the other hand, procedures for opening an account (41.29), infrastructures inside the branch bank (45.07), and waiting in line (43.42) are factors that customers find least satisfactory.

- ❖  $H_0$ : The mean score of customers' satisfaction with private and public banking is not significantly different.

**Table 8: Private Banking and Public Banking Customers' Satisfaction**

Banking	Mean	S.D	t-value	p-value
Private Banks	<b>67.09</b>	<b>8.95</b>	43.067	< 0.001**
Public Banks	<b>56.74</b>	<b>6.541</b>		

**Note:** \*\* denotes significant at 1 % level

With a p-value lower than 0.001, we can reject the null hypothesis at the 1% level of significance. So, it's safe to say that public banking customers aren't as satisfied as private banking customers. Customers are more satisfied with private banking (67.09) than public banking (56.74), according to the mean score. Evidently, private banking services are more well-received by clients than those of public sector banks.

## 6. FINDINGS OF THE STUDY

- ❖ The majority of responders in both the public and private banking sectors are men.
- ❖ People between the ages of 18 and 30 make up the bulk of the respondents in both public and private sector banks.
- ❖ In private sector banks, most of the respondents are undergraduates, while in public sector banks, most of the respondents have finished their professional degrees.
- ❖ Married people make up the majority of responders in both public and private banks.
- ❖ The majority of responders in public sector banks are professionals, while in private sector banks, it is private employees.
- ❖ The majority of responders in public sector banks earn less than 20,000 rupees per month, while in private sector banks, the majority earn between 40,000 and 60,000 rupees per month.
- ❖ The reason most people utilize e-banking services is because they are easy to use, according to most respondents in both public and private sector banks.
- ❖ The ATM services offered are equally satisfactory to customers of public and private sector banks.
- ❖ Generally speaking, clients are pleased by the services offered by private sector banks.

## 7. SUGGESTIONS

- ❖ Unlike private sector banks, public sector banks are obligated to provide customers with personalized attention and appropriate responses when they request information. Many people will feel more comfortable banking with public sector banks as a result of this.
- ❖ It is crucial for banks to guarantee competitive service to their consumers. An overwhelming majority of users would like to see improved privacy and security measures. Consequently, financial institutions should prioritize safety measures, protect their customers, and enhance their services even more.

- ❖ One of the main reasons why customers choose to utilize e-banking is how easy it is to use. Hence, financial institutions should keep their apps current and user-friendly.
- ❖ In comparison to other e-banking methods, ATMs attract more customers. Financial institutions should prioritize the expansion of automated teller machines (ATMs) as a means of disseminating all banking services.

## 8. CONCLUSION

Since most people are already accustomed to using e-banking services, it's hard to imagine life without them. People value these services because they are accessible from anywhere in the world, save time and money, and are generally considered to be an integral part of any functioning bank. So, most people who use online banking are pleased with the service and think highly of it; yet, there are a small number of people who are still dissatisfied, particularly with public sector banks. Therefore, banks should prioritize this area, work to improve their service quality, and train their staff to respond quickly to client inquiries and complaints. Due to their conservative mindset, lack of awareness, inadequate understanding, and a lack of security, people from rural areas, with lower levels of education, and those above the age of 45 are typically apprehensive or hesitant to use e-banking services. Here, the bank has a plethora of chances to reach various client segments and inspire optimism and trust in them. Over the last 20 years, more and more Indians have joined the ranks of internet users. Additionally, Indian banks have stepped up to the plate by providing a new distribution channel that is now accessible to customers in India. When it comes to meeting the demands of their customers, private sector banks really shine. To be competitive in today's e-banking market, however, public sector banks will need to step up their efforts in this area.

## REFERENCES

1. "Reserve Bank of India – About Us". Reserve Bank of India. Retrieved 6 September 2019.
2. "Plan for social control of banks". The Hindu. 15 December 2017. ISSN 0971-751X. Retrieved 16 February 2020.
3. Austin, Granville (1999). *Working a Democratic Constitution – A History of the Indian Experience*. New Delhi: Oxford University Press. pp. 215. ISBN 0-19-565610-5.
4. "From the Archives (July 10, 1969): P.M. wants selective bank take-over". The Hindu. 10 July 2019. ISSN 0971-751X. Retrieved 9 August 2019.
5. "From the Archives (August 5, 1969): Bill on Bank nationalisation". The Hindu. 5 August 2019. ISSN 0971-751X. Retrieved 9 August 2019.
6. Parmatam Parkash Arya; B. B. Tandon (2003). *Economic Reforms in India: From First to Second Generation and Beyond*. Deep & Deep Publications. pp. 369–. ISBN 978-81-7629-435-5.
7. "The Success of India's Liberalization in 1991". UFM Market Trends. Retrieved 9 September 2021.