



Customer satisfaction towards services provided by the public Sector banks in India

With Special Reference to the Amravati District of Maharashtra State

Dr. Sanjay D. Mahalle

Associate Professor & Head, Department of Commerce
Mahatma Jyotiba Phule Commerce Science and Vitthalrao Raut Arts College,
Tal, Bhatkuli. District Amravati

Abstract: Public sector banks are financial institutions in which the government maintains a majority ownership stake, typically exceeding 50% of the total capital. The formulation of financial rules for public sector banks is undertaken by the government. Public sector banks are established under the authority of the government with the primary objective of instilling confidence among depositors regarding the safety of their funds. Following the year 1969, Prime Minister Indira Gandhi made the decision to implement the nationalization of banks in India. The primary objective of this initiative was to centralize governmental oversight over all banking activities. This measure will provide significant safeguards to clients, therefore substantially augmenting customer happiness through the provision of diverse services. Public sector banks are actively engaged in efforts to significantly enhance the Indian economy. This research paper was written with the aim of achieving the stated purpose. This research piece was developed utilizing both primary and secondary sources of information. During the data collection phase, primary information was gathered from clients of 180 Central banks of India located in the Amravati area.

Keywords: customer satisfaction, majority ownership, public sector banks, safeguards.

Introduction: Public sector banks are financial institutions in which the government maintains a majority ownership stake, typically exceeding 50% of the total capital. The formulation of financial rules for public sector banks is undertaken by the government. Public sector banks are established under the authority of the government with the primary objective of instilling confidence among depositors regarding the safety of their funds.

The State Bank of India is recognized as the largest public sector bank in India. Public sector banks continually operate in the public interest by establishing plans for customers' benefit. In addition, their service fees are comparatively lower than those of commercial financial



institutions. In addition to serving the public interest, nationalized banks in India also generate substantial profits.

Public sector banks, often known as nationalized banks, are financial institutions in which the government maintains a majority shareholding with the primary objective of serving the public interest.

Following the attainment of independence, the Indian government initiated the process of nationalizing the Imperial Bank of India in 1955 as a means to establish a presence in the banking sector. The State Bank of India underwent a transformation when the Reserve Bank of India acquired a majority stake of 60% and subsequently rebranded it.

In the year 1969, the Indian government undertook the process of nationalizing an additional 14 banks. During the final decade of the 20th century, there was a significant expansion in the growth of public sector banks.

The rise of public sector banks was significantly impacted by various political shifts during the early 21st century, leading to substantial financial losses claimed by these institutions. During the fiscal year 2002-03, the aforementioned banks had a resurgence in their development trajectory, resulting in a profit of ₹ 7780 crores.

In order to enhance operational efficiency and financial performance, the Indian government undertook a restructuring initiative by consolidating ten public sector banks into four entities. This strategic move aimed to improve the functioning of these banks and resulted in a notable increase in their profitability. The State Bank of India is a prominent financial institution in India and holds a significant position in the global banking industry.

Review of Literature:

The SERVQUAL model, established by Parasuraman, Zeithaml, and Berry (1994), has gained significant popularity as a tool for assessing service quality and customer satisfaction across several industries, including the banking sector in India. The significance of service quality in customer satisfaction was underscored, serving as a basis for further investigation in this field.

Kumar and Dash (2014) conducted a study to identify the primary determinants of customer satisfaction in public sector banks within the Indian context. The study investigated many factors like service quality, convenience, technology adoption, and staff behavior, offering valuable insights into the factors that influence consumer satisfaction within this industry.



The incorporation of technology in the contemporary day has considerable importance in enhancing consumer happiness. In a research conducted by Anjum and Umesh (2017), the investigation focused on examining the potential impact of digital channels and online banking services on customer satisfaction within public sector banks in India.

The significance of CRM practices has been recognized within the Indian banking sector. Pankaj and Pandey (2012) conducted a study that investigated the impact of customer relationship management (CRM) on customer satisfaction within the context of public sector banks. Their research provided insights into the significance of relationship management in improving customer experiences.

Dutta and Chakraborty (2017) conducted research that provided a thorough examination of the methods used to quantify customer satisfaction within the banking industry in India. The paper provides a comprehensive analysis of various approaches and instruments employed for the evaluation and enhancement of customer satisfaction, shedding light on the dynamic nature of banking services in the Indian context.

Research Problem: Following the year 1969, Prime Minister Indira Gandhi made the decision to implement the nationalization of banks in India. The primary objective of this initiative was to centralize governmental oversight over all banking activities. This measure will provide significant safeguards to clients, therefore substantially augmenting customer happiness through the provision of diverse services.

Research Objective:

1. To know and study when nationalized banks were established in India and their objectives.
2. Primary and secondary information has been used for this research article.
3. Trying to understand customer satisfaction from public sector banks in India through this research article.

Hypothesis:

H₀: In a nationalized bank, the safe haven of customers' deposits is not considered important to them.

H₁: In a nationalized bank, the safety of customers' deposits is considered important for them.

Research Methodology: Public sector banks are actively engaged in efforts to significantly enhance the Indian economy. This research paper was written with the aim of achieving the stated purpose. This research piece was developed utilizing both primary and secondary



sources of information. During the data collection phase, primary information was gathered from clients of 180 Central Bank of India located in the Amravati area.

Data Collection: Simple random Sampling Method.

Data Interpretation:

1) Are you an account holder with the Central Bank of India?

Table No. 1

Sr.No	Respondent Opinion	Respondents	Percentage
1	Yes	171	95
2	No	9	5
Total		180	100%
Reference: Primary Data			

The information displayed in Table 1 provides an overview of the respondents' perceptions of their account holder status with the Central Bank of India. The analysis of the data yields the following interpretation:

Large Proportion of Account Holders: The data reveals that a significant majority of participants, precisely 95% of the whole sample (171 out of 180), identify themselves as account holders with the Central Bank of India. The substantial proportion indicated in the data implies that a significant majority of the respondents have an account with the Central Bank of India.

In conclusion, the data highlights a predominant mood among the participants indicating their possession of accounts with the Central Bank of India. A substantial client base for the bank is evident, as indicated by the perception of the vast majority of respondents (95%) who identify themselves as account holders. The data presented offers valuable insights into the extent of influence and visibility of the Central Bank of India among the individuals included in the poll.

2) Does the Central Bank of India offer the best facilities for customers?

Table No. 2

Sr.No	Respondent Opinion	Respondents	Percentage
1	Yes	153	85
2	No	27	15
Total		180	100%
Reference: Primary Data			



The data reported in Table 2 offers valuable insights into the perceptions of respondents on the quality of facilities provided by the Central Bank of India to its clients. The data can be interpreted in the following manner:

The data reveals that a substantial majority of participants, precisely 85% of the entire sample (153 out of 180), hold a favorable perception of the facilities provided by the Central Bank of India, perceiving them as superior for its clientele. The aforementioned substantial proportion of respondents signifies a dominant optimistic attitude among the questioned participants with regards to the banking institution's given amenities.

In conclusion, the data reveals a prevalent and robust perception among the respondents that the Central Bank of India provides superior services to its consumers. The overwhelming majority of participants (85%) demonstrate their assurance in the calibre of services and facilities offered by the financial institution. This observation underscores the bank's endeavors to fulfill consumer expectations and improve their banking encounter.

3)Is the money you deposit in the Central Bank of India safe and satisfied with the services provided by the bank?

Table No. 3

Sr.No	Respondent Opinion	Respondents	Percentage
1	Yes	167	93
2	No	13	7
Total		180	100%
Reference: Primary Data			

The information reported in Table 3 offers valuable insights into the perceptions of respondents regarding the safety of their deposited funds and their level of satisfaction with the services offered by the Central Bank of India. The data can be interpreted in the following manner:

The findings reveal a substantial level of assurance regarding the security of funds among participants. Specifically, 93% of the entire sample size (167 out of 180) expressed



confidence in the safety of their deposited funds with the Central Bank of India. The observed high percentage indicates a predominant optimistic mood among the polled participants regarding the protection and safeguarding of their financial resources within the banking institution.

The findings indicate a high level of satisfaction among respondents with the services offered by the Central Bank of India, with a significant majority (93%) expressing their satisfaction. The data suggests that the polled individuals express a high degree of satisfaction and endorsement with respect to the bank's overall services and customer experience.

In conclusion, the data highlights a strong and prevalent perception among the participants that the funds entrusted to the Central Bank of India are secure, and they express contentment with the bank's service offerings. The overwhelming majority of participants (93%) demonstrate their assurance in the protection of their assets and their general contentment with the bank's services, underscoring the bank's achievement in cultivating trust and fulfilling consumer expectations.

Scope of the study:Amravati district has been selected from Maharashtra as a research area to understandCustomer satisfaction towards services of the public sector banks in India

Limitation of the Study:

1. According to the heading of the research, preliminary information has been compiled only from Amravati district
2. The findings of the research are based only on the available information.

Conclusion:This exceptionally high level of contentment demonstrates that the financial institution has been successful in living up to the high expectations of its clients and earning their confidence. It is a good reflection on the bank's efforts to provide safe financial services and to maintain a high level of satisfaction among its customers. It would appear that the Central Bank of India has developed a solid reputation among its client base for being safe and providing high-quality services.



References

1. [What are Public Sector Banks? \(unacademy.com\)](https://unacademy.com).
2. A., Zeithaml, V. A., & Berry, L. L. (1994). "Alternative Scales for Measuring Service Quality: A Comparative Assessment Based on Psychometric and Diagnostic Criteria." *Journal of Retailing*, 70(3), 201-230.
3. Kumar, V., & Dash, M. (2014). "Factors Affecting Customer Satisfaction in Public Sector Banks: A Case Study of SBI." *The International Journal of Business & Management*, 2(11), 11-21.
4. Anjum, N., & Umesh, G. (2017). "Role of Technology in Enhancing Customer Satisfaction: A Study of Public Sector Banks." *International Journal of Research in Finance and Marketing*, 7(6), 62-72.
5. Pankaj, M., & Pandey, V. (2012). "CRM in Banking Sector with Reference to SBI." *International Journal of Research in IT & Management*, 2(2), 63-76.
6. Dutta, S., & Chakraborty, R. (2017). "Measuring Customer Satisfaction in Indian Banking Sector." *The International Journal of Business & Management*, 5(11), 52-62.