A COMPARATIVE STUDY ON SERVICE QUALITY OF PUBLIC Vs PRIVATE SECTOR BANKS IN TRICHY

[1]Mrs. B.Kishori, [2]R.Ashok

[1] Assistant Professor, Department of Management Studies, Anna University BIT Campus, Trichy. Email: profkishori@gmail.com

[2] Final MBA Student, Department of Management Studies, Anna University BIT Campus, Trichy. Email: rockyashok78@gmail.com.

ABSTRACT :

This research explores and compares the quality of services offered by public and private sector banks in Tiruchirappalli (Trichy), Tamil Nadu, using the SERVQUAL model that assesses five essential dimensions: tangibility, reliability, responsiveness, assurance, and empathy. Through collection of primary percentage analysis, independent sample tests, and chi-square tests, the study finds that although overall customer satisfaction is positive in both sectors, private banks edge out public banks marginally on responsiveness and digital service integration. Nonetheless, there is no significant statistical difference in core service dimensions, meaning levels of service quality are the same. The results highlight the need to improve complaint resolution, customer service, and electronic service delivery, especially in public sector banks. The findings provide useful insights for bank managers, policymakers, and researchers seeking to enhance customer satisfaction and service quality in the banking industry.

Keywords: Service quality, Public sector bank, Private sector bank, Customer satisfaction, SERVQUAL model, Digital banking, Comparative study.

1.INTRODUCTION

The research paper "A Comparative Study on Service Quality of Public Vs Private Sector Banks in Trichy" intends to examine the customer perception regarding the service quality of private sector and public sector banks in Tiruchirappalli (Trichy), Tamil Nadu. After liberalization, the private sector banks have been expanding, increasing competition among banks, on the basis of divergence in service quality, adoption of technology, and customer orientation. Although government sector banks are regarded as traditional and dependable, private banks are regarded as modern and customer-centric. This research tries to quantify and compare significant service quality aspects—e.g., reliability, responsiveness, assurance, empathy, and tangibility—through the SERVQUAL model to give inputs to improve banks' services and match customers' expectations more accurately.

2.LITERATURE REVIEW

1. **Usman Ahmad Qadri (2015),** conducted a gap analysis of service quality in the Pakistani banking sector using the SERVQUAL model. The study revealed a significant gap between customer expectations and perceptions, indicating the need for service quality improvements in reliability, assurance, responsiveness, empathy, and tangibility.

2. **Foram Jadeja & Pranali Shinde (2024),** applied the SERVQUAL model to analyze customer satisfaction in Union Bank of India. Their research found discrepancies between customer expectations and perceptions, particularly in responsiveness and empathy, suggesting areas for improvement to enhance service quality.

3. **Jovana Savić & Nevena Veselinović (2019),** studied banking service quality in Serbia using a modified SERVQUAL model. Their findings showed that empathy had the strongest effect on customer satisfaction, while responsiveness had the most impact on loyalty. Tangibility had the weakest influence on both satisfaction and loyalty.

4. **S. F. Amiri Aghdaie & F. Faghani (2012),** applied the SERVQUAL model to examine mobile banking service quality and customer satisfaction in Iran. The study found that tangibility, reliability, responsiveness, and empathy significantly correlated with satisfaction, while assurance did not. The results confirmed a strong relationship between mobile banking service quality and customer satisfaction.

3.RESEARCH METHODOLOGY

The methodology applied in the present study, that takes a descriptive research design for the evaluation of the service quality of the public and private sector banks of Trichy. The research primarily applies a quantitative approach and utilizes data collected by means of a structured questionnaire through the SERVQUAL model. Pilot study has been done for testing the questionnaire. The sample consists of 180 customers of public and private banks in Tiruchirappalli, chosen through convenience sampling. Primary data were collected directly from the respondents, whereas secondary data

were obtained from journals, websites, and published studies. Statistical tools used are descriptive statistics, percentage analysis, independent sample t-tests, and chi-square tests. Study limitations are geographic limitation to Trichy and subjectivity of customer responses.

3.1 RELIABILITY STATISTICS

Cronbach'salpha	No.of.Items
.93	22

Cronbach's alpha value is 0.93 which means the questionnaire is highly reliable.

4.DATA ANALYSIS AND INTERPRETATION

4.1 INDEPENDENT SAMPLE TEST

Table No : 4.1.1

Table Name: Assurance and Private Vs Public bank.

H_0: There is no significant difference between responsiveness service quality among private & public bank customer with reference of assurance.

H_1: There is no significant difference between responsiveness service quality among private & public bank customer with reference of assurance.

GROUP STATISTICS

	Group	N	Mean	Std. Deviation	S.E. Mean
Assurance	1.00	98	3.79	.67	.07
	2.00	82	3.82	.67	.07

INDEPENDENT SAMPLES TEST

		Levene's Test for Equality of Variances		T-Test for Equality of Means					95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Assurance	Equal variances assumed	.04	.843	-.24	178.00	.807	-.02	.10	-.22	.17
	Equal variances not assumed			-.24	172.58	.807	-.02	.10	-.22	.17

Interpretation

Public banks (N = 98) has a mean of assurance of 3.79, whereas private banks (N = 82) possesses a corresponding mean of 3.82. There isn't any difference between the groups. As the null hypothesis is upheld and the alternate hypothesis is disproved.

Inference

The assurance dimension indicates that consumer behavior is equal in the two groups but with a minimal 0.3% higher influence in private banks, reflecting slightly more trust and confidence in services.

Table No: 4.1.2

Table Name: Responsiveness and Private Vs Public bank.

H_0: There is no significant difference between responsiveness service quality among private & public bank customer with reference of responsiveness.

H_1: There is no significant difference between responsiveness service quality among private & public bank customer with reference of responsiveness.

GROUP STATISTICS

	Group	N	Mean	Std. Deviation	S.E. Mean
Responsiveness	1.00	98	3.63	.76	.08
	2.00	82	3.74	.72	.08

INDEPENDENT SAMPLES TEST

		Levene's Test for Equality of Variances		T-Test for Equality of Means							
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference		
									Lower	Upper	
Responsiveness	Equal variances assumed	.13	.722	-1.03	178.00	.304	-.11	.11	-.33	.10	
	Equal variances not assumed			-1.04	175.07	.302	-.11	.11	-.33	.10	

Interpretation

Public banks (N = 98) is at a mean responsiveness of 3.63, and private banks (N = 82) has a slightly greater mean of 3.74. There is no significant variation between the groups. As the null hypothesis is accepted and the alternate hypothesis rejected.

Inference

Responsiveness factor refers to the same type of consumer behavior in the two groups, yet 1% higher impact within private banks indicates a little stronger sense toward the value of speedy service.

4.2 CHI SQUARE

PUBLIC BANK

Table No: 4.2.1

Table Name: Age and The physical facilities of the service provider are modern and well- maintained.

H_0: There is no significant association between the age and the physical facilities of the service   provider are modern and well- maintained.

H_1: There is significant association between the age and the physical facilities of the service provider are modern and well- maintained.

	Value	df	Asymptotic Sig. (2-tailed)
Pearson Chi-Square	12.76	9	.174
Likelihood Ratio	14.01	9	.122
Linear-by-Linear Association	2.24	1	.134
N of Valid Cases	98		

Interpretation

There is no strong relationship between the respondents' age and their view regarding whether the physical facilities of the service provider are modern and well-maintained. This is evidenced by the Pearson Chi-Square test result (χ^2 = 12.76, df = 9, p =.174), where the p-value is higher than the significance level of 0.05. Hence, the Null hypothesis is accepted and the Alternative hypothesis is rejected.

PRIVATE BANK

Table No: 4.2.2

Table Name: Age and The physical facilities of the service provider are modern and well- maintained.

H_0: There is no significant association between the age and the physical facilities of the service provider are modern and well- maintained.

H_1: There is significant association between the age and the physical facilities of the service provider are modern and well- maintained.

	Value	df	Asymptotic Sig. (2-tailed)
Pearson Chi-Square	2.35	9	.985
Likelihood Ratio	2.32	9	.985
Linear-by-Linear Association	.37	1	.541
N of Valid Cases	82		

Interpretation

As derived from the presented data, the age of respondents is not found to have any substantial relationship with their view that the physical infrastructure of the service provider is new and well-groomed. This is endorsed by the outcome of the Pearson Chi-Square test (χ^2 = 2.35, df = 9, p =.985), wherein the p-value is far greater than the cut-off significance value of 0.05. Likewise, the Likelihood Ratio test (p =.985) and the Linear-by-Linear Association test (p =.541) also fail to yield evidence of a significant association. Thus, the Null hypothesis is accepted and the Alternative hypothesis is rejected.

5.FINDINGS

- Assurance (trust, safety, and confidence in services) is viewed similarly in both private and public banks, with no statistically significant difference between them.
- Responsiveness (willingness to help and promptness) has a slightly higher mean score in private banks, yet the difference is not statistically significant.
- There is no significant relation between age and perception of physical facilities (modern and well maintained) in public sector banks.

SUGGESTIONS

- Enhance staff responsiveness through improved training.
- Upgrade digital banking services, particularly in public banks.
- Enhance complaint handling systems.
- Update branch infrastructure and technology.
- Provide more personalized, customer-oriented services.

6.CONCLUSION

The comparative analysis of the quality of service of public sector banks and private sector banks in Trichy indicates that customer satisfaction is positive overall in both sectors, with basic service dimensions like personalized attention, efficiency in digital banking, and safe transactions earning appreciable appreciation. Although public and private banks score equally high in tangibility, assurance, empathy, reliability, and web presence with no statistically significant gaps, private banks lead marginally on responsiveness and web service integration. Complaint handling continues to be relatively weaker on both sides. The study calls for improved digital services, customer-centric care, and quick grievance redressal. The building of improved employee training, regulatory information dissemination, and infrastructure will become imperative for the two sectors to meet evolving customer needs and achieve parity in competitiveness.

REFERENCES

1. **Samta Soni (2017),** "Service quality and customer satisfaction: A comparative study of public and private sector banks". Ph.D. Department of Business Administration, Chaudhary Devi Lal University. http://hdl.handle.net/10603/221944
2. **Kesari Singh & Nitin Gupta (2016)**, "Customer's Perception and Satisfaction towards Services of Public & Private Sector Banks." International Journal of Management, 7(6), 77–88. https://iaeme.co
3. m/MasterAdmin/Journal_uploads/IJM/VOLUME_7_ISSUE_6/IJM_07_06_009.pdf.
4. **R. Seenivasan (2021)**, "A study on customer service quality of banks in Tamil Nadu." International Journal of Foreign Trade and International Business, 3(1), 21–26. https://www.foreigntradejournal. com/article/view/41/3-1-1
5. **N.K. Suhair & S. Kavitha (2020),** "A Comparative Study on Service Quality of Public and Private Sector Banks with Special Reference to Calicut District in Kerala." International Journal of Management, 11(11), 4052–4059.https://iaeme.com/Home/article_id/IJM_11_11_4
6. **S. Jeyaraman & I. Narsis (2019)**, "Measuring Banking Service Quality among Public Sector Banks in Tiruchirappalli District." International Journal of Innovative Technology and Exploring Engineering (IJITEE), 8(12), 1898–1904. https://dx.doi.org/10.35940/ijitee.L2880.1081219
7. **Dharmendra Singh (2020)**, "Service Quality and Customer Satisfaction: A Comparative Study of an Indian Public VS Private Bank." Malaysian Management Journal (Feb 2020). (Published by UUM Press). https://doi.org/10.32890/mmj.17.2013.8994
8. **Supriyanto, A., Wiyono, B. B., & Burhanuddin, B. (2021).** Effects of service quality and customer satisfaction on loyalty of bank customers. Cogent Business & Management, 8(1), 1937847. https://doi.org/10.1080/23311975.2021.1937847
9. **Shetty, D. K., Perule, N., Potti, S. R., Jain, M., Malarout, N., Devesh, S., Vaz, S. F., Singla, B., & Naik, N. (2022)**. A study of service quality in Indian public sector banks using modified SERVQUAL model. Cogent Business & Management, 9(1), 2152539. https://doi.org/10. 1080/ 23311975. 2022.2152539
10. **Ullah, N., & Haider, M. (2023)**. Service quality and customer loyalty in private and public banks. Journal of Education and Finance Review, 2(1), 30–40. https://doi.org/10.62843/jefr/2023.7741309