

SERVICE QUALITY – A COMPARATIVE STUDY BETWEEN CUSTOMERS OF SELECTED PUBLIC AND PRIVATE BANKS OF RAIPUR CITY OF CHHATTISGARH

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Abstract

This study looks at how service quality compares between customers of public and private banks in Raipur City, Chhattisgarh. Since the banking sector is crucial for economic development, it's important to understand what customers think about the quality of service they receive. The people included in the study come from different backgrounds to make sure we capture a wide range of perspectives. To analyze the data, we're using statistical methods like t-tests to see if there are differences in how people perceive service quality between public and private banks.

The study's results give useful information for banks. It shows what public and private banks are good at and where they can improve in serving customers. These findings will help banks make better decisions to make their services better and make customers happier.

Key Words- Service Quality, Public Banks, Private Banks, Tangibility, Reliability, Responsiveness, Assurance, Empathy.

1. Introduction

Nowadays, it's really important for banks to provide great service so customers are happy and keep coming back. With more competition, both public and private banks are trying their best to meet and even exceed what customers want, so they can stay popular and trusted. Raipur, in Chhattisgarh, is a big financial hub with lots of different banks to choose from. Banks need to understand what customers think about their service and make changes if needed to stay ahead in the tough market.

According to Ragins & Alan, 2003¹, when banks build strong relationships with customers, they get benefits like customers coming back again, loyalty from customers, feeling emotionally connected to the bank, and trusting and liking the bank more.

In 2010, Ghazizadeh² stated that nowadays, banks are mostly worried about keeping their current customers happy and staying connected with them.

Service quality is about how well a service meets what customers expect. It's not just about doing the basic job; it also includes things like being reliable, responsive, making customers feel secure, understanding their needs, and having tangible things like nice facilities. All of these

things together affect how customers feel about the service, and if they think it's worth it and makes them happy.

When businesses offer great service, it makes customers happy. Happy customers tend to return, recommend the business to others, and stay loyal even when other choices are available. Plus, when satisfied customers share their experiences, it can attract new customers and boost the company's image. However, if the service isn't good, customers won't be happy, they might tell others about their bad experience, and this could harm the organizations reputation.

2. Review of Literature

The quality of service was evaluated utilizing the SERVQUAL model created by Parasuraman³ et al. in 1988. This model comprised five elements: reliability, responsiveness, empathy, assurance, and tangibles.

Chris Manolis & Lasser, 2000⁴ aimed to explore Service Quality Perspectives & Satisfaction in Private Banking. They defined service as a collection of features that fulfill the needs and desires of clients, enhance the connections between the organization and them, and also add value to the clients' experience.

In 2000, Varghese⁵ looked at public and private banks in Kerala. He studied two banks from each type. His findings revealed that there weren't big differences in the services provided by public and private banks. Also, both kinds of banks used similar ways to promote themselves inside their organizations.

Varghese (2000) conducted a study to compare public and private sector banks of Kerela. He considered two banks from each category and analyzed their performance. The study revealed that there exist no major differences between services of public and private sector banks. Also, banks in both the sectors adopt similar internal marketing strategies. Varghese (2000) conducted a study to compare public and private sector banks of Kerela. He considered two banks from each category and analyzed their performance. The study revealed that there exist no major differences between services of public and private sector banks. Also, banks in both the sectors adopt similar internal marketing strategies. Varghese (2000) conducted a study to compare public and private sector banks of Kerela. He considered two banks from each category and analyzed their performance. The study revealed that there exist no major differences between services of public and private sector banks. Also, banks in both the sectors adopt similar internal marketing strategies. Varghese (2000) conducted a study to compare public and private sector banks of Kerela. He considered two banks from each category and analyzed their performance. The study revealed that there exist no major differences between services of public and private sector banks. Also, banks in both the sectors adopt similar internal marketing strategies. Singh and Arora (2011) studied the factors effecting customer satisfaction with the quality of services. The study was conducted in some selected branches of public and private sector banks of Delhi. The respondents reported that they were not satisfied with the employee behavior and infrastructure of public sector banks. While private sector services were perceived to be cost with lack of accessibility and communication. In 2011, Singh and Arora⁶ looked into what makes customers happy with the services they get. They studied some branches of public and private banks in

Delhi. People said they weren't happy with how employees behaved and the facilities in public banks. On the other hand, they felt private banks were too pricey and had problems with getting to them and communicating with them.

In 2012, Simon⁷ checked what customers think about the services provided by public and private banks in Coimbatore. Simon found out that private banks compete more strongly with public ones because they offer a bigger variety of better-quality services to customers. Simon (2012) studied customers' perception with respect to service quality of public sector and private sector banks in Coimbatore. She concluded that private sector banks give tough competition to public sector banks by providing better quality and range of services to customers. In 2013, Yapa and Hasara⁸ examined the satisfaction levels of individuals using public and private banks in Sri Lanka. They discovered significant gaps between customers' expectations and the actual experiences provided by both types of banks. The primary concerns centered around the perceived tangibility and reliability of the services offered.

Rana, M. L. T., Mahmood, A., Sandhu, M. A., & Kanwal, S⁹., 2015 conducted a study to understand how customers perceive the service quality of public and private banks in Lahore, Pakistan. They handed out 500 questionnaires to bank customers, using a tool called SERVQUAL to gather feedback.

3. Research Methodology

3.1 Objectives of the study:

- To analyze the level of tangibility by selected Public and Private Banks of Raipur city.
- To analyze the level of reliability by selected Public and Private Banks of Raipur city.
- To analyze the level of responsiveness by selected Public and Private Banks of Raipur city.
- To analyze the level of assurance by selected Public and Private Banks of Raipur city.
- To analyze the level of empathy by selected Public and Private Banks of Raipur city.

3.2 Population of the Study:

For this study, the Population is finite and customers from all the selected Public and Private Banks of Raipur City form the Population.

3.3 Sample Size:

The Sample Size for the study is 60. Respondents were from a balanced mix of various demographic factors (age, gender, Income, Education and designation).

3.4 Research Hypothesis:

1. H01: $\mu_1 = \mu_2$ {There is no significant difference between Public and Private Banks with respect to Tangibility}

Ha1: $\mu_1 \neq \mu_2$ {There is a significant difference between Public and Private Banks with respect to Tangibility}

2. H02: $\mu_1 = \mu_2$ {There is no significant difference between Public and Private Banks with respect to Reliability.}

Ha2: $\mu_1 \neq \mu_2$ {There is a significant difference between Public and Private Banks with respect to Reliability.}

3. H03: $\mu_1 = \mu_2$ {There is no significant difference between Public and Private Banks with respect to Responsiveness.}

Ha3: $\mu_1 \neq \mu_2$ {There is a significant difference between Public and Private Banks with respect to Responsiveness.}

4. H04: $\mu_1 = \mu_2$ {There is no significant difference between Public and Private Banks with respect to Assurance.}

Ha4: $\mu_1 \neq \mu_2$ {There is a significant difference between Public and Private Banks with respect to Assurance.}

5. H05: $\mu_1 = \mu_2$ {There is no significant difference between Public and Private Banks with respect to Empathy.}

Ha5: $\mu_1 \neq \mu_2$ {There is a significant difference between Public and Private Banks with respect to Empathy.}

4. Result Analysis

Table 4.1 Group Statistics

	Types of Bank	N	Mean	Std. Deviation	Std. Error Mean
TANGIBILITY	Public Banks	30	3.2583	.95250	.17390
	Private Banks	30	3.0083	.96151	.17555
RELIABILITY	Public Banks	30	2.8000	.65456	.11951
	Private Banks	30	2.7083	.74592	.13619
RESPONSIVENESS	Public Banks	30	3.3917	.69383	.12667
	Private Banks	30	3.3500	.69667	.12719
ASSURANCE	Public Banks	30	3.5250	.42218	.07708
	Private Banks	30	3.6333	.52823	.09644
EMPATHY	Public Banks	30	3.3667	.52413	.09569
	Private Banks	30	3.3000	.62076	.11334

Table 4.2 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means					
	F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper

TANGIBILITY	Equal variances assumed	.014	.907	1.012	58	.316	.25000	.24710	-.24462	.74462
	Equal variances not assumed			1.012	57.995	.316	.25000	.24710	-.24463	.74463
RELIABILITY	Equal variances assumed	.318	.575	.506	58	.615	.09167	.18119	-.27101	.45435
	Equal variances not assumed			.506	57.037	.615	.09167	.18119	-.27115	.45448
RESPONSIVENESS	Equal variances assumed	.293	.590	.232	58	.817	.04167	.17951	-.31767	.40100
	Equal variances not assumed			.232	57.999	.817	.04167	.17951	-.31767	.40100
ASSURANCE	Equal variances assumed	5.215	.026	-.877	58	.384	-.10833	.12346	-.35546	.13879
	Equal variances not assumed			-.877	55.313	.384	-.10833	.12346	-.35572	.13905
EMPATHY	Equal variances assumed	1.119	.295	.449	58	.655	.06667	.14833	-.23025	.36358
	Equal variances not assumed			.449	56.415	.655	.06667	.14833	-.23043	.36376

Interpretation:

In table 4.2 the p value (significant value) for Tangibility is 0.316 which is more than 0.05 significance level. Therefore, research hypothesis H01 is accepted. The p value (significant value) for Reliability is 0.615 which is more than 0.05 significance level. Therefore, research hypothesis H02 is accepted. The p value (significant value) for Responsiveness is 0.817 which is more than 0.05 significance level. Therefore, research hypothesis H03 is accepted. The p value (significant value) for Assurance is 0.384 which is more than 0.05 significance level. Therefore, research hypothesis H04 is accepted. The p value (significant value) for Empathy is 0.655 which is more than 0.05 significance level. Therefore, research hypothesis H05 is accepted.

5. Findings

All the null hypothesis has been accepted which shows that there is no significance difference between selected Public and Private Banks of Raipur City of Chhattisgarh.

- There is no significant difference between Public and Private Banks with respect to tangibility. It shows that both the banks (Public and Private Banks) are using up-to-date and modern equipment's for day to day operations.
- There is no significant difference between Public and Private Banks with respect to Reliability. It shows that both the banks (Public and Private Banks) are able to deliver services within fixed time and also the customers feel safe in day to day transactions. Both the banks are able to maintain the error free records.
- There is no significant difference between Public and Private Banks with respect to Responsiveness. It shows that both the banks (Public and Private Banks) employees are always ready to help their customers and provide prompt services to customers.
- There is no significant difference between Public and Private Banks with respect to Assurance. It shows that both the banks (Public and Private Banks) employees are polite and gets all support from management to deliver the best services to customers.
- There is no significant difference between Public and Private Banks with respect to Empathy. It shows that both the banks (Public and Private Banks) operating hours are convenient to all its customers and has good customer relationship.

6. Conclusion

In conclusion, the comparative study between customers of selected public and private banks in Raipur City, Chhattisgarh, sheds light on the nuanced dynamics of service quality. The examination of tangibility, responsiveness, empathy, reliability, and assurance factors within both banking sectors offers valuable insights into customer perceptions and preferences.

Moving forward, both public and private banks must continue to prioritize enhancing service quality across all dimensions. This requires a comprehensive understanding of customer needs and preferences, coupled with strategic initiatives aimed at improving tangible facilities, responsiveness to inquiries, empathy in customer interactions, reliability of services, and assurance of trust and security.

Additionally, it's really important for banks in Raipur City to always try to get better and come up with new ideas. This helps them keep up with the changing financial world. By using technology, training their staff, and listening to what customers have to say, banks can change their services to match what people want and even surpass their expectations.

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