



## CUSTOMER PERCEPTION ON SERVICE QUALITY OF PUBLIC AND PRIVATE BANKS BHIWANI HARYANA INDIA

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**Abstract:** *The main objective of this study is to identify customer's perception on the service quality dimension in Public and Private Banks in Haryana. In this study researcher has taken four banks two from public sector and other two from private sector banks. The two banks of public sector are state bank of India and Punjab national bank. The other two private sector banks are HDFC and ICICI. A structured questionnaire has been prepared. A sample of 120 respondents has been selected. The data has been collectively randomly from Bhiwani district in Haryana. The private sector banks are performing better as compared to public sector banks.*

**Keywords:** *Services, SERVQUAL, Perception, Expectation*

### INTRODUCTION

Banking sector is the growing sector in India. Performance of banking are plays very important role in the development of economy. So government of India has concern to development of the banks for the customers. Now these days banking services have shifted focus from price to service quality in the retail banking industry. The competition has been increasing due to change in technology and service is provided by other banks. Banks are now trying to increase the service quality. Profitability of banking sector are dependent mostly services provided to banks. Maintaining service quality these days has become serious problem in the competitive market to measure the performance. Service quality has been as an overall assessment of service provided to potential customers of the bank. Generally service quality defined as the extent to which service meets customer need or expectations. Service quality also defined as the difference between customer expectations with the bank. On the basis of usage service quality has been divided in five dimensions.

### Tangibles

Tangibility means the physical appearance or things which are provided by the bank. The questionnaire which researcher has prepared includes visually appealing of bank offices,



modern looking equipment of bank employees, attractive printing material of the banks, and dress of the bank employees, parking facilities of the banks, security arrangement of the banks, information that is displayed in the banks, drinking water and washroom facility in the bank, number of counters in banks, connectivity with road are considered tangibles items of the service quality.

### **Reliability**

Reliability dimension refers to the interest of the bank employees to solve customer problem. It also provided right kind of services at right time. Some attribute of reliability are as services without any error, bank services are performed with in promised with in promised time, sincere concern in solving problems related to banking transaction, corrective action is taken if any error is noticed at any stage, bank performs its services exactly as promised, all kinds of mails are received by the bank at registered mobile number from the branch, any difficulty with the cards, employees are well aware of the services offered by the bank. These attribute define the reliability situation of the bank.

### **Responsiveness**

Responsiveness determines the level of involvement of employees and concern for customer required assistant and provided them quick services to customer. Responsiveness also has some attribute which measure the level of responsiveness of the banks. It includes the following bank employees quickly respond to my work, bank employees are always ready to help, bank quickly eliminates errors on reporting, employees do not spend much time waiting in line, the telephonic calls are being received regularly by the bank, bank immediately responds to wrong transaction if any. So this point tells the actual responsiveness situation of the bank.

### **Assurance**

Assurance assures the customer that they are providing good services. Assurance includes the courteous behavior of the employee. Assurance have some attribute which are as follows like bank generally informs about the time of service to be performed, bank statements delivered monthly to mail address are clear and understandable, bank employees are trustworthy, bank assure safety to customer money, bank employees are knowledgeable to respond my specific question.



## **Empathy**

Empathy tells the level of relationship between customers and employee. It shows the feeling of banks towards the customers. It understands the needs of the customer from the employees in the bank. It includes the following bank operating hours suit to my needs, bank is user friendly and accessible, the bank is favorably located to me, the bank always advises me about the most suitable service for my specific needs, the bank always considers my wishes and needs, bank employees are kind and polite in their behavior, bank shows keen interest in each customer.

## **REVIEW OF LITERATURE**

**Bhat (2005)** All the three banks are performed well in tangibility factor, because tangibility was having less gap score and people are more reliable on public sector banks. Researcher concluded that foreign sector banks are better than public and private sector banks. **Tahir & Bakar (2007)** investigated the level of service quality of commercial banks in Malaysia. A sample of 300 respondents was selected from east coast of region. For this study SERVQUAL model was used. A descriptive analysis (mean and paired test) was used for evaluation. **Singh & Tripathi (2007)** focused on Indian private sector banks and attempts to measure the gap in the service quality perception of both the service providers and customers. The three banks were ICICI, IDBI and Centurion bank of Punjab selected from Lucknow and Delhi city. Random selection has been made from the list of all the private sector banks. **Munusamy, chelliah & Mun (2010)** focused measurement of customer satisfaction through delivery of service quality in Malaysia. There is no problem in safety of money. Reliability does not have any significant impact on customer satisfaction and customer found difficulty to banking hours. **Agathee (2010)** tried to find out the relationship between service quality and customer satisfaction in Mauritian banking sector. Customers are generally satisfied with the bank's physical facilities, equipment and appearance of personnel. The result shows that those falling in the highest income groups are dissatisfied. **Mishra, Sahoo & Mishra (2010)** Concluded that Public sector banks has need to redefine the customer service parameter in order to compete with the nationalized private sector banks both in profitability and corporate image. **Hossan (2010)** Compared the quality of services provided Chartered Bank and Dhaka Bank Ltd in Bangladesh. The result shows that all users had internet access. Respondents pointed out that they use internet banking services to check balances to print



statements and queries. The finding also highlighted that 50% of the respondents are strongly dissatisfied. **Asgarian (2010)** studied to compare the customer satisfaction between public and private banks in Iran. This study revealed that customers place high expectations on reliability on bank services. In terms of assurance, the data revealed bank customers expectations were not adequately. **Ahmad, Rehman, Saif, & Safwan (2010)** examined perception of customers regarding service quality of the Islamic banks as well as conventional banks. The result shows that service quality score offered by Islamic banks are greater as compared to conventional banks.

**Farokhian & Sadeghi (2011)** Researcher found that factor of accuracy, reliability, image impression of the bank and management and web design are mostly correlated with customer satisfaction. According to the results no difference was observed in general satisfaction with electronic banking between males and females. **Rahaman (2011)** studied the service quality on PCB (private commercial banks) in Bangladesh. To analysis the data SERVEQUAL method was used. **Farokhian & Sadeghi (2011)** tried to study investigate customer understanding and five dimensions of service quality. Researcher suggested that staff must improve quality like provide training courses, continuous different workshops and cooperation with customers. **Mishra, Mishra, Praharaj & Mahapatra (2011)** used customer relationship management to know the level of satisfaction. Customer of public sector bank experiences more satisfaction as compared to private sector banks. Regarding premises and administrations private sector banks are better than public sector banks. **Santhiyavalli (2011)** A sample of 300 respondents has been taken with structured questionnaire 22 statements. Researcher found that reliability, responsiveness, empathy and tangibility were more responsible for 90% customer satisfaction level. **Lohani & Shukla (2011)** Compared services provided by Public and Private sector banks. A structured questionnaire has been prepared for the study. The result shows that services provided by Private sector bank are better than Public sector bank. The researcher suggested that Public sector bank must concentrate on providing updated information to customers regarding the services. **Pandya & sandhe (2012)** Questionnaire was categorized into two parts, first part demographic profile second part questionnaire weighted given for five attributes. Sample size was 200. Researcher had found limitation of the study because the researcher was conducted only in the city of vadodara and two banks represented private and nationalized banks. The



perceived quality levels in nationalized were lower than those in private banks. **Muyeed (2012)**. The result shows that banks have imposed service charges and fines too much for which customers are dissatisfied. The customer perceptions are highly satisfied with prompt and accuracy in transactions followed by safety of customer investments and keep confidentiality of account and transactions. The banks need to consider the weak areas in order to meet customer requirement. **Kumar & Manjunath (2012)** Studied customer satisfaction of ICICI bank in Mysore city. Demographic information revealed that 23% customer were young, 59% were male maintain the service quality from time to time. The study revealed that ICICI bank had positive relation with customer.

## DEMOGRAPHIC PROFILE OF PUBLIC AND PRIVATE SECTOR BANKS IN BHIWANI HARYANA

Table: 1

Variables	Public Banks	Percentage	Private Banks	Percentage
<b>Age group</b>				
20-30	13	21	05	09
31-40	17	29	11	18
41-50	12	20	37	62
51-60	07	12	05	08
Above 60	11	18	02	03
<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>
<b>Sex</b>				
Male	44	73	39	65
Female	16	27	21	35
<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>
<b>Occupation</b>				
Service	42	70	16	27
Business	03	05	35	58
Profession	08	13	03	05
Others	07	12	06	10
<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>
<b>Income</b>				
Less than 50000	27	45	13	22
1.00-2.00 lacs	08	13	19	32
2.00-3.00 lacs	11	18	11	18
3.00-4.00 lacs	03	05	04	06
4.00-5.00 lacs	02	04	06	10
More than 5 lacs	09	15	07	11
<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>



Qualification				
Undergraduate	27	45	14	23
Graduate	07	12	29	48
Post Graduate	18	30	12	20
Others	08	13	05	09
<b>Total</b>	<b>60</b>	<b>100</b>	<b>60</b>	<b>100</b>

Table 1 shows that demographic profile of Public and Private sector banks in Bhiwani district Haryana India. The demographic profile shows various variables like on the basis of age, sex, occupation, level of income, educational qualification. Public sector banks have highest number of customers in the category 31 to 40 years. Private sector banks have highest number of respondent in the category 41 to 50 years. Both public and private sector banks have highest number of male customers. Public sector banks have 73 percentage male customer and private sector banks have 65 percent male customers. Public sector banks customers are mostly working with service industry and private sector banks respondents are mostly having their own business. Mostly respondents in public sector banks were having less than 50000. Undergraduate customers are highest in number public sector banks and graduate customers are highest in numbers in private sector banks.

## RESEARCH METHODOLOGY

Data is collected through primary survey. A structured questionnaire has been prepared and 120 respondents have been selected from Bhiwani district on randomly basis. Two public sector banks are state bank of India and Punjab national bank. The other two banks are taken from private sector banks category namely HDFC and ICICI. The respondents were survey randomly on the basis of availability. The questionnaire was divided with five dimension tangibility, reliability, responsiveness, assurance and empathy. All five dimensions were having 36 statements.

**Table: 2**

Tangibles	Statements	P	P
	1. Bank offices are visually appealing	3.5	4.2
	2. Bank has modern looking equipment.	2.7	3.4
	3. Printing materials (from brochures, monthly statements bank cards) Look attractive.	3.6	4.1
	4. Bank employees are suitably dressed, neat and clean.	2.2	3.8
	5. Bank has good parking facilities.	2.8	4.2
	6. Bank has adequate security arrangement	4.4	4.1



	7. Information and procedures are well displayed in bank.	1.5	4.9
Reliability	8. The bank performs its services without errors.	3.5	3.9
	9. Bank services are performed within the promised time.	3.3	4.4
	10. Bank employees show sincere concern in solving my problems related to banking transactions.	4.1	4.7
	11. The bank correctly performs a service from the very first time.	3.7	4.2
	12. The bank performs a service exactly as promised.	3.0	4.9
	13. The bank regularly sends me bank statements on my account balance to my home/mail address.	4.3	3.5
	14. Customers have no difficulties with various cards of this bank.	2.9	3.8
Responsive ness	15. Bank employees quickly respond to my work.	4.8	4.2
	16. Bank employees are always willing to help.	3.5	3.7
	17. Bank employees are quickly eliminating errors.	3.3	4.5
	18. In the bank I do not spend much time waiting in line.	2.5	3.5
	19. Bank employees respond on telephonic/ mailing correspondence.	3.3	4.7
	20. Bank responds to wrong transaction by mistake.	3.4	4.2
Assurance	21. Bank employees tell me exactly when a service will be performed.	2.5	3.5
	22. Bank statement delivered monthly to my home/mail address are clearly and Understandable.	2.4	4.4
	23. Bank employees are trustworthy.	4.1	4.7
	24. Bank assures safety to customer's money (like ATM guard).	2.4	3.6
	25. Bank employees are knowledgeable to respond my questions.	3.3	4.1
	26. Information provided by bank employees are clear and understandable.	2.7	4.4
Access	27. The bank operating hours suit to my needs.	3.4	4.2
	28. The bank is easily accessible( lift, access for disabled person etc)	2.2	3.1
	29. Bank has extended working hours for working people.	2.8	4.2
	30. The bank is favourably located to me.	3.3	3.8
	31. Bank is well connected with road.	1.7	2.4
Empathy	32. The bank employees know to advise me what would be the most proper service for my specific needs.	3.3	4.9
	33. The bank considers my wishes and needs.	3.8	3.9
	34. Bank employees show understanding of my specific needs.	4.4	4.7
	35. Bank employees are kind and polite in their behaviour	4.2	4.8
	36. Bank shows keen interest in each customer.	3.5	3.8



Table 2 shows that perception level of public and private sector banks in Bhiwani district in Haryana. Dimension tangibility shows the looking condition of public and private sector banks. Private sector banks have well displayed written information in banks. Public sector banks have well security arrangement in the banks. The result shows that private sector banks are performing well in comparison of public sector banks.

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