



CUSTOMER PERCEPTION ON SERVICE QUALITY OF PUBLIC AND PRIVATE BANKS MADURAI DISTRICT IN TAMILNADU

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Abstract:

This paper deals with the main objective of this study is to identify customer's perception on the service quality dimension in Public and Private Banks in Madurai District. In this study researcher has taken four banks two from public sector and other two from private sector banks. The two banks of public sector are state bank of India and Punjab national bank. The other two private sector banks are HDFC and ICICI. A structured questionnaire has been prepared. A sample of 120 respondents has been selected. The data has been collectively randomly from Madurai district in Madurai. The private sector banks are performing better as compared to public sector banks.

Keywords: banking, Services, SERVQUAL, Perception, Expectation

INTRODUCTION

Banking sector is the growing sector in India. Performance of banking are plays very important role in the development of economy. So government of India has concern to development of the banks for the women customers. The banking system provides a large portion of the medium of exchange of a given country and is the primary instrument through which the monetary policy is conducted through their deposit mobilization and lending operations. Commercial banks are the institutions specifically designed to further the capital formation process through the attraction of deposits and extension of credit. They act as a funding lifeline of an enterprise by providing the financial resources necessary for production of goods and services for the market. They make the productive utilization of idle funds and thus assist the society to produce wealth.

In the earlier days bankers, like any other private sector organizations, had their own plans of business development and adopted their own ways and means to achieve their objectives. The marketing concept was in the form of advertising and promotion. This was the position till the middle of 20th century. Gradually there was a change in the attitude of bankers with respect to customers.

In the late 1950's, a new concept in the marketing services with respect to banking profession arose. In the west, Deryk-Weyer, of Barcelays Bank came out with a comprehensive definition of bank marketing. According to him Bank marketing consists of identifying the most profitable markets now and in future, assessing the present and future needs of customers, setting business development goals, making plan to meet them and managing the various services and promoting them to achieve the plans – all in the context of the changing environment in the

market. Thus, the idea of “customer satisfaction” arose in the 1950’s flourished in the 1960’s and became as integral part of Banking services in the 1970’s.

In course of time, the concept of marketing widened further. From the stage of customer satisfaction, marketing became more concerned with the well-being of the “society” as a whole and resulted in coining the term ‘societal marketing’. Hartley would call it ‘Response marketing, attuning with or responding to the changing the needs of customers’ society and environment. Gist also gives social dimensions to the bank marketing, and according to him, marketing is unavoidably a social concern. Thus the concept of bank marketing assumed new weights and dimensions attuned with the social needs and fulfilling them in the best possible manner by required services.

The various services offered by an organization play an important role in its promotion and marketing. In marketing, we call it the ‘product’. The product may be in the form of goods, services, ideas, etc., in banking, ‘products’ are ‘services’. For a common man the products offered by banks are general services, deposits, advances, international banking, consultancy and other miscellaneous services.

Initially, in the banking services, it was thought it was not professional to sell one’s services and it was thought even unnecessary. Gradually, owing to the change in the concept to service marketing and the new strategies formulated by other financial intermediaries, revamping of policies was felt to be a must. The seven elements in marketing mix for banking services are as follows:

Statement of the problem

Service quality is the great differentiator; it gets and keeps the customer’s attention. Service excellence leads to overall profitability in the bank. For every bank service excellence is an important strategy for a survival, profitability and growth of banks. But it is not so easy to provide excellent service to the customers, because of stiff competition among the banker. Today all banks are offering same type of services, and facilitator to the customers. Now-a-days customers are becoming very conscious of their rights and they are demanding services more than ever before. But the quality of banking services has not seeing any remarkable change. The bank who wants to compete with other banks has to depend more on the efficient services and cordial relationship with their customers. Still, the customers are facing poor infrastructure and financial risk. The quality of banking services is not always satisfactory. Because of different kind of treatment offered to the customers to customers So, the only way to provide good services to customer is they must keep the various issues in their minds and try to solve and include the customer service level. Whenever a bank wants to distinguishes from other banks they must provide good customer service that service is customer friendliness. This is an important factor that influences the customer choices of the bank. The success of the banking industry is generally depends on the quality of customer services, because customer is the king and also they are part and partial of the bank. Therefore the banks should be customer oriented to meet challenges to today’s competitive environment. As a banker we are not doing them a favors by serving them. They are doing as a favors by giving us an opportunity to do so. So, it is the time for HDFC and ICICI to innovative new products and services also refine the existing services.

REVIEW OF LITERATURE

Agathee (2010) tried to find out the relationship between service quality and customer satisfaction in Mauritian banking sector. Customers are generally satisfied with the bank’s physical facilities, equipment and appearance of personnel. The result shows that those falling in the highest income groups are dissatisfied.

Mishra, Sahoo & Mishra (2010) Concluded that Public sector banks has need to redefine the customer service parameter in order to compete with the nationalized private sector banks both in profitability and corporate image.

Hossan (2010) Compared the quality of services provided Chartered Bank and Dhaka Bank Ltd in Bangladesh. The result shows that all users had internet access. Respondents pointed out that they use internet banking services to check balances to print statements and queries. The finding also highlighted that 50% of the respondents are strongly dissatisfied.

Farokhian & Sadeghi (2011) Researcher found that factor of accuracy, reliability, image impression of the bank and management and web design are mostly correlated with customer satisfaction. According to the results no difference was observed in general satisfaction with electronic banking between males and females.

Rahaman (2011) studied the service quality on PCB (private commercial banks) in Bangladesh. To analysis the data SERVEQUAL method was used.

Farokhian & Sadeghi (2011) tried to study investigate customer understanding and five dimensions of service quality. Researcher suggested that staff must improve quality like provide training courses, continuous different workshops and cooperation with customers.

Mishra, Mishra, Praharaj & Mahapatra (2011) used customer relationship management to know the level of satisfaction. Customer of public sector bank experiences more satisfaction as compared to private sector banks. Regarding premises and administrations private sector banks are better than public sector banks.

Santhiyavalli (2011) A sample of 300 respondents has been taken with structured questionnaire 22 statements. Researcher found that reliability, responsiveness, empathy and tangibility were more responsible for 90% customer satisfaction level.

Lohani & Shukla (2011) Compared services provided by Public and Private sector banks. A structured questionnaire has been prepared for the study. The result shows that services provided by Private sector bank are better than Public sector bank. The researcher suggested that Public sector bank must concentrate on providing updated information to customers regarding the services.

Pandya & sandhe (2012) Questionnaire was categorized into two parts, first part demographic profile second part questionnaire weighted given for five attributes. Sample size was 200. Researcher had found limitation of the study because the researcher was conducted only in the city of vadodara and two banks represented private and nationalized banks. The perceived quality levels in nationalized were lower than those in private banks.

Muyeed (2012). The result shows that banks have imposed service charges and fines too much for which customers are dissatisfied. The customer perceptions are highly satisfied with prompt and accuracy in transactions followed by safety of customer investments and keep confidentiality of account and transactions. The banks need to consider the weak areas in order to meet customer requirement.

Kumar & Manjunath (2012) Studied customer satisfaction of ICICI bank in Mysore city. Demographic information revealed that 23% customer were young, 59% were male maintain the service quality from time to time. The study revealed that ICICI bank had positive relation with customer.

Kumbhar Vijay M., (2010)⁵ found in his study that increase in service quality of the banks can satisfy and develop attitudinal loyalty which ultimately retains valued customers.

Vijay Maruti Kumbhar (2011)⁶ in his analysis that empirical evidences indicates that customers perception about Efficiency, Security and Responsiveness, Cost Effectiveness, Problem Handling and Compensation and Contact service related to ATM service is low in both public and privates sector banks (ranging between 3.00 to 3.50). Therefore both types of banks should aware about these aspects of ATM service to enhance customers' satisfaction.

Scope of the study

The present study is confined to analysis the women customer services of public sector banks in Madurai District. A study does not cover other city banks in Tamil Nadu. The study concentrates on the various banking services and the attitude of customers regarding services provided by the public sector banks.

Objectives of the study

The following are the important objective of the study.

- To analyses the attitude of customers towards the service rendered by public sector banks Madurai District.
- To study the reason for having accounts with public sector banks in Madurai District.

Methodology

The present study is based both primary and secondary data. The primary data has been collected through structured interview schedule from the customers of the public sector banks. The secondary data have been collected from unpublished records of banks, journals, periodicals, reports and lead bank report of Madurai District.

Sampling Design

Since, the study was concerned with attitude of women customers towards service rendered by public sector

banks in Madurai District. The researcher obtains the list of customers from the public sector banks in Madurai city. A sample size taken up for the study is limited to 120 customers of public sector banks. However care was taken that all classes of women customers such as salaried employee, businessman, professional, housewives, retired person (pensioners), agriculturist, students and the like are covered by using convenient sampling under non-random sampling method. The sample customers are to be selected proportionately from branches of public sector banks at the rate of 120 customers from branches of public sector banks operating in Madurai District.

Period of the study

The primary data for this study has been collected from sample women customers in Madurai District during the period from September 2022 to November 2022.

Analysis and Interpretation

The analysis and interpretation of the sample customers based on demographic factor, nature of account holding and other services availed.

Classification of Respondents According To Demographic Profile

In this title an attempt has been made to study the demographic profile of the sample respondents with public sector banks in Madurai District. The following pages deal with the survey results.

DEMOGRAPHIC PROFILE OF PUBLIC AND PRIVATE SECTOR BANKS IN MADURAI DISTRICT

Table: 1

Variables	Public Banks	Percentage	Private Banks	Percentage
Age group				
20-30	13	21	05	09
31-40	17	29	11	18
41-50	12	20	37	62
51-60	07	12	05	08
Above 60	11	18	02	03
Total	60	100	60	100
Sex				
Male	44	73	39	65
Female	16	27	21	35
Total	60	100	60	100
Occupation				
Service	42	70	16	27
Business	03	05	35	58
Profession	08	13	03	05
Others	07	12	06	10
Total	60	100	60	100
Income				
Less than 50000	27	45	13	22
1.00-2.00 lacs	08	13	19	32
2.00-3.00 lacs	11	18	11	18
3.00-4.00 lacs	03	05	04	06
4.00-5.00 lacs	02	04	06	10
More than 5 lacs	09	15	07	11
Total	60	100	60	100

Qualification				
Undergraduate	27	45	14	23
Graduate	07	12	29	48
Post Graduate	18	30	12	20
Others	08	13	05	09
Total	60	100	60	100

Table 1 shows that demographic profile of Public and Private sector banks in Madurai district Tamilnadu India. The demographic profile shows various variables like on the basis of age, sex, occupation, level of income, educational qualification. Public sector banks have highest number of customers in the category 31 to 40 years. Private sector banks have highest number of respondent in the category 41 to 50 years. Both public and private sector banks have highest number of male customers. Public sector banks have 73 percentage male customer and private sector banks have 65 percent male customers. Public sector banks customers are mostly working with service industry and private sector banks respondents are mostly having their own business. Mostly respondents in public sector banks were having less than 50000. Undergraduate customers are highest in number public sector banks and graduate customers are highest in numbers in private sector banks.

RESEARCH METHODOLOGY

Data is collected through primary survey. A structured questionnaire has been prepared and 120 respondents have been selected from Madurai district on randomly basis. Two public sector banks are state bank of India and Punjab national bank. The other two banks are taken from private sector banks category namely HDFC and ICICI. The respondents were survey randomly on the basis of availability. The questionnaire was divided with five dimension tangibility, reliability, responsiveness, assurance and empathy. All five dimensions were having 36 statements.

Table: 2

Tangibles	Statements	P	P
	1. Bank offices are visually appealing	3.5	4.2
	2. Bank has modern looking equipment.	2.7	3.4
	3. Printing materials (from brochures, monthly statements Bank cards) Look attractive.	3.6	4.1
	4. Bank employees are suitably dressed, neat and clean.	2.2	3.8
	5. Bank has good parking facilities.	2.8	4.2
	6. Bank has adequate security arrangement	4.4	4.1
	7. Information and procedures are well displayed in bank.	1.5	4.9
Reliability	8. The bank performs its services without errors.	3.5	3.9
	9. Bank services are performed within the promised time.	3.3	4.4
	10. Bank employees show sincere concern in solving my Problems related to banking transactions.	4.1	4.7
	11. The bank correctly performs a service from the very First time.	3.7	4.2
	12. The bank performs a service exactly as promised.	3.0	4.9
	13. The bank regularly sends me bank statements on my Account balance to my home/mail address.	4.3	3.5
	14. Customers have no difficulties with various cards of this bank.	2.9	3.8
Responsive ness	15. Bank employees quickly respond to my work.	4.8	4.2
	16. Bank employees are always willing to help.	3.5	3.7
	17. Bank employees are quickly eliminating errors.	3.3	4.5
	18. In the bank I do not spend much time waiting in line.	2.5	3.5
	19. Bank employees respond on telephonic/ mailing Correspondence.	3.3	4.7
	20. Bank responds to wrong transaction by mistake.	3.4	4.2

Assurance	21. Bank employees tell me exactly when a service will be Performed.	2.5	3.5
	22. Bank statement delivered monthly to my home/mail Address are clearly and Understandable.	2.4	4.4
	23. Bank employees are trustworthy.	4.1	4.7
	24. Bank assures safety to customer's money (like ATM Guard).	2.4	3.6
	25. Bank employees are knowledgeable to respond my questions.	3.3	4.1
	26. Information provided by bank employees are clear and Understandable.	2.7	4.4
Access	27. The bank operating hours suit to my needs.	3.4	4.2
	28. The bank is easily accessible(lift, access for disabled person etc)	2.2	3.1
	29. Bank has extended working hours for working people.	2.8	4.2
	30. The bank is favorably located to me.	3.3	3.8
	31. Bank is well connected with road.	1.7	2.4
Empathy	32. The bank employees know to advise me what would be The most proper service for my specific needs.	3.3	4.9
	33. The bank considers my wishes and needs.	3.8	3.9
	34. Bank employees show understanding of my specific Needs.	4.4	4.7
	35. Bank employees are kind and polite in their behavior	4.2	4.8
	36. Bank shows keen interest in each customer.	3.5	3.8

Table 2 shows that perception level of public and private sector banks in Madurai district in Haryana. Dimension tangibility shows the looking condition of public and private sector banks. Private sector banks have well displayed written information in banks. Public sector banks have well security arrangement in the banks. The result shows that private sector banks are performing well in comparison of public sector banks.

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