



A COMPARATIVE ANALYSIS OF CUSTOMER SATISFACTION OVER E-BANKING SERVICES OF PUBLIC SECTOR AND PRIVATE SECTOR BANKS

Satyajitsinh Gohil¹, Raychada Bansari Pravinbhai², Akshita Ruiwale³

¹Asst. Prof. Parul Institute of Management & Research, Parul University

²Student, MBA Finance (4th Semester), Faculty of Management Studies, Parul University

³Student, MBA Finance (4th Semester), Faculty of Management Studies, Parul University
Parul University, AT & P.O. Limda, Waghodia, Vadodara - 391760, Gujarat, India

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ABSTRACT

In today's scenario, dynamic changes in the banking sector have brought competition in winning and maintaining existing customers. Presently, banks have realized the importance of appealing to new customers is far more important than retaining existing customers of the banks, for the same cause banks are emphasizing more over customer satisfaction in providing competitive services. A comparative analysis of customer satisfaction levels in public sector banks and private sector banks has given the pathway to banks in magnifying the customer's demand for comparative premium-quality services and products offered with a minimum waiting period. This research paper showcases the impact of e-banking services offered by banks to customers to avail maximum benefits. The study also identifies that e-banking services are improved versions of traditional banking systems and services because customers prefer technically sound banks as well as bankers rather than traditional banker and banking systems. The study aims to evaluate the e-banking services offered by both types of banks, including user-friendliness, security, range of services, and accessibility, and multiple services like ATMs, NEFT, Debit cards Credit cards, mobile banking

KEYWORDS:- ATMs (Automatic teller Machines), NEFT (National Electronic Fund Transfer) Debit Cards, Credit Cards.

INTRODUCTION OF PUBLIC AND PRIVATE SECTOR BANKS

Public Sector Banks: The government owns and operates public sector banks. These banks are often larger in size and have a broader reach than their peers in the private sector. Public sector banks need to provide competitive financial services to all segments of society, including those living in impoverished and rural regions. The government may also employ these banks to carry out certain programs, such as promoting savings and investing or financing to particular parts of the economy. State Bank of India, Punjab National Bank, and Bank of Baroda are examples of public sector banks in India.

Private Sector banks: Private people or businesses own private sector banks. These incorporate finances only to make money and are not bound by government regulations or laws. Private sector banks generally have a smaller customer base and are more focused on offering personalized assistance to their clients. Private sector banks additionally possess a more efficient decision-making process and can adapt more quickly to shifts in the market.

ICICI Bank, HDFC Bank, and Axis Bank are examples of private sector banks in India.

One of the key distinctions between public and private sector banks is the quality of customer service and technology adoption. Private sector banks have been more diligent in adopting technological advances and providing their customers access to digital banking services. As a result, online account accessibility. Public sector banks, on the reverse banks nowadays are capable of providing more accessible and effective banking services, including mobile banking and extreme, have been slower to embrace technological advancement and may prefer to use traditional banking techniques.

INTRODUCTION OF THE E-BANKING SECTOR

In recent decades, there has been a substantial change in the banking industry in the direction of e-banking services, which has transformed the way customers conduct their financial transactions. E-banking services have become a fundamental part of the banking system across the globe,



offering customers ease of access to their accounts and the ability to carry out various financial transactions online. With access to e-banking, customers do not need any more to visit the physical bank branch to execute the transaction, e-banking has made it a highly convenient way for users.

This research will analyze and will focus on customer satisfaction with the e-banking services of public and private sector banks in India. Public sector banks are owned and monitored by the government and are accountable for providing banking services to a multitude, whereas private sector banks are owned by corporate entities and accommodate high-net-worth individuals and businesses. The purpose of the study is to evaluate the e-banking services offered by both banks, encircling security, range of services, user-friendliness, and accessibility.

The comparative study will help in understanding the strengths and weaknesses of e-banking services offered by the public and private sector banks, and also emphasizes the areas of advancement. By analyzing the e-banking services provided by the public and private sector banks in India, the study will provide a valuable contribution to the customers, regulators, and banking professionals. Ultimately the research will lead to the development of better e-banking services in the banking sector.

GROWTH OF THE E-BANKING SECTOR IN INDIA

In India, e-banking has shown tremendous growth in past decades. The government's initiative towards the cashless economy has increased the adoption of digital technologies that were improvised by digitalization in India. The banking sector in India is entirely transformed because of the way Indian citizens use financial services, by making it convenient, secure and easy, and user-friendly to the customers.

There can be multiple factors that are directly or indirectly contributing to the growth of the e-banking sector in India some of them are discussed below, Firstly, the increment in the use of smartphones and gadgets with the availability of the internet has made banking services easy, and accessible for the usage of the customer. With the reference to the internet report and Mobile Association of India, India has appx. 718 million internet users and 504 million smartphone users as of 2020.

Secondly, the government's initiative toward digital payments under the program of Digital India, (UPI) Unified Payments Interface, and Bharat Interface for money (BHIM) has become an easier solution to access banking services digitally through their phones. UPI single handily has changed the entire market and has given real-time transactions between customers and bank accounts of the customer through smartphones without going to the bank to practice traditional processes to get access to banking services.

Thirdly, the pandemic in 2019 has changed the complete usage of e-banking services after the or while at the time of pandemic, since then e-banking sector has been at a boom. People around the nation found e-banking the easiest and most convenient option to carry out financial transactions. The use of contactless payments through mobile wallets was the safest option for the users to use at the time of the lockdown.

The E-banking sector in India is rapidly growing and has shown significant growth in the last few years, with the factors like an increase in the use of the internet and smartphones, and the government's initiative. The pandemic and change in the traditional banking systems

ADVANTAGES OF E-BANKING SERVICES

The e-banking sector in India is progressively increasing over time. Here are some of the advantages of the progressively growing banking sector in India.

Convenience: With help of banking services provided by the banks you do need not to go to the physical branch for accessing the bank account. One can use and operate the bank account individually at anytime from anywhere across the globe.

Cost Effective: E-banking services are more cost-effective than the traditional banking system. Online banking has decreased the banking operating charges like a reduction in the need for paper and statements. For relevant instance, online transactions are usually cheaper than offline banking systems and procedures.

Security: E-banking services provide safe ways to access your bank account and carry out transactions. Your data is safeguarded against unauthorized access using encryption and secure login procedures. Additionally, you can monitor account activity and get alerts for any unusual activity.

Efficiency: In comparison with traditional banking, e-banking can process banking activities quicker and more smoothly. Compared with the traditional bank e bank just takes a few minutes to accomplish business transactions. It reduces the manual work that has been done at traditional banks.

Access to offered services: A variety of banking services can be accessed through e-banking, including bill payments, banking transactions, financial records, and payments via credit card, amongst many others. This makes it simple for you to manage your finances without going to a physical bank branch.

In rational conclusion, e-banking facilities in India provide us with a variety of benefits, including cost efficiency, convenience, security, and access to services. You can manage your money more easily and appropriately by using the utmost facilities provided by the banks.



THE OBJECTIVES OF THE STUDY

1. To identify and analyze the services of the public and private sector banks in India.
2. To measure the level of customer satisfaction with the benefits rendered by the public and private sector banks in India
3. To determine the elements such as accessibility, security, availability of facilities, and customer support that contribute to customer satisfaction.
4. To analyze the difference in the level of customer satisfaction between public and private sector banks
5. To endorse the public and private sector banks to enhance the e-banking facilities for the customers to get the maximum satisfaction and win over the competitor.

REVIEW OF LITERATURE

The four distinctive features of services—intangibility, inseparability, heterogeneity, and perishability—and how they affect customers' views of high-quality service from banks were examined by Anne M. Smith in 1990. The survey found that elevated customer expectations and heightened competition have produced an environment where quality is increasingly important.

The service quality features may be divided into two categories, one of which is product-related and the other not. This is according to Liang et al. (2004). Customers may perceive symbolic, practical, or experiential benefits as a result of these characteristics. The study's findings made it abundantly clear that customer satisfaction has a favourable impact on customers' commitment to and faith in service providers, which in turn has a positive impact on customers' behavioural loyalty.

According to Sarin and Anil's (2007) advice, employees in service firms should prioritize ensuring that customers are satisfied. Banking ought to highlight the areas that need development and further shed light on the actions that consumers believe should be taken to raise the caliber of offerings.

According to Meidan (1976), 90% of the respondents banked at the branch that was most convenient for both their home and place of employment. When choosing a bank, convenience in terms of location was considered to be the most crucial consideration.

Geiger (1975) conducted research to determine the demands of the clients. The social standing of the bank's clients, their perceptions of banks, their assessments of the services the bank offered, the efficiency of different sales promotion and advertising strategies, and the customers' saving and other habits were all analyzed. Results showed that clients who are pleased with their banks' offerings are more upbeat compared to others.

In 2009, Dutta et al. did a survey to look at how consumers perceive their expectations of all Indian banks. Foreign

banks were discovered to be the most favored banks, followed by private banks and state banks.

RESEARCH METHODOLOGY

This survey compares how satisfied customers are with the e-banking services offered by banks in the public and private sectors. The research methodology is made to give a thorough explanation of the study's constraints, sample selection, collecting data, analysis of data, and research objectives.

Research Design

A descriptive research design is going to be applied to this research. The questionnaire method is intended to collect primary data as part of the research design. The survey questionnaire will be used to collect information from both public and private sector bank customers. The questionnaire was designed to extract data on customer satisfaction with e-banking services provided by public and private sector banks.

SAMPLING TECHNIQUE

The survey's sample will be chosen using a stratified random sampling technique. Customers of public and private sector banks who use e-banking services will be the study's population. The sample size will be determined using the sample size determination formula. The sample size was 110 individuals, with 45 coming from public sector banks and 65 representing private sector banks.

Sampling Unit - The targeted sampling unit is the users of public and private sector banks who use the e-banking services offered by the banks and are the contributors to the analysis of customer satisfaction.

Sampling Size - The sample size for this survey was set at 110. The questionnaire was generated containing 20 questions including information like age gender income group etc. The questionnaire was shared online via non-profitability convenience sampling, and thus the link was sent to Indian respondents. We sought out respondents via social networks and WhatsApp. Respondents were divided into groups based on gender, age, occupation, and income.

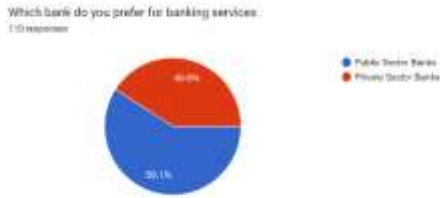
Data Collection Method - A survey questionnaire will be used to collect primary data. The questionnaire will be intended to gather data on customer satisfaction with both private and public banks' e-banking services. Customers of public and private sector banks who use e-banking services will be given a survey to answer online. The information will be gathered over multiple time frames.

DATA ANALYSIS AND INTERPRETATION

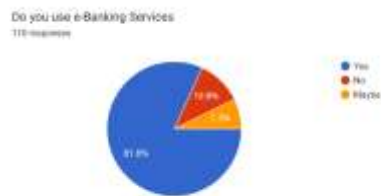
The research was conducted through a questionnaire with 110 respondents as gives the base for the analysis of customer satisfaction with e-banking services of the Public and Private sector banks.

FINDINGS

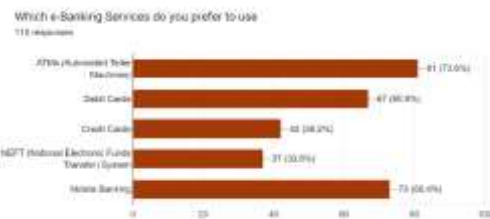
The Interpretation and analysis of the data gathered through the survey questionnaire are shown below:



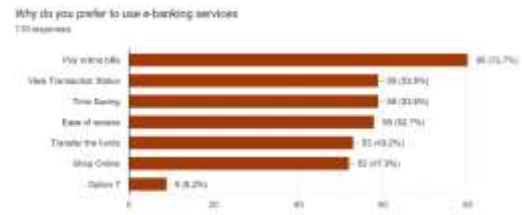
The above-mentioned pie charts show that a large portion of the respondents is using public sector banks i.e., 59.1% and 40.9% of respondents are using public sector bank. With help of information gathered through the survey questionnaire, we can conclude that the maximum population is using e-banking services.



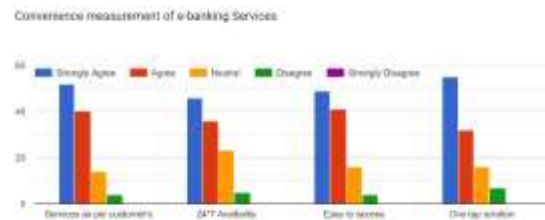
People do use e-banking services to carry out their financial transactions. A larger portion of the population uses e-banking services i.e., 81.6% of the total population 10.9 % do not use e-banking they still prefer traditional banking services to do banking activities.



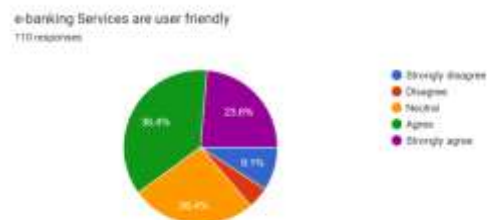
There are multiple e-banking services that are provided by banks in India, some of them are listed below to check which services people use to get the maximum benefits out of them. ATMs services are used by the maximum population in India due to their availability, Mobile banking due to its accessibility, and NEFT for the convenience of the users. Debit cards and credit cards for ease of use.



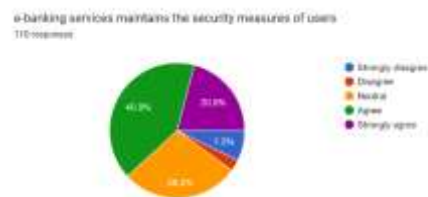
There are multiple services provided by banks Like to pay online bills, viewing statements transferring funds, and shopping online and many are listed above to analyze the services that people used for multiple benefits. Paying online bills is the most common reason to use e-banking services.



With the help of the above-mentioned chart we can analyze the convenience measurement of the services offered by public and private sector banks with regards to e-banking services people strongly believe that the services are as per customer's need, 24*7 Availability, Easy to access, One tap solutions.



With the help of the above-shown pie chart, we can analyze that 36.4% of people are agreeing that e-banking services are user-friendly, and 23.6% of the population has shown a strong opinion on the user-friendliness of the e-banking services provided by the banks. 26.4% of the total population shares a neutral opinion on the above case.



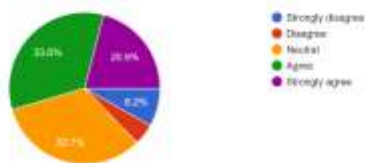
The above chart presents the e-banking services that maintain the security measure for the users and with reference to the pie chart 40.9% of the population feels a strong opinion on the above case, 28.2% of the people has a neutral opinion on this case.

e-banking services has improved the quality of services that traditional banking is offering to the users
110 responses



The above charts present improvement in the quality of the traditional banking system 41.8% of the people have a strong opinion on the above case. 25.5% of people have neutral opinions on the above situation. With this, we can analyze that services are improving day by day so that customers can use more of these services and recommend them to others to use these services as well.

e-banking services are associated with the cost benefits to the users
110 responses



The above chart presents the cost benefits that the banks are providing to users of the e-banking services 33.6% of the sampling unit agrees with the above case, and 32.7% of the population has a neutral opinion on the above issue that banks are either proving cost benefits or not providing cost benefits.

CONCLUSION & RECOMMENDATION

In conclusion, whereas both public and private sector banks provide banking services, there are a few significant differences between both. Public sector banks are managed and operated by government policies and have a wider scope and are authorized to provide services to all segments of society. Private banking institutions are run by wealthy persons or companies, have a narrower customer base, and put more emphasis on personalized services. Other important contrasts between the two also include quality of customer service, technological adoption, and lending standards.

According to the aforementioned analysis, customers in private banks are more satisfied with e-banking- banking services than customers in public banks. Customers in different education groups and individuals have differing levels of satisfaction and acceptance of services for electronic banking, The old folks are inherently resistant to using banking services online, the adoption of electronic

banking services, Specifically, the elderly have a disinclination to use e-banking facilities; hence, appropriate training for using e-banking should be given to them, and bankers should adopt suitable tactics for attracting different age groups to utmost use the facilities provided to the customers. As a matter of fact, banks should make every effort to ensure that e-banking is accessible to customers 24/7. Customers are mainly concerned about safety issues so banks should educate their customers on the safe use of their passwords and pin details and they should insist customers that should keep changing their passwords and pin numbers quiteoften so no unauthorized fraudulent practices happen in online banking.

LIMITATIONS OF THE STUDY

1. The study is limited to e-banking customers, who may not be a representative sample of the whole group of customers.
2. The study is limited in scope and may not be representative of the entire population.
3. The study is limited to data collected through a questionnaire form, which may be biased due to characteristics and individuals

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