



## COMPARATIVE ASSESSMENT OF OVERALL SATISFACTION OF PUBLIC AND PRIVATE BANK CUSTOMERS ON E-BANKING

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### ABSTRACT

Present study attempt to determine how clients perceive electronic banking services at a few public and private sector banks in Nagpur city. A survey methodology was use to collect data from public and private bank customers. 250 customers from public bank and 250 customers from private sector bank were selected in the research. Data was collected by self-prepared questionnaire. , it is apparent from the study result that however, majority of respondents assigned the highest percentage to the satisfied choice, still private sector bank customer are more satisfied with employee level and service level e-banking services than public sector bank customer. Though, there is no considerable difference in satisfaction of public and private sector bank customer with e-banking at technical level. In addition to this, customers of private bank sector are more satisfied with overall e-banking services than customers of public sector bank.



**KEY WORDS:** Public Sector Bank, Private Sector Bank; E-Banking; Customer Satisfaction.

### INTRODUCTION

The nation and its people depend on Indian banking to survive. It is one of the crucial financial system pillars that determines whether an economy succeeds or fails and is therefore very significant. They are crucial in the mobilization of deposits and the distribution of loans to different economic sectors. The globalization and liberalization processes have had a significant impact on the Indian banking industry. This industry has been given top importance by the government, and it has been modified to meet modern demands. As part of the globalization process, India's banking sector reforms aim to make current banking institutions more effective and profitable while also exposing them to international competition.

Along with cooperative credit institutions, the Indian banking system comprises of 26 public sector banks, 21 private sector banks, 44 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks, and 93,550 rural cooperative banks. From Rs 75.91 lakh crore (US\$ 1,131.47) on May 12, 2017 to Rs 85.511 lakh crore (US\$ 1,326.78 billion) on May 11, 2018, bank credit increased by 12.64 percent year over year.

The banking industry has been able to develop new and more effective delivery and processing channels as well as more inventive products and services thanks to the financial liberalization and technological revolution. Banks were under pressure to offer alternative distribution channels in order to attract clients and enhance customer impression due to the complex business processes in the financial services industry. To provide its customers with a wide range of online services with more ease for information access and transaction processing, many banks have embraced internet banking. Customer loyalty and satisfaction are becoming more and more important success elements in e-

banking. Service firms are increasingly using technology, in particular, to improve customer service quality and delivery, cut costs, and unify core service offerings. With time and increasing awareness and education, online banking will be widely accepted. Many people are switching to online banking and adopting its benefits with open arms. Online banking services provide clients with substantial recompense in terms of cost and convenience by enabling them to manage their accounts from any location at any time for a minimal fee.

E-banking is a catchall phrase for the provision of banking services and goods by electronic means, including the phone, the internet, mobile devices, etc. E-banking's concept and application are still developing. It greatly speeds up the supply of financial services by enabling an efficient payment and accounting system. E-banking has increased convenience and efficiency, but it has also presented regulators and supervisors with a number of difficulties. The development of E-banking in India has been assisted by a number of actions made by the Indian government and Reserve Bank of India (RBI).

The six primary drivers of E - banking includes, Improve customer access; Facilitate the offering of more services; Increase customer loyalty; Attract new customers; Provide services offered by competitors and Reduce customer attrition.

E-banking is always evolving and changing as a result of technology. With the rise in social media and internet usage, bank consumers started utilizing e-banking. In the banking sector, a consumer is the essential element. Without customers, the banking industry cannot operate, and it cannot be run by luring in a specific quantity of clients. Effective customer services are therefore the key to success. By influencing client loyalty, cross-purchase behaviors, positive word-of-mouth perceptions of the bank, and eventually increasing the bank's overall performance over time, good customer services can provide a bank a competitive edge.

Consumer happiness is the foundation of consumer perception in today's competitive environment, and relationship marketing is essential to the success of the banking industry as a whole. Banking is a customer-focused service industry, and Indian banks have begun realizing that their success depends on their ability to provide excellent customer service and foster a positive customer experience. They are being compelled by this to enhance customer service and cultivate relationships with clients.

With the development of E-banking services, there is some variance in the services offered by the banks. Despite the growing significance of e-banking services, little research has been done on them in the context of India. Determining how clients perceive electronic banking services at a few public and private sector banks in Nagpur city is the goal of the current study, which is a modest effort. The current study does its utmost to close these gaps.

## REVIEW OF LITERATURE

Based on the examination of data from 200 respondents, Swaminathan and Ananth (2010) concluded that there is a strong relationship between age and occupation and other aspects in terms of customer satisfaction. The investigation revealed that a certain age group had utilized e-banking services, and that customer satisfaction had a significant impact on convenience, awareness, and responsiveness. The majority of banking customers now prefer and move to e-banking services in the modern technological culture. Therefore, the banker can enhance their services, commitment to consumers, and retention by being more aware of various age groups and focusing on the elements that contribute to customer happiness. Kumbhar (2011) evaluated major factors (i.e. service quality, brand perception and perceived value) affecting on customers' satisfaction in e-banking service settings. Study also evaluated influence of service quality on brand perception, perceived value and satisfaction in e-banking. Security/ Assurance, Responsiveness, Easy to Use, Cost Effectiveness and Compensation are predictors of brand perception in e-banking and Fulfilment, Efficiency, Security/Assurance, Responsiveness, Convenience, Cost Effectiveness, Problem Handling and Compensation are predictors of perceived value in e-banking. Sharma (2012) explored different factors that might be interrupting the burgeoning development of e-banking in rural areas. The study attempted to submit some suggestions to enhance the level of overall satisfaction of rural customers and resultant rise in the propensity to use e-banking

as a primary channel of banking. Sawant et al (2013) studied the impact of e-services on customer satisfaction. A comparative study of customer satisfaction level in three major public sector banks (State Bank of India, Bank of Maharashtra and Bank of Baroda) and three major private sector banks (ICICI Bank, HDFC Bank and Federal Bank) is done, with special reference to the problems faced by customers using online services. Study also examined the relationship between various online facilities, factors affecting the choice of Internet banking and its interplay with customer satisfaction. Mageshwari and Kumar (2014) analyzed the satisfaction level of customers towards E-banking services in Puducherry region. A survey was undertaken where respondents completed a questionnaire about their perceptions of the three e-banking services i.e. ATM, Mobile Banking and Internet Banking.

Reddy and Reddy (2015) studied perception toward the convenience and willingness to use E-banking services are identified and measured. Customer satisfaction level towards the E- Banking has been identified. Srivastav and Mittal (2016) discussed the impact of various Internet banking (IB) services on the overall satisfaction levels of the banking customers. The application of this analysis revealed that customers wanted the private sector banks to improve upon the features like quality of service, frequency of reminder given for password change, safety, privacy of ID and password, and proper entering of the details in the bank registers. In case of the public sector banks, customers had different sets of concerns - like they were much worried about the lack of development in rules and regulation of E- banking as well as the poor regulatory framework in Internet banking. However, security issues aroused a common concern from the customers in case of both sectors of banks. The results also showed that the customers were ready to adopt Internet banking provided they were given necessary guidelines and constant built up of trust. Rajendran and Suresh (2017) applied the Customer Satisfaction Index (CSI) as a performance evaluation metric in the Indian e-banking context. The results showed perceived quality and perceived value as the antecedents of customer satisfaction; while customer complaints and customer loyalty as its consequences. The CSI-EB score computed was 70.7 indicating that the respondents were fairly satisfied with the e-banking services. In the context of Indian e-banking, Prasad (2018) investigated the interactions between perceived quality, customer happiness, and customer loyalty. The study's findings demonstrated that customer loyalty was significantly influenced by both perceived quality and customer happiness, with perceived quality serving as a greater predictor. This study verified the partial mediation function of customer satisfaction in the context of e-banking because perceived quality affected customer loyalty both directly and indirectly through customer satisfaction. Prasad et al., (2019) determined customer satisfaction must be a constant, reliable, suitable, precise and consistent process. A new approach in customer satisfaction becomes an essential tool in strategic business units to the organization.

Sardana and Bajpai (2020) examined the determinants of e-banking service quality and their impact on customer satisfaction. Based on convenient sampling, the study used primary data of two private sector banks in Delhi region to produce a 5-factor structure. The exploratory factor analysis produces dimensions of efficiency, trust, fulfilment, responsiveness and systems critical to e-service quality satisfaction. Regression results show trust and privacy as the most critical factor influencing e-banking service quality perceptions. Further, the study provides theoretical and managerial recommendations for increasing online banking adoption and improving overall customer satisfaction. Limitations and future scope of research are further discussed. The influence of each component, such as dependability, security & privacy, website design, and responsiveness & communication, which affects customer satisfaction, is measured by Das and Ravi (2021). A questionnaire was used to gather primary data online. The questionnaires received 149 replies in total. Data analysis techniques include correlation, regression, ANOVA, and weighted average tests. This study makes a number of recommendations regarding which aspect of service quality has to be improved to satisfy clients using E-banking services. In order to increase client satisfaction and enhance the quality of their E-banking service, banks might leverage these insights. Rajasulochana (2022) looked explored how customer satisfaction with Indian Overseas Bank, Canara Bank, Panjab National Bank, ICICI, and HDFC banks is impacted by the service quality of their internet banking. In order to better understand how the quality of internet banking services affects consumer satisfaction in the Karnataka Region, an exploratory

survey was undertaken. The findings suggested that customer satisfaction with internet banking clients is significantly impacted by the quality of the service provided across all dimensions. The overall consumer satisfaction with internet banking in public and private banks is 71% influenced by each of the factors of efficiency, system availability, fulfilment, privacy, contact, responsiveness, and interaction. Prakash (2023) research the level of client satisfaction with Axis Bank's online banking options. The study used a quantitative research methodology and distributed a structured questionnaire to a sample of Axis Bank's online banking users. The study examined the data using descriptive statistics, reliability analysis, and regression analysis. The findings demonstrated that Hub Bank's e-banking services enjoyed generally somewhat high levels of customer loyalty. The simplicity of use of the e-banking system received the greatest ratings, followed by the security and privacy of the system, while the speed of the system received the lowest ratings. Customer satisfaction was also found to be positively impacted by system dependability, user friendliness, security and privacy, and customer satisfaction.

**METHODOLOGY**

A survey methodology was use to collect data from public and private bank customers. 250 customers from public bank and 250 customers from private sector bank were selected in the research. Data was collected by self-prepared questionnaire. The responses were taken for 4 parameters and 23 sub-parameters of satisfaction customers. These parameters include Employee level (4 Sub-parameters); Service level (8 Sub-parameters); Technology level (8 Sub-Parameters) and Overall Satisfaction (3 sub-parameters). A five-point Likert scale was use to get responses of customers. Results were put by comparing mean rank provided to each sub parameter.

**FINDINGS AND RESULTS**

**Table 1: Comparative assessment of satisfaction of public and private sector bank customer on E-Banking Services at employee level**

Sr. No.	Sub Parameters	Bank	N	Mean	SD	Z	P
1	Knowledge of services among employees	Public	250	3.62	±0.37	-6.227	<0.05
		Private	250	3.96	±0.78		
2	Affable behavior of employees	Public	250	3.51	±0.56	-11.24	<0.05
		Private	250	4.21	±0.81		
3	Employees are cordial with clients	Public	250	3.26	±1.12	-11.93	<0.05
		Private	250	4.33	±0.86		
4	Contacting the branch manager is easy.	Public	250	3.56	±0.67	-3.716	<0.05
		Private	250	3.87	±1.07		
5	Overall Satisfaction at employee level	Public	250	3.49	±0.68	-7.596	<0.05
		Private	250	4.09	±0.88		

N= Number; SD= Standard Deviation; Z= Z Value; P= P Value

Above Table 1 illustrates information pertaining comparative assessment of satisfaction of public and private sector bank customer on E-Banking Services at employee level. It is evident from the information that customers of private banks are significantly (Z= -6.227; P<0.05) more satisfied than the customers of private banks with respect to knowledge of services among bank employees. Customers of private banks are significantly (Z= -11.24; P<0.05) more satisfied than the customers of private banks with respect to Affable behavior of bank employees. Customers of private banks are significantly (Z= -11.93; P<0.05) more satisfied than the customers of private banks with respect to cordialness of bank employees with customers. Customers of private banks are significantly (Z= -3.716; P<0.05) more satisfied than the customers of private banks with respect to easy approach to the bank

manager. It is apparent from the information that overall satisfaction of customers of private banks at employee level is substantially ( $Z = -7.596$ ;  $P < 0.05$ ) more than the overall satisfaction of customers of private banks at employee level.

**Table 2: Comparative assessment of satisfaction of public and private sector bank customer on E-Banking Services at service level**

Sr. No.	Sub Parameters	Bank	N	Mean	SD	Z	P
1	Specific consideration	Public	250	3.53	±0.23	-10.49	<0.05
		Private	250	3.78	±0.19		
2	Prompt / quick service	Public	250	3.45	±0.56	-9.028	<0.05
		Private	250	3.97	±0.27		
3	Accuracy / lack of mistakes	Public	250	3.72	±1.02	-3.695	<0.05
		Private	250	4.01	±0.52		
4	Effective resolution of complaints	Public	250	3.82	±0.14	-6.511	<0.05
		Private	250	4.09	±0.29		
5	Bank and consumer communications are transparent.	Public	250	3.87	±0.56	-0.668	0.504 (NS)
		Private	250	3.92	±0.84		
6	No malfunctioning equipment or services	Public	250	3.16	±0.66	-7.133	<0.05
		Private	250	3.69	±0.72		
7	Quick reaction to client requests	Public	250	3.33	±0.61	-11.75	<0.05
		Private	250	4.12	±0.52		
8	The least amount of time needed to conduct a transaction in branch	Public	250	3.51	±0.81	-5.464	<0.05
		Private	250	3.98	±1.04		
9	Overall Satisfaction at Service Level	Public	250	3.55	±0.57	-5.976	<0.05
		Private	250	3.95	±0.55		

N= Number; SD= Standard Deviation; Z= Z Value; P= P Value

Above Table 2 illustrates information pertaining comparative assessment of satisfaction of public and private sector bank customer on E-Banking Services at service level. It is evident from the information that customers of private banks are significantly ( $Z = -10.49$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to specific consideration in banks. Customers of private banks are significantly ( $Z = -9.028$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to prompt or quick service. Customers of private banks are significantly ( $Z = -3.695$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to accuracy or lack of mistakes in banking services. Customers of private banks are significantly ( $Z = -6.551$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to effective resolution of complaints by bank. There is no significant ( $Z = -0.668$ ;  $P = 0.504$ ) difference in satisfaction of private and public sector bank customers with respect to transparency in communication between bank and customers. Customers of private banks are significantly ( $Z = -7.133$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to no malfunctioning of of equipment or services of bank. Customers of private banks are significantly ( $Z = -11.75$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to quick reaction to client request. Customers of private banks are significantly ( $Z = -5.464$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to amount of time needed by bank to conduct transaction in branch. It is apparent from the information that overall satisfaction of customers of

private banks at service level is substantially ( $Z = -5.976$ ;  $P < 0.05$ ) more than the overall satisfaction of customers of private banks at service level.

**Table 3: Comparative assessment of satisfaction of public and private sector bank customer on E-Banking Services at service level**

Sr. No.	Sub Parameters	Bank	N	Mean	SD	Z	P
1	Access to other banks' ATMs	Public	250	3.78	±0.12	-2.622	<0.05
		Private	250	3.89	±0.32		
2	Easily accessible	Public	250	3.91	±0.45	-2.304	<0.05
		Private	250	4.02	±0.12		
3	Protected online banking	Public	250	4.02	±0.67	-0.6289	0.5293 (NS)
		Private	250	4.07	±0.91		
4	Free of errors online banking	Public	250	3.51	±0.28	-0.8838	0.37676 (NS)
		Private	250	3.56	±0.52		
5	A safe ATM for banking	Public	250	3.78	±1.01	-0.3847	0.700463 (NS)
		Private	250	3.81	±0.51		
6	No-error ATM banking	Public	250	3.67	±0.39	-0.7678	0.44256 (NS)
		Private	250	3.72	±0.67		
7	Mobile banking that is secure	Public	250	3.61	±0.91	-1.4494	0.14723 (NS)
		Private	250	3.72	±0.53		
8	Mobile banking without mistakes	Public	250	3.48	±0.88	-0.3860	0.69949 (NS)
		Private	250	3.51	±0.63		
9	Overall Satisfaction at Technological Level	Public	250	3.72	±0.59	-1.0458	0.29564 (NS)
		Private	250	3.79	±0.53		

N= Number; SD= Standard Deviation; Z= Z Value; P= P Value

Above Table 3 illustrates information pertaining comparative assessment of satisfaction of public and private sector bank customer on E-Banking Services at technical level. It is evident from the information that customers of private banks are significantly ( $Z = -2.622$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to access to other bank's ATM. Customers of private banks are significantly ( $Z = -2.304$ ;  $P < 0.05$ ) more satisfied than the customers of private banks with respect to easy accessibility of e-services of bank. There is no significant ( $Z = -0.6289$ ;  $P = 0.5293$ ) difference in satisfaction of private and public sector bank customers with respect to protected online banking. There is no significant ( $Z = -0.8838$ ;  $P = 0.3767$ ) difference in satisfaction of private and public sector bank customers with respect to free of error online banking. There is no significant ( $Z = -0.3847$ ;  $P = 0.7005$ ) difference in satisfaction of private and public sector bank customers with respect to safety of ATM for banking. There is no significant ( $Z = -0.7678$ ;  $P = 0.4426$ ) difference in satisfaction of private and public sector bank customers with respect to no error ATM banking. There is no significant ( $Z = -1.4494$ ;  $P = 0.1472$ ) difference in satisfaction of private and public sector bank customers with respect to secure mobile banking. There is no significant ( $Z = -0.3860$ ;  $P = 0.6995$ ) difference in satisfaction of private and public sector bank customers with respect to without mistake mobile banking. There is no significant ( $Z = -1.0458$ ;  $P = 0.2956$ ) difference in overall satisfaction of private and public sector bank customers at technical level.

**Table 4: Comparative assessment of overall satisfaction of public and private**

## sector bank customer on E-Banking Services

Sr. No.	Sub Parameters	Bank	N	Mean	SD	Z	P
1	Overall Satisfaction at employee level	Public	250	3.49	±0.68	-7.596	<0.05
		Private	250	4.09	±0.88		
2	Overall Satisfaction at Service Level	Public	250	3.55	±0.57	-5.976	<0.05
		Private	250	3.95	±0.55		
3	Overall Satisfaction at Technological Level	Public	250	3.72	±0.59	-1.0458	0.29564 (NS)
		Private	250	3.79	±0.53		
4	Overall Satisfaction with E-Banking	Public	250	3.59	±0.61	-4.9301	<0.05
		Private	250	3.94	±0.65		

N= Number; SD= Standard Deviation; Z= Z Value; P= P Value

Above Table 4 illustrates information pertaining comparative assessment of overall satisfaction of public and private sector bank customers on E-Banking Services. It is evident from the information that overall satisfaction of customers of private banks at employee level is substantially ( $Z = -7.596$ ;  $P < 0.05$ ) more than the overall satisfaction of customers of private banks at employee level. overall satisfaction of customers of private banks at service level is substantially ( $Z = -5.976$ ;  $P < 0.05$ ) more than the overall satisfaction of customers of private banks at service level. There is no significant ( $Z = -1.0458$ ;  $P = 0.2956$ ) difference in overall satisfaction of private and public sector bank customers at technical level. Overall satisfaction of customers of private banks is substantially ( $Z = -4.9301$ ;  $P < 0.05$ ) more than the overall satisfaction of customers of private banks.

### CONCLUSION:

According to respondents' perceptions of the variables influencing customers' happiness with E-banking services, the majority of respondents assigned the highest percentage to the satisfied choice and the lowest percentage to the dissatisfied option for each statement. It is possible to deduce right away that the majority of respondents are content with the aforementioned factors. None of the respondents expressed extreme dissatisfaction with several of the claims. Therefore, it is a positive indicator.

Furthermore, it is apparent from the study result that however, majority of respondents assigned the highest percentage to the satisfied choice, still private sector bank customer are more satisfied with employee level and service level e-banking services than public sector bank customer. Though, there is no considerable difference in satisfaction of public and private sector bank customer with e-banking at technical level. In addition to this, customers of private bank sector are more satisfied with overall e-banking services than customers of public sector bank.

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