CUSTOMER SATISFACTION PUBLIC AND PRIVATE BANKS: A COMPARATIVE ANALYSIS USING BANKSERV IN HARIDWAR

[1]Dr Mausmi Goel, [2]Dr. Nirmesh Sharma, [3]Ms. Divya Sharma , Dr . Kavitha Venkatachari

[1]HOD- Mangement, Quantum University, Roorkee, Haridwar, Uttarakhand, India.
[2]Associate Professor, Quantum University, Roorkee, Haridwar, Uttarakhand, India.
[3]Divya Sharma, Research Scholar, Uttarakhand Technical University Dehradun, Uttarakhand, India.
[4]Professor & HoD-Business Analytics
Universal Business School, Karjat, Near Mumbai.
*Corresponding Author
Divya Vashisht

Abstract: This study is primarily focussed to have practical relevance for bank policymakers to consider their customers' behavioural intentions and to use them, by effectively positioning their banks' service quality. The purposeful aim is to scrutinize the quality of the service and its interrelation with customer satisfaction among Private Bank and Public sectors bank. By using BANSKSERV a study was conducted among the customers of Haridwar, Uttarakhand region from the period of June 2019 to November 2019 which results in the variations of quality of service with satisfaction level and its effect on customer behavioural intentions. The concluded study helps to draw appropriate strategical changes.

Keywords: Customer Satisfaction, BANKSERV, Customer Behaviour Intentions, Quality of Service.

INTRODUCTION:

Indian banking region, which is ruled by way of state-controlled banks, has been dealing with bold demanding situations. There is no exception for banking industries also as because all business organizations faced tough competition. Like many other financial service sectors, the banking industry is semblance apace evolving environment, emerging technology, uncertainty in economic activity, intense competition, and increasingly more rapid change in demanding customers; and the changing climate has posed a series of unparalleled challenges. Due to this new emerging opposition, Indian banks, in particular PSBs, are attempting their exceptional to enhance their overall performance and getting ready to compete within the emerging international marketplace. New non-public region banks and overseas banks have greater client-centric guidelines, high satisfactory offerings, new attractive schemes and automatic branches. All these services attracted increasingly more clients to their banks. In this context, there is a want to look at the performance of public region banks working in India. Mainly, the opposition can intensify and banks will become greater efficient. The transaction price of customers should come down and a bank which is efficient, nimble and patron centred might continually be capable of doing higher than others. Client assistance is a basic piece of any part of banking and characterizes the fate of any financial association. In the financial area, the whole scope of exercises and pay age is pivoting around the client. From an entirely agreeable and serene climate, the Indian financial area is presently portrayed by intense contest for consumer loyalty and a benefit battle between various financial gatherings for example Self-Financed Banks and Nationalized banks.

A venture with high help quality will meet or outperform the client assumptions while, by remaining financially serious. Proof from exact investigations recommends that better assistance quality increments benefit and long-haul monetary seriousness. Enhancements to support quality might be accomplished by working on functional cycles; distinguishing issues rapidly and methodically; laying out legitimate and dependable assistance execution measures and estimating client satisfaction and other execution results. Nature of administration is expected to make consumer loyalty and associated with client discernments and client assumptions. Administration quality is vital, particularly for developing and creating business undertakings.

One of the elements that could assist to boom sales is customer contentment, due to the fact content leads to customer loyalty, recommendation and repeat buy. Research has shown repeatedly that carrier high-quality affects organizational outcome which includes overall performance superiority, increasing income and market share, improving patron family members, enhance company picture and sell purchaser loyalty. Furthermore, service quality and client pleasure had been observed to be related to purchaser loyalty via repurchase intentions. Delivering quality provider to clients is an ought to for fulfilment and survival in these days' competitive banking. Hence banks have grown to be extra interested in the improvement of service first-class measures. A lot of studies specialize in measuring provider high-quality the usage of the SERVQUAL MODEL evolved by using Parasuraman. Herewith a BANSERV MODEL by Avkiran in 1994 designed the modified form of SERVQUAL with special reference for the retail banking service.

Parasuraman needed regardless perceived 97 characteristics. These 97 traits have been the indispensable models to improve the clients" anticipations and discernments on the presented transporter. Notwithstanding, a great deal of these properties fit into ten aspects and later being consolidated into five components of transporter good due to the cross-over across the ten measures. At last, the top notch 5 aspects to degree the transporter great are; (TRRAE)tangibility, reliability, responsiveness, assurance and empathy. A BANKSERV aspect is a decent scale to quantify administration quality execution in Financial explicit businesses. In such manner, the specialist utilizes this following model (Figure :1) since it takes profound consideration regarding client's assumption and impression of administration gave at an association.
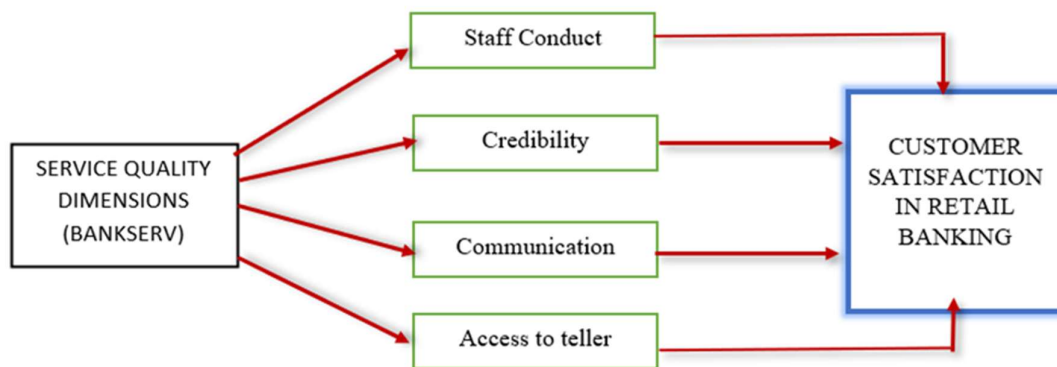

Figure 1: Theoretical framework of customer satisfaction and quality dimensions of BANKSERV. Source: As per the theory of the study, self-source

LITERATURE REVIEW:

Banking area in Indian market job as a significant piece of the monetary design, consequently its working and its consumer loyalty level ought to be consistently on better than expected. For

getting this objective a ton of investigates and studies have been finished over the course of the past numerous many years where a portion of the specialists tracked down various raw numbers. As Paul Savita (2013) forewarned that banks need to consideration on ability, security, privateness, observing and insurance of the ATM"s which can assist them with modifying their status and trust.

 Mohammad, A. A. S., and Alhamadani, S. Y. M (2012) in their review, they assess the transporter astounding in retail banking inside the developing countries in Bangladesh standard and affirmed that, clients conviction has reached on most elevated inside the enact and precision in exchanges joined by utilizing the security of clients ventures and hold the classification of record and exchanges, and least inside the supplier of current gear and stylistic layout. Because of developing resistance the bank needs to think about the weak areas if you have any desire to meet customer thought around transporter extraordinary, which is totally unique in relation to the situation with Ms. Savita.

Likewise, Sarita Bahl,(2012) discovered that security and privateness inconveniences are the large difficulty in e-banking. Assuming security and privateness inconveniences settled, the predetermination of electronic banking might be exceptionally rich.

While, Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (2011) they uncover that the Dependability and Affirmation aspects of supplier best scored the best evaluations while the Physical assets aspect got the base rating. Besides, the glance at noticed areas of strength for an in transporter superb discernments between clients of private area and public quarter banks.

Kitti Tananitikul & Nuttawuth Muenjohn (2010) expected to choose a bunch of administration great and expense aspects that were basic importance to a focal authority-possessed monetary foundation (GOB) and its supporter charm. Seven transporter key credits of 22 thing scale specifically substantial, dependability, responsiveness, ensure, compassion, rate and separation are the assertions estimating buyer's assumptions and view of administration wonderful. Apparatuses like recommend, far reaching deviation, t check and positioning procedure become utilized for the inspector and the outcome affirmed that clients are most extreme happy transporter aspect for the transporter as unwavering quality and it was one of the fundamental guidelines and systems of bank. Unmistakable, responsiveness and compassion are 3 assistance aspects have significant contrasts in their viewpoints. Unmistakable and charge administration aspect are generally pivotal to them, they were as of now least fulfilled and monetary foundation need to improve the top notch of its contributions an effective method for meeting the benefactor joy.

Puja Khatri & Yukti Ahuja (2010) completed investigations take a gander at to find the size of client saw administration fine inside the specific situation and to study and perceive the relevance of SERVQUAL form to non-public and public quarter banks and recognize the fundamental factors that clients are looking for from a pleasant of supplier transport. Different supplier pleasant aspects incorporate Substantial, Unwavering quality, Responsiveness, Affirmation and Compassion transformed into made for the glance at. 122 example respondents had been utilized in Judgment examining. Apparatuses like Mean, Standard deviation, understudy t-test were utilized to find the credit places and inclusion administrations in confidential quarter banks need to focus. Public zone banks need to further develop their administration incredible with the guide of working on their real office, foundation and giving right tutoring to their faculty.

Monica Bedi (2010) intends to analyze the connection between standard of administration, client faithfulness and social plan between India's public and confidential banks. Her concentrated-on

results showed that help productivity is a significant determinant of consumer loyalty in Indian financial industry. Different parts of administration productivity have by the by been demonstrated to be genuinely applicable among public and confidential banks. Client unwaveringness has been demonstrated to be firmly associated with recommendable inclination.

RESEARCH OBJECTIVE

The study was carried out to investigate the relationship between quality of service and its impact on customer satisfaction, with a focus on the relationship between the four independent variables of the BANKSERV model, which are Employees conduct, Credibility, Communication, and Access to teller services, and the identified dependent variable, customer satisfaction.

The study's aims are as follows: • To explore the link between service quality and customer satisfaction.

• Using the BANKSERV model, assess the quality of service of both public and private banks.

• Determine which BANKSERV dimension is best regarded by customers in banks.

Table: 1- Data Collection Source.

HYPOTHESES OF THE STUDY

Based on the above research objective, the study follows the test on the following hypotheses:

H1: There is a substantial relationship between bank employee behavior and client happiness.

H2: In banks, there is a considerable relationship between service credibility and client happiness.

H3: In banks, there is a considerable relationship between communication and client happiness.

H4: There is a considerable relationship between teller service and client happiness in banks.

RESEARCH METHODOLOGY:

Based on the extent of the sample, quantitative analysis will be utilized to acquire informative data from the target respondents. To get a better understanding of the impact of customer satisfaction and service quality through BANKSERV analysis, we focused on quantitative methodologies that assess service quality by applying the four dimensions of the "BANKSERV" instrument: each component is followed by questions. All replies were graded on a 5-point Likert scale (1 indicates a strong disagree, 2 indicate disagree, 3 = nor the agree nor disagree, 4 Equal agree, 5 Indicates strongly agree). This is used to assess the views and behaviors of the associate's clients. For this analysis, online and paper surveys are used to gather data from respondents as mentioned in Table 1.

Data Collection Method	Primary Data: Questionnaire (Online and Offline) Secondary Data: Online database from JSTOR, Elsevier, journals etc with Bank Report and different sources of online library.
Target Population sample	Convection Sampling/Judgment sampling
Sampling Frame/ Location	Haridwar (Uttarakhand)
Sample size	450 by using a simple random sampling method having distribution 225 customers from each.
Total Respondents	400 (180 respondents from private banks and 220 from public sector bank)

Questionnaire Structure:

The questionnaire contained 17 statements arranged in 4 groups. The used scale in this study is a five-point Likert-scale ranging from 5 "Strongly agree" to 1 "Strongly Disagree".

Group 1: Measured Items for Staff conduct adapted from research. There are seven sub-items used to measure it (Questions1-7).

Group 2: Measured Items for the Credibility three items were used to measure credibility

(Questions 8-10).

Group 3: Measured Items for Communication which adapted from research a total of Five sub items were used to measure Communication (Questions 11-15).
Group 4: Measured Items for service of teller with two items used to measure it is including in (Questions 16-17).

Table 2: Demographic profile distribution of respondents

Demographic Profile			
		Frequency	Percentage
Gender	Male	290	72.5
	Female	110	27.5
	Total	**400**	**100**
Age(In Years)	18-25	42	10.5
	25-34	96	24
	35-44	97	24.25
	45-54	56	14
	55-64	66	16.5
	Above 65	43	10.75
	Total	**400**	**100**

To examine the survey information, Dependability Examination used to gauge unwavering quality utilizing Cronbach alpha. The higher the score, the more dependable the produced scale is. Nunnaly (1978) has shown 0.7 to be an OK dependability coefficient however lower edges are now and again utilized in the writing. The table gives an outline of the unwavering quality scores. As should be visible from this Table:1, every one of the alpha coefficients were roughly around the expected degree of 0.7.

Table 3: Reliability Analysis table

Reliability Analysis			
Scale	No of Items	Private Bank	Public Banks
Staff Conduct	7	0.82536	0.76867
Credibility	3	0.76625	0.86545
Communication	5	0.77006	0.71156
Access to teller	2	0.76867	0.82536
Customer Satisfaction	2	0.79968	0.82852

Hypothesis testing: The hypothesis based on the research objective to understand and to evaluate the key factors influencing customer satisfaction with different banking services and sectors; the chi-square test is applied. The obtained result after applying the chi-square test is discussed in the table:2, with a degree of frequency =9 at significant value of= 0.000.

Table 4: Hypothesis testing result

		Hypothesis	Chi-square Value (Df=9, sig=0.000)	Result Accepted/Rejected	Conclusion
Private Banks	H01	There is no significant difference between Staff Conduct & Customer Satisfaction	62.004	Rejected	Hence concluded with positive relation between Staff Conduct & Customer Satisfaction
	H02	There is no significant difference between Credibility & Customer Satisfaction	79000	Rejected	Hence concluded with positive relation between Credibility & Customer Satisfaction
	H03	There is no significant difference between Communication & Customer Satisfaction	34.7	Rejected	Result indicate positive relationship between Communication & Customer Satisfaction
	H04	There is no significant difference between Access to teller & Customer Satisfaction	53.12	Rejected	There is a significant relationship between Access to teller & Customer Satisfaction
Public Banks	H01	There is no significant difference between Staff Conduct & Customer Satisfaction	57000000000	Rejected	Hence concluded with positive relation between Staff Conduct & Customer Satisfaction
	H02	There is no significant difference between Credibility & Customer Satisfaction	41	Rejected	Hence concluded with positive relation between Credibility & Customer Satisfaction
	H03	There is no significant difference between Communication & Customer Satisfaction	430	Rejected	There is a significant relationship between Communication & Customer Satisfaction
	H04	There is no significant difference between Access to teller & Customer Satisfaction	42.959	Rejected	Result indicate positive relationship between Access to teller & Customer Satisfaction

Another research objective is also to identify the best BANKSERV dimension perceived by the

customer in banks, for this, a bar graph representation is done by using the mean of each dimension. The charts reflect the overall perception of the two types of banks, & the consumer perception analysis centred on each dimension.

Graph:1 Customer's perception & BANKSERV dimensions
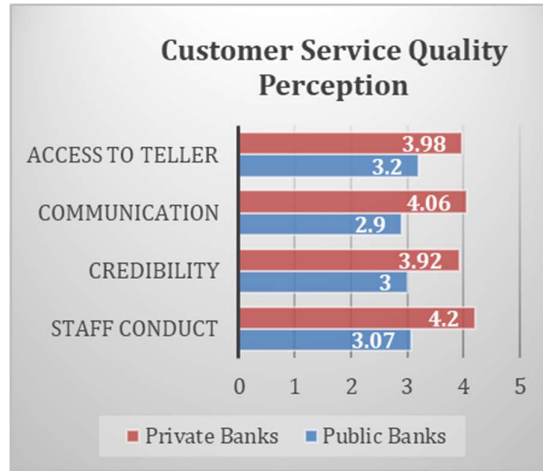
Source: Analysis result graph

Customer perceptions of four dimensions were captured for assessing the quality of customer service. The following map (Graph:1) shows the general understanding of the two forms of banks, & the consumer experience analysis dependent on each aspect. The graphical bar represents high service perception from private banks which is not a big difference as compared to public banks. Hence, they can also achieve that position with some strategical & applied changes. Each dimension of BANKSERV was graphically presented with their response perception to analyse them in detail concerning each factor.

Graph:2 Customer's perception & Staff Conduct
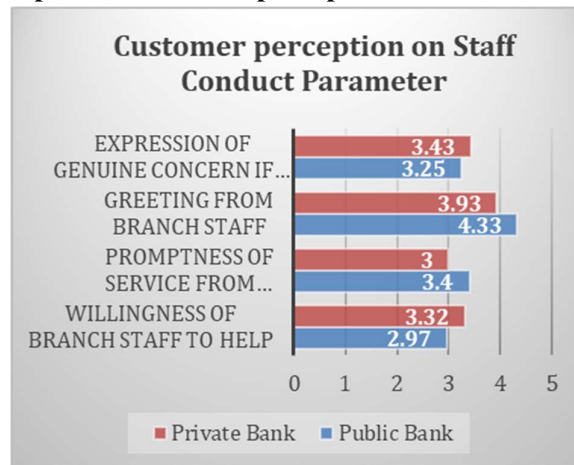
Source: Analysis result graph

The calculated score for Staff conducts ranged between 2.9 to 4.33, which is a passably score for any bank. According to the analyses result in private banks score comparatively high with staff conduct except in staff help & acceptance of mistake whereas the private banks find a positive result in their behaviour with 4.33 mean score from greetings & behaviour.

Graph:3 Customer's perception & Credibility
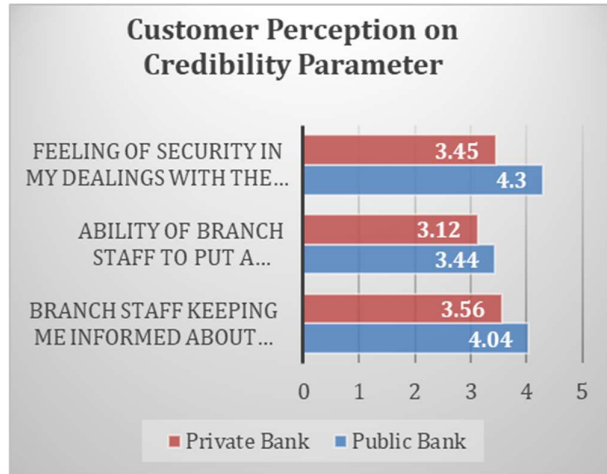
Source: Analysis result graph

The credibility dimension concern with the feeling of security & correcting their mistakes with acceptance & correcting them accordingly. In this parameter, public banks score more as compare to the private banks. The mean score of acceptability with satisfaction level lies between 3.44 to 4.3 which can be a good score for them. The private banks are also not so far apart but it may be a trust level for the government agencies.

The communication is an important aspect for every organisation especially in-service sector. Communication about their product, services, grievance etc should be proper, clear & healthy. In the banking industry, proper communication is also a very important dimension as shown in the result.
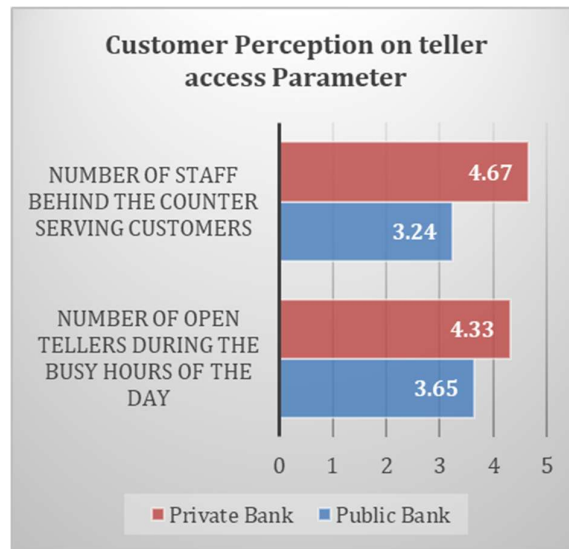
Graph:4 Customer's perception & Communication
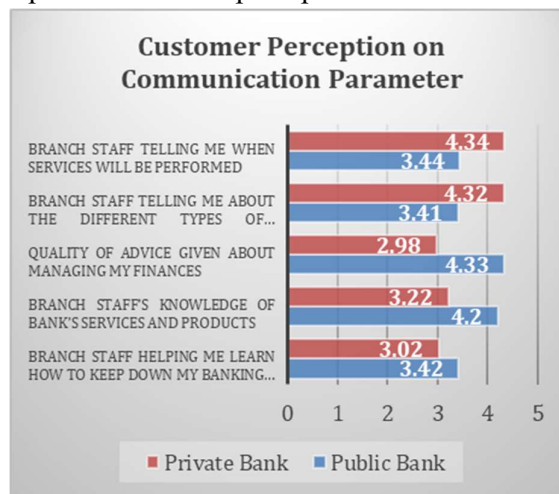
Source: Analysis result graph

Here the private banks scored good but not with a big gap that means the public sector can work on some of these factors like service time to be performed, & exposure to the products offered.

Graph:5 Customer's perception & Teller Access

Customer Perception on teller access Parameter

NUMBER OF STAFF BEHIND THE COUNTER SERVING CUSTOMERS	Private Bank: 4.67, Public Bank: 3.24
NUMBER OF OPEN TELLERS DURING THE BUSY HOURS OF THE DAY	Private Bank: 4.33, Public Bank: 3.65

■ Private Bank ■ Public Bank

Source: Analysis result graph

The last factor of teller access comprises of staff number & working hours in which private bank scores best with a hard difference of approx. 1.32. Which conclude that in private banks customers were satisfied with their number working in staff & as well with their working hours. Since public banks should work on these factors to get the chance to win this cut-throat competition in the financial sector.

Research Implications:

The BANSERV version was used to explore the lovely belief of bank consumers in Haridwar for Public & Private bank & the disparities in the relative relevance they connect to the various fine dimensions. BANKSERV appears to be a valid scale for measuring first-class banking service, & it provides a helpful diagnostic role to play in monitoring & evaluating provider nice in banks. The study discovered that Customer Satisfaction with Haridwar financial services is significantly related to Staff Conduct, Credibility, Communication, & Access to a Teller. It also implies that clients' belief is highest in the dependability region, consistent with Parasuraman et al. & Yang et al., & lowest throughout the guarantee area. The outcomes of the studies advocate that there may be a giant wonderful courting between the credibility & staff conduct with the main emphasis on communication, so the clients prefer a face-to-face carrier by way of the banks.

PSBs (Public Sector Banks) are well-known for the trust they have built with their customers & for their long-standing presence in society. As a result, it is advised that public sector banks maintain the confidence factor while improving other aspects of service efficiency. As per the obtained result, it is advisable, that the public sector banks engage more with the technologies & strong network facilities to offer timely & effective service to the customers. The customer always wants to evolve with no constraints, & that is very much apparent from the numerous services offers by the other bank's day today. Not only to revolt competition with the private banks but also to keep the current clients, the public sector banks must take lead on this for this a proper training programme for the staff in empathizing with the consumers which might assist the banks to retain the present & entice new customers. The Establishment of branches in each feasible location & managing customer relation effectively might help banks to create more money owed & provide greater attain to the banks.

Limitations of the study:

This research, however, is subject to several limitations. The breadth & size of the sample are the key limitations of this study. Some of the followings are acknowledge below:

1- The sampling in this study was small & restricted to Haridwar resident customers only.

2- The research did not take into account the possible consumer gaps, society, culture, status etc. Future researchers can substantiate the research findings by carrying out similar studies in various cities.

3- Responses on quality of service & customer loyalty have been sought from banks customers in a small town. People's perceptions that differ from those of large towns & so there is a potential for cultural prejudice to play a role in the study outcome

4- The time span was very short therefore it was not possible to determine the effect of customer service on banks business.

5-This research also did not divide the population sample geographically. Because of differences in cultures, educational backgrounds, & other demographic considerations, a human being living in a distant place (who lives a simpler life) might well have specific perspective & opinions regarding customer services provided by banks..

Scope for Further Research:

As per the above limitations in the study, the research can be followed with a large sample size, & geographical area, which results in the clarity of the performance. With reference to the second limitation, this research can be pursued with the difference in culture, status, education qualification etc. & their impacts on the result.

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