

A COMPARATIVE STUDY ON PUBLIC AND PRIVATE SECTOR BANKS IN PATHANAMTHITTA

Mr. Rohit S

Assistant Professor in Commerce
Govt. Arts & Science College Elanthoor

Abstract: In the present day, the functions of banks are better understood from an international standpoint, with banker as a dealer in capital, or more properly a dealer in money. He is an intermediate party between the borrower and the lender. He borrows of one party, and lends to another; and the difference between the terms at which he borrows and those at which he lends, forms the source of his profit. By this means he draws into active operation those small sums of money which were previously unproductive in the hands of private individuals; and at the same time furnishes accommodation to those who have need of additional capital to carry on their commercial transactions. The study is conducted to analyze and evaluate the similarities and dissimilarities of private and public sector banks. This study also deals with the satisfaction level of public and private sector banks.

KEYWORDS: *Banking, Private banks, Public banks*

I. INTRODUCTION

The world of banking has assumed a new dimension at dawn of the 21st century with the advent of tech banking, thereby lending the industry a stamp of universality. Metamorphic changes took place in the Indian financial system during the eighties and nineties consequent upon deregulation and liberalization of economic policies of the government. India began shaping up its economy and earmarked ambitious plan for economic growth. Consequently, a sea, change in money and capital market took place. Application of marketing concept in the banking sector was introduced to enhance the customer satisfaction the policy of privatization of banking services aims at encouraging the competition in banking sector and introduction of financial services. Consequently, services such as Demat, Internet Banking, Portfolio Management, venture Capital etc can into existence to cater to the need of public. An important agenda for every banker today is greater operational efficiency and customer satisfaction. The new watchword for the bank is pretty ambitious customer delight

II. STATEMENT OF THE PROBLEM

Comparative study on public sector and private sector banks is a novel subject which is gaining much popularity today. But this area is not analyzed by academic world with due importance. Therefore, the present study is undertaken to bring about an awareness of comparison and services offered by public sector and private sector banks. And also analyze the comparison of the satisfaction level of customers in public sector as well as in private sectors bank.

III. OBJECTIVES OF THE STUDY

1. To find the bank sector that is largely availed by the customer.
2. To study the factors influencing the choice of a bank for availing services.

3. To find and compare the satisfaction level of customers in public sector as well as in private sectors bank.
4. To study the problem faced by customer.
5. To get suggestions for improvement or change in the services of public and private sector banks.
6. To study what do people expect in the new era of banking.

IV. HYPOTHESIS

1. There is no significant relation between age and selection of bank.
2. There is no significant relation between annual income and selection of bank.

V. METHODOLOGY OF THE STUDY

This study is mainly analytical and partially descriptive. Primary data from the basis of the study. However secondary data is also used to have a theoretical backup. Primary data is collected from the sample respondents through questionnaire for secondary data books, journals and websites are referred. The sample size of the study is taken as 100 ad respondents are selected through convenience sampling. The method used for analysis is chi-square analysis.

VI. FINDINGS

1. Majority of the respondents are having age of more than 60 years.
2. Most of the respondents are government employees and professionals.
3. Majority of the respondents prefer public sector bank to open their account.
4. Majority of the respondents are ready to switch off their accounts from public sector bank to private sector bank and remaining are not ready for the same.
5. Most of the respondents consider that delay in transactions by public sector bank are their reason for switch off, their accounts on private sector banks.
6. Majority of the respondents consider safety to open account with public sector bank.
7. Majority of them consider service, o remaining of the respondents consider safety, and consider offer to open account with private sector bank.
8. Most of them consider service of the respondents opened safety in opening accounts in public sector bank and least of them say it is good, average and is bad.
9. Majority of the respondents are highly satisfied with the service offered by private sector bank and least of them are satisfied with it and not satisfied with it.
10. Most of the respondents are include the annual income between 150000 and 200000.
11. It is found that of the respondents are not satisfied with it and remaining is highly satisfied and satisfied with the service offered by public sector bank.
12. Majority of the respondents is satisfied with the overall performance of public sector bank and remaining not satisfied.
13. Majority of the respondents are satisfied with the overall performance of private sector bank and remaining are not satisfied.
14. There is no significant relation between age and selection of bank.

15. There is no significant relation between annual income and selection of bank.

VII. SUGGESTIONS

- 1.The public sector bank may try to improve their services in order to compete with private sector banks
- 2.The private sector bank may improve their safety measures to compete with public sector banks
- 3.To canvas more customers the public sector bank may improve their offers.

VIII. CONCLUSION

Customers expect much more than what is actually being provided. So the new coming banking sector has to provide and cater to all the needs of the customers otherwise it is difficult to survive in the competition. The banking sector is poised for explosive growth. In this, scenario, it is imperative that banks adopt technology at an aggressive Pace, if they wish to remain competitive.

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