



An Empirical Study on Customer Services of Selected Public Sector Banks with Special Reference to Udaipur City

KEYWORDS

Customer Services, Public Bank, Udaipur

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ABSTRACT

"Consumer is the real king in India." This statement clearly depicts that customer satisfaction is the key driven factor behind the growth of any industry and banking is not an exception to it. And due to the increasing fierce competition from commercial banks it is becoming very essential for public banks to know about the level of awareness and satisfaction among its customers to sustain the significant market share. The paper is based on descriptive research design & close ended questionnaire is used to collect the primary data from public bank customers. This paper highlights the reasons of preferring the public banks and also explores the awareness and satisfaction level of public bank customers with special reference to Udaipur city. Conclusions of paper also reveal the impact of customers' demographic on the awareness level of public bank's services.

Introduction:

The business of banking industry is the backbone to the development of Country's economy.

With the growing importance of banks the needs and demands of customers are also changing at a very rapid pace and banks have to satisfy all customers belonging to different social groups. Nowadays banks provide variety of services ranging from savings account to internet banking, granting loan services to insurance, locker facility to transfer money to abroad. The banking has therefore become very complex and

requires specialized skills so as to move in tandem with the current transformations in the global banking system.

Indian Banking Industry originated in the last decades of the 18th century and since its inception public banks had monopoly in the market. But after liberalization with the entrance of private banks, upper bar of competition has increased a lot which forced public banks to enhance the level of customer services. So keeping in mind the vital needs of public banks this study attempts to know about the level of awareness and satisfaction among customers of public banks along with the influencing factors.

Literature Review:

Sr. No.	Year	Author(s)	Contribution to the body of knowledge
1	2011	Maya B. Lohani, Kamlesh Kumar Shukla	The Comparative study of customer perception towards services provided by public sector banks and private sector banks reveals that the perceived quality of services provided by private sector bank (ICICI) is better than public sector bank (Bank of Baroda) in Lucknow city region.
2	2011	Uma Sankar Mishra, Bibhuti Bhusan Mishra, Swagat Prahara, Ramchandra Mahapatra	The study revealed that the public banks are ahead of the private banks in attracting and retaining customers because of good personal relationship with the customers.
3	2012	Nirmaljeet Virk, Prabhjot Kaur Mahal	According to the research conducted by authors, private sector banks are providing better services in terms of mutual funds, query resolution through telephone, branch facilities, services by teller and above all customer relations with manager.
4	2012	Manoj Dash, Saroj Dash, Jai Prakash Sharma	The comparative analysis of the service attributes among two major segments has revealed that private banks have dominated public sector banks in terms of delivering qualitative customer service. Although public sector banks played a vital role in reaching every segment of the society in the past, the performance in the current scenario is not encouraging. So, efforts should be made.
5	2012	M. Kailash	The findings show that Private sector banks performed significantly by satisfying its customers with good services and they have been successful in retaining its customers by providing better facilities than Public sector banks.

Objectives:

The purposes of this research paper are as follow:-

1. Identify the reasons for having account in Public Sector Bank.
2. Study the awareness of customers regarding banking services of Public Sector Banks.
3. Identify the significant difference between the satisfaction levels of different Public bank customers of Udaipur City.
4. Identify the impact of customers' demographics on their awareness level about Public Bank Services.

Research Methodology

(a) **Research Design:** - To serve the purpose of research paper descriptive research design was used. Primary data was collected with the help of close ended questionnaire.

(b) **Sample Design:** - Our target population involves the us-

ers of banking services of Public Sector Banks. 200 respondents of SBI (50), PNB (50), UCO Bank (50), & BOB (50) were selected through convenience sampling from Udaipur.

(c) **Analysis:** - The data collected was analyzed with the help of various statistical tools like Chi-square test, ANOVA (F-test), Weighted Arithmetic Mean etc.

Analysis & Interpretations

a) Demographics of Respondents

Descriptive statistics are illustrated in Table 1, which indicates demographic wise distribution of respondents. 62% respondents are male & majority of customers are graduate (43%). Major number of Public Bank customers belongs to the age group of 36 to 50 (32%). Percentage of Private employees is maximum (37%) & 30% of respondents are having monthly income between Rs. 30,001 to 40,000.

Table-1: Demographics of Respondents

Particulars	Frequency	Percent	Cumulative Percent	Particulars	Frequency	Percent	Cumulative Percent
Gender				Monthly Income			
Male	124	62	62	Less Than Rs. 10,000	16	8	8
Female	76	38	100	Rs. 10,001 - Rs. 20,000	30	15	23
Total	200	100		Rs. 20,001 - Rs. 30,000	58	29	52
Education				Rs. 30,001 - Rs. 40,000	60	30	82
Intermediate	18	9	9	More Than Rs. 40,000	36	18	100
Graduate	86	43	52	Total	200	100	
Post Graduate	54	27	79	Profession / Occupation			
Professional	42	21	100	Govt. Employee	34	17	17
Total	200	100		Pvt. Employee	74	37	54
Age Group				Professional	24	12	66
Below 25	46	23	23	Businessman	22	11	77
25-35	48	24	47	Student	16	8	85
36-50	64	32	79	Retired	22	11	96
51-60	42	21	100	Other	8	4	100
Total	200	100		Total	200	100	

b) Types of Accounts

Table 2 exhibits the details of the types of account of the respondents. Data shows that majority of customers have saving account (42%) followed by Loan account (25%). Few customers have Current Account (16%), Recurring Deposit Account (10%) & Fixed Deposit Account (7%).

Table-2: Types of Accounts

Particulars	Frequency	Percent	Cumulative Percent
Saving Account	84	42	42
Current Account	32	16	58

Fixed Deposit Account	14	7	65
Loan Account	50	25	90
Recurring Deposit Account	20	10	100
Total	200	100	

c) Reasons for having Account in Public Bank

Table 3 reveals the reasons for having an account in Public bank. Final ranking is done with the help of weighted arithmetic mean.

Table-3: Reasons for having account in Public Bank

Weights	6	5	4	3	2	1	Total	Weighted Total	Weighted Avg.	Rank
Rank	1 st	2 nd	3 rd	4 th	5 th	6 th				
Reasons										
Nominal Charges	36	26	42	26	24	46	200	686	32.67	5
Nearness to Residence / Office	36	30	38	14	50	32	200	692	32.95	4
Transparency	30	46	28	44	32	20	200	738	35.14	2
Convenience	32	28	36	48	20	36	200	696	33.14	3
Necessity	18	20	20	38	48	56	200	554	26.38	6
Confidence in Public Management	48	50	30	30	26	10	200	834	39.71	1

Data shows that the major reason behind opening account in Public Bank is Confidence in public management followed by Transparency of Bank. The least rank is given to the Necessity.

d) Awareness on various services

Table 4 highlights the mean awareness score for each of the four major services offered by Public banks.

Table-4: Awareness Score on Various Services

Service	Awareness Level			Total Score	Mean Score	Rank
	Fully Aware	Partly Aware	Not Aware			
Depository Services	148	50	2	546	91.00	1
Mercantile Services	64	80	56	408	68.00	4
Loan Services	80	74	46	434	72.33	2
Technology Based Services	50	112	38	412	68.67	3

In order to calculate total awareness score, the numbers of respondents whose opinions are "fully aware", "Partly aware" & "Not aware" are multiplied by 3, 2 & 1 respectively. The mean score is calculated by dividing the total score by total number of weights (6). Data reveals that among four services, deposit services have got the highest score followed by the Loan, Technology based & mercantile services.

e) Hypothesis Testing: -

H01 = There is no significant difference between the satisfaction levels of different Public bank customers of Udaipur City

Table-5: Satisfaction Level of Consumers

Bank	Satisfaction Level towards Banking Services					Total
	Highly Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Highly Dissatisfied	
SBI	12	14	9	7	8	50
PNB	12	14	12	6	6	50
UCO	10	13	12	8	7	50
BOB	12	13	11	9	5	50

ANOVA (F-ratio)			
Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value
20.45	(5,15)	5%	2.90

The analysis provides enough evidence to reject the null Hypothesis. In other words there is a significant difference between the satisfaction levels of different Public bank customers of Udaipur City

H_{02} = Gender of respondents doesn't affect their awareness level about Public Bank Services.

Hypothesis	Factor		Awareness Level for all Services			Test	Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value	Result
			Fully Aware	Partly Aware	Not Aware						
H_{02}	Gender	Male	80	22	22	Chi - Square	72.95	2	5%	5.991	Rejected
		Female	6	56	14						
H_{03}	Age	Younger (<35 Years)	56	20	18	Chi - Square	25.74	2	5%	5.991	Rejected
		Older (≥35 Years)	30	58	18						
H_{04}	Income	Relatively Low (< Rs. 30,000)	54	34	16	Chi - Square	7.04	2	5%	5.991	Rejected
		Relatively High (≥ Rs. 30,000)	32	44	20						
H_{05}	Education	Intermediate	4	12	2	Chi - Square	20.32	6	5%	12.592	Rejected
		Graduate	28	38	20						
		Post Graduate	26	18	10						
		Professional	28	10	4						

The result of the study shows that the null-hypothesis holds to be invalid for Gender, Age, Income, & Educational level. So it can be clearly stated that Gender, Age, Income, & Educational level of Respondents affect their awareness level about Public banking services.

Conclusions:

1. Analysis of data reveals that Confidence in public management is most influencing factor which leads customers to have an account in Public sector bank.

H_{03} = Age of respondents doesn't affect their awareness level about Public Bank Services.

H_{04} = Income of respondents doesn't affect their awareness level about Public Bank Services.

H_{05} = Education of respondents doesn't affect their awareness level about Public Bank Services.

- Majority of customers are aware about the deposit services of Public Banks. Loan services are ranked on second position on awareness scale.
- There is no significant difference between the satisfaction levels of various Public bank customers towards services offered.
- The awareness level about Public bank services is affected by demographics of customers.

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