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A Comparative Study on Customer Satisfaction Towards Information Techonology in Public and Private Banking Systems with special reference to Perambalur District

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ABSTRACT

Indian banking Industry is in the midst of information Technology revolution. The persistent pressure in the competitive environment drives the banking companies to reach the client at his door step to meet his or her requirements of product and services. Younger generation group of customer are much more amenable to use electronic delivery channels than visiting physical branches. Technology helps the banking companies to reach geographically distant and diversified markets and also satisfy the customers with demanding speed, efficiency and low cost. Bank are installing more ATM's for its transaction, telephone banking and usage of cards are finding increased acceptance. Internet Bank core banking service are also finding wider acceptance. This paper tries to analyze the comparative analysis of customer satisfaction among these two categories of banks – public and private sector banks using the list of service attributes based on SERVQUAL method. Simple random sampling technique is adopted and sample size of the data is 20 from the Perambalur. This study is just a small step in understanding the multi Dimensional construct of service quality and its implications in today competitive environment.

KEY-WORDS: E-banking, Information Technology, Customer satisfaction, SERVQUA

1. INTRODUCTION

Banks play a very important role in the economic development of every modern state. Banks operate at the heart of the modern economy. Traditionally, banking had been restricted from private participation in India and public sector banks had been enjoying complete protection. This scenario has changed since 1990. The decade of 90s witnessed a sea change in the working of banking in India. Technology made tremendous impact by introducing „anywhere banking" and „anytime banking". The financial sector now operates in a more competitive environment than before and involves relatively large volume of international financial flows. In the wake of greater financial deregulation and global financial integration, the biggest challenge before the public sector banks is to match the market requirement rather than being promoted by Government or regulator. Foreign banks and the new private banks have embraced technology right from the inception of their operations and therefore, they have adapted themselves to the changes in the technology easily. Deregulation, liberalization and globalization have produced intense competition in banking industry resulting into declining margins in traditional businesses, increased cost pressures and greater risks. Market positioning, cost of intermediation and service delivery are likely to be determinants of the efficiency of banks with respect to their competitiveness. In the changed environment creating new customers and retaining the existing ones have become difficult

ISSN:0971-1260
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tasks for banks. To meet the competition, creating satisfaction of customers has become primary objective of each bank.

What Satisfies a Customer?

According to Juran, Deming and Crosby its the quality of the product or service, that satisfies a customer. Quality is especially important in the banking sector because duplication of products and services is relatively easy. Further, differentiation of products is difficult in case of the banking sector. Thus, quality becomes the only differentiator and the key to continuing success. With increasing competition, banks that survive and succeed will be the one that provide quality service. Research studies have repeatedly proved that customers are willing to pay for quality service. Banks that wish to succeed and stay ahead must, therefore, systematically build a structure that aims at providing Total Quality Service. As with the bank's financial goals, success can be achieved only with proper analysis and suitable goals.

Service Quality and Customer Satisfaction

There is a great deal of discussion and disagreement in the literature about the distinction between service quality and satisfaction. The service quality school view satisfaction as an antecedent of service quality - satisfaction with a number of individual transactions "decay" into an overall attitude towards service quality. The satisfaction school holds the opposite view that assessments of service quality lead to an overall attitude towards the service that they call satisfaction. There is obviously a strong link between customer satisfaction and customer retention. Customer's perception of Service and Quality of product will determine the success of the product or service in the market. If experience of the service greatly exceeds the expectations clients had of the service then satisfaction will be high, and vice versa. In the service quality literature, perceptions of service delivery are measured separately from customer expectations, and the gap between the two provides a measure of service quality.

2. OBJECTIVES

- The various products and service offered by public and private sector banks through information technology.
- To identify the factors influencing level of satisfaction in public and private sector banks through information technology.
- To compare the public sector banks and private sector banks in terms of customer satisfaction through information technology.

3. RESEARCH METHODOLOGY

The study is based on a survey conducted in perambalur district with the help of Primary data And Secondary data. The secondary data was collected from various possible records like books, magazines, periodicals and websites. Simple random sampling technique is adopted and 20 respondents (customers of banks) constituted the sample for the survey. It included equal proportion from both private banks and nationalized banks. The questionnaire was a SERVQUAL one consisting of 09 statement.. The list of service attributes based on different service dimensions are ranked and rated by the customer to identify the importance of each service attributes. All the data were collected from bank customers through Personal Interviews, Interactions with consumers

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Vol-22-Issue-4-October-December-2019

of different banks and Interaction with customers at Malls and other market places. After the data has been collected, it was entered into Microsoft Excel and was prepared for analysis

Data Analysis

The major statistical tool used in this study is Percentage analysis

4. LIMITATIONS OF THE STUDY

This study is geographically restricted to Perambalur District only. Limited number of banks (only two Public sector and two Private sector banks) were covered under the study. The sample size do not ensure representative and conclusive finding and finally, a more robust analysis is needed to reach a strong conclusion.

Hypothesis

There is no significant difference between the types of banks (Public and Private sector) with respect to service quality dimensions.

Data Analysis and Interpretation

Demographical Data

Factors		
Gender	Male	60%
	Female	40%
Age	Up to 20	2%
	20-40	65%
	40-60	25%
	Above 60	8%
Occupation	Business	14%
	Govt job	19%
	Private job	65%
	others	2%
Education	HSC	5%
	UG	19%
	PG	71%
	Others	9%
Marital status	Married	76%
	Unmarried	24%
Income	> 10000	17%
	10000-30000	31%
	< 30000	52%

From the above data it can be said that out of the 20 respondents 60% were Male and 40% were female. 2% of the respondents were under the age of 20, 65% were in the age group of 20 to 40 years, 25 % were in the age group of 40-60 years and 8% were above 60 years. If we see the educational qualifications then 5% were 12th pass, 19% were graduates and 71% were post graduates. 76% of the respondents were married and 24% were unmarried. Of the

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

250 respondents 17% had an income of less than 10,000 rupees, 31% had an income between 10,000-30,000 rupees and 52% had an income of more than 30,000 rupees.

SERVEQUAL Factors (In Percentage)

E= Excellence, G= Good, M=Moderate, B=Bad, W =Worst

Data Analysis and Interpretation

Factors	Nationalized Bank					Private Bank				
	E	G	M	B	W	E	G	M	B	W
Automated Teller Machines (ATMs)	50%	30%	20%	0	1%	70%	30%	0	o	o
Internet Banking	80%	20%	0	0	0	90%	10%	0	0	0
Mobile Banking	50%	30%	20%	o	o	60%	40%	0	o	o
Telebanking	30%	30%	30%	10%	0	80%	20%	o	o	o
Electronic Clearing Services	50%	50%	0	0	0	70%	30%	0	0	0
Electronic Clearing Cards	40%	30%	30%	0	o	60%	40%	0	o	o
Smart Cards	50%	40%	10%	0	0	60%	40%	0	0	0
Door Step Banking	30%	40%	30%	o	o	50%	50%	0	o	o
Electronic Fund Transfer	60%	30%	10%	0	0	70%	30%	0	0	0

1) **Automated Teller Machines (ATMs): -**
The above table states the fact that most of the respondents says that 50% excellent ,30% good, 20% medium and 1% worst in Nationalized Bank and for the private Bank 70% excellent and 30% good.
2) **Internet Banking: -**
The above table states the fact that most of the respondents says that 80% excellent ,20% good in Nationalized Bank and for the private Bank 90% excellent and 10% good.
3) **Mobile Banking: -**
The above table states the fact that most of the respondents say that 50% excellent, 30% good, and 20% medium in Nationalized Bank and for the private Bank 60% excellent and 40% good.
4) **Telebanking: -**
The above table states the fact that most of the respondents say that 30% excellent, 30% good, 30% medium and 10% bad in Nationalized Bank and for the private Bank 80% excellent and 20% good.
5) **Electronic Clearing Services: -**
The above table states the fact that most of the respondents say that 50% excellent and 50% good in Nationalized Bank and for the private Bank 70% excellent and 30% good
6) **Electronic Clearing Cards: -**
The above table states the fact that most of the respondents say that 40% excellent, 30% good and 30% medium in Nationalized Bank and for the private Bank 60% excellent and 40% good
7) **Smart Cards: -**
The above table states the fact that most of the respondents say that 50% excellent, 40% good and 10% in Nationalized Bank and for the private Bank 60% excellent and 40% good

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

8) **Door Step Banking:-**
The above table states the fact that most of the respondents say that 30% excellent, 40% good and 30% in Nationalized Bank and for the private Bank 50% excellent and 50% good.
9) **Electronic Fund Transfer**:-
The above table states the fact that most of the respondents say that 60% excellent, 30% good and 10% in Nationalized Bank and for the private Bank 70% excellent and 30% good.

5. SUGGESTIONS

- Public sector bank can improve their customer's level of satisfaction through the implementation of the well established software and effective organizational set up.
- It is suggested that both public and private banks should dramatically improve their ECS mechanism towards the services provided under settlement system and centralized funds management system.
- Customer grievances should be redressed speedily and customer's satisfaction should always be the top priority.
- Public and private bank can further launch a innovative products and services to facilitate trade investment, cross-border business and foreign.

6. FINDINGS AND CONCLUSION

- **The public and private sect**or banks are proving are to be a vital distribution channel of various products and services.
- **The** effect of globalization significantly proved that the adoption of technology is to improve the service, productivity and operational efficiency of banks are mainly to impress the customers.
- The public and private sectors are able to offer moderate to high level of satisfaction to their customers with respect to the information technology based products and services.
- The customers demographic background and professional background are the crucial factors to evaluate the need of recognition of the banking services as well as to expresss their level of satisfaction.

Social relevance

- Customer services through information technology based innovative technologies actually increased the efficiency of our service system of the society.
- This show the potential society, which is able to meety out future challenges and inconvenience caused by the population explosion.
- The LPG requires the implementation of hi-technology at every avenue of the products and services.

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ISSN:0971-1260
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