Customers' Perception Towards Services Provided By Public and Private Sector Banks In Villupuram District

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Abstract

This study examines the customer perception towards services by the public and private sector banks in Villupuram district. A total number of respondents 150, out of which 75 respondents from public sector banks and 75 respondents from private sector banks was selected. Banks are integral part of the service sector in India which went many transformational changes in last few decades due to privatization, technological up gradation, and changing in financial policies and procedures, increased completion, etc. This paper identifies the factors influencing the customer perception towards public and private sector banks in Villupuram district. Percentage and mean scores were calculated to analyze the data. The study reveals that knowledge and experience of the customer satisfaction, and customer service all have positive relationship with the customer loyalty. Suggestions are offered to improve relationship and maintain loyalty with the bank customers.

Keywords: Customer loyalty; customer satisfaction, customer perception, service quality, customer relationship management, etc.

1. Introduction

Today, many businesses such as banks, insurance companies, and other service providers realize the importance of customer perception and its potential to help them acquire new customers retain existing ones and maximize their lifetime value. Indian banking today is witnessing drastic changes. The liberalization of the financial sector and banking sector reforms have exposed the Indian banks to a new economic environment that is characterized by increased competition and new regulatory requirements. As a result, there is a transformation in every sphere of activities of the banks in India, especially in governance, nature of business, style of functioning and delivery mechanisms. The new generation banks brought the necessary competition into the industry and

spearheaded changes towards higher utilization of technology, improved customer service and innovative products. Today, the degree of such changes is very fast and more frequently experienced by them. Therefore, the consumer status is changed from isolated to connected, unaware to well informed and passive to active.

2. Need for the study

The present work studies the different aspects of customer perception among private and public sector banks, through an empirical survey of customers and employees of banks. The focus of the study is to examine the services provided by the banks to need of customer for Indian banking industry especially in Villupuram district and how far these banks are achieving success in creating and maintaining customer relations. Further the study also emphasis to understand the viewpoints of customers about their experience in context of the services provided by their banks.

3. Statement of problem

In current situation of competitive banking world, improvement day-by-day in customer services has most important tool for better further growth. Customer requirements, necessity and complaint are part of their banking business-life. Therefore, customer services and customer satisfaction are their primary work. The need for the study arises because banking sector helps in economic development of the country and to fulfill this, customer satisfied first by providing better services with the help of computer and other innovated technologies. Hence, there is need for customer survey, identifying their requirements and satisfaction.

4. Objectives of the study

1. To examine the customer perception towards selected public and private sector banks in study area.

2. To offer suitable suggestions to improve the customer services of the banks based on the findings of the study.

5. Research methodology

The researcher selected samples from both private and public sector banks. This study has been confined to private and public sector banks of Villupuram district only. This study is exploratory in character and therefore the survey method of data collection was adopted.

6. Period of the study

The required primary data were collected from the sample respondents from the period of April 2019 to June 2019.

7. Source of data

Both primary and secondary data were used in the present study to fulfill the objectives of the study. Primary data were collected personally by the researcher by using the properly designed pre-tested interview schedule. The secondary data were collected from different sources such as journals, articles, newspapers, magazines, and website.

8. Sample size

The random as well as convenience sampling method has been adopted for the study. First of all six banks comprising of three public and three private sector banks were selected. The sample size is 150 it means 25respondents from each selected banks.

9. Analysis and interpretation

For testing the relationship between respondents' profile and levelof perception, chi-square test has been employed.

Table1

Association between Age and Level of Perception on Public and Private Banks

Age	Public Sector Banks				Private Sector Banks			
	High	**Moderate**	**Low**	**Total**	**High**	**Moderate**	**Low**	**Total**
18-30	9 (21.43)	3 (16.67)	4 (40.00)	16 (21.33)	18 (41.86)	8 (44.44)	0 (00)	26 (34.67)
31-40	15 (31.91)	6 (33,33)	2 (20.00)	23 (30.67)	6 (13.95)	3 (16.67)	8 (57.14)	17 (22.67)
41-50	11 (23.40)	2 (11.11)	3 (30.00)	16 (21.33)	14 (32.56)	3 (16.67)	3 (21.43)	20 (26.66)
Above 50	12 (25.53)	7 (38.90)	1 (10.00)	20 (26.67)	5 (11.63)	4 (22.22)	3 (21.43)	12 (16.00)
Total	47 (100)	18 (100)	10 (100)	75 (100)	43(100)	18(100)	14(100)	75(100)

Source: Primary Data.
Figures in parenthesis represent percentage

Table 1 reveals that in the case of public sector banks, out of 47 customers with high level of perception towards customer relationship management, maximum of 15 (31.91 per cent) of them belong to the age group between 31 – 40 years followed by 11 (23.40 per cent) of the respondents belong to the age group between 41-50 years and 12 (25.53 per cent) of them belong to the age group above 50 years, while in the case of moderate level of perception, of the 18 respondents, maximum of 7 (38.90 per cent) of them belong to the age group above 50 years and 6 (33.33 per cent) belong to age group between 31-40 years respectively. Out of 10 respondents with low level of perception, maximum of 4 (40 per cent) of them belong to the age group between 18-30 years and 3 (30 per cent) of them belong to the age group between 41-50 years and 1.(10 percent) them belong to the age group above 50.

In the case of private sector banks, out of 43 respondents with high level of perception, maximum of 18 (41.86 per cent) of them belong to the age group between 18-30 years followed by 14 (32.56 per cent) belong to the age group between 41-50 years and 6 (13.95 per cent) belong to the age group between 31-40 years. In the case of moderate level of perception, maximum of 8 (44.44 per

cent) of the respondents belong to the age group between 18-30 years followed by 4 (22.22 per cent) belong the age group above 50 years. Further, in the case of low level of perception, out of 14 respondents, maximum of 8 (57.14 per cent) of them belong to the age group between 31-40 years followed by 3 (21.43 per cent) belong to the age group between 41-50and above 50 years respectively.

Table2

Association between Gender and Level of Perception on Public Private Sector Banks

Gender	Public Sector Banks				Private Sector Banks			
	High	**Moderate**	**Low**	**Total**	**High**	**Moderate**	**Low**	**Total**
Male	35 (74.46)	18 (100)	8 (80.00)	61 (81.33)	26 (60.47)	11 (61.11)	11 (78.57)	48 (64.00)
Female	12 (25.53)	0 (0.00)	2 (20.00)	14 (18.67)	17 (39.53)	7 (38.89)	3 (21.43)	27 (36.00)
Total	47(100)	18(100)	10(100)	75(100)	43 (100)	18 (100)	14 (100)	75 (100)

Source: Primary Data.
Figures in parenthesis represent percentage

Table 2 illustrates that in the case of public sector banks, out of 42 respondents with high level of perception on customer relationship management, 32 (76.19 per cent) are male and 10 (23.81 per cent) are female, in the case of moderate level of perception, out of 18 respondents, 18 (100 per cent) of them are male and 0 (00.00 per cent) of them are female. It also shows that out of 15 respondents with low level of perception, 11 (73.33 per cent) of them are male and 14 (18.67 per cent) of them are female.In the case of private sector banks, out of 43 respondents with high level of perception on customer relationship management, 26 (60.47 per cent) are male and 17 (39.53 per cent) are female, in the case of moderate level of perception, out of 18 respondents, 11 (61.11 per cent) of them are male and 7 (38.89 per cent) of them are female. It also shows that out of 14 respondents with low level of perception, 11 (78.57per cent) of them are male and 3(21.53 per cent) of them are female.

Table3

Association between Education and Level of Perception on Public Private Sector Banks

Education	Public Sector Banks				Private Sector Banks			
	High	**Moderate**	**Low**	**Total**	**High**	**Moderate**	**Low**	**Total**
School	17 (36.17)	4 (22.22)	5 (50.00)	26 (36.67)	5 (11.63)	1 (5.55)	10 (71.43)	16 (21.33)
UG	10 (21.28)	3 (16.67)	1 (10.00)	14 (18.67)	8 (18.60)	5 (27.78)	1 (7.14)	14 (18.67)
PG	9 (19.14)	9 (50.00)	0 (00)	18 (24.00)	17 (39.53)	3 (16.67)	1 (7.14)	21 28.00
Others	11 (23.40)	2 (11.11)	4 (40.00)	17 (22.67)	13 (30.23)	9 (50.00)	2 (14.28)	24 (32.00)
Total	42 (100)	18 (100)	15 (100)	75 (100)	43 (100)	18 (100)	14 (100)	75 (100)

Source: Primary Data.

Figures in parenthesis represent percentage

Table 3 revealed that in the case of public sector banks, out of 47 respondents with high level of perception on customer relationship management, 17 (36.17 per cent) are school level and 11 (23.40 per cent) are other education level, in the case of moderate level of perception, out of 18 respondents, 9 (50 per cent) of them are PG level and 4 (11.11 per cent) of them are school level. It also shows that out of 10 respondents with low level of perception, 5 (50 per cent) of them are school level and 1 (10 per cent) perception of them UG level.

In the case of private sector banks, out of 43 respondents with high level of perception on customer relationship management, 17 (39.53 per cent) are PG level and 13 (30.23per cent) are other education level, in the case of moderate level of perception, out of 18 respondents, 9 (50 per cent) of them are other education level and 5 (27.78 per cent) of them are UG level. It also shows that out of 14 respondents with low level of perception, 10 (71.33 per cent) of them are school level and 10 (71.43 per cent) perception of them UG level.

Table4

Association between Income and Level of Perception on Public Private Sector Banks

Income	Public Sector Banks				Private Sector Banks			
	High	Moderate	Low	Total	High	Moderate	Low	Total
Below 10000	13 (27.65)	3 (16.67)	8 (80.00)	24 (32.00)	8 (18.60)	8 (44.45)	11 (78.57)	27 (36.00)
10000-20000	15 (31.91)	4 (22.22)	1 (10.00)	20 (26.67)	16 (37.21)	6 (33.33)	1 (7.14)	23 (30.67)
20000-30000	11 (23.41)	1 (5.55)	0 (0.00)	12 (16.00)	14 (32.55)	2 (11,11)	1 (7.14)	17 (22.67)
Above 30000	8 (17.03)	10 (55.55)	1 (10.00)	19 (25.33)	5 (11.63)	2 (11.11)	1 (7.14)	8 (10.66)
Total	42 (100)	18 (100)	10 (100)	75 (100)	43 (100)	18 (100)	14 (100)	75 (100)

Source: Primary Data.

Figures in parenthesis represent percentage

Table4 depicted that in the case of public sector banks, out of 47 respondents with high level of perception on customer relationship management, 11 (23.41 per cent) of them are income earned Rs.20000-30000, 15 (31.91per cent) of them are income earned Rs.10000-20000, in the case of moderate level of perception, out of 18 respondents, 10 (55.55 per cent) of them are income earned above Rs.30000 and 4 (22.22 per cent) of them are income earned Rs.10000-20000. It also shows that out of 10 respondents with low level of perception, 8 (80 per cent) of them are income earned below Rs.10000 and remaining are low level perception.In the case of private sector banks, out of 42 respondents with high level of perception on customer relationship management, 14 (32.55 per cent) of them are income earned Rs.20000-30000, 16 (37.21per cent) of them are income earned Rs.10000-20000, in the case of moderate level of perception, out of 18 respondents, 2 (11.11 per cent) of them are income earned above Rs.30000 and 6 (33.33 per cent) of them are income earned Rs.10000-20000. It also shows that out of 14 respondents with low level of perception, 8 (44.45 per cent) of them are income earned below Rs.10000 and remaining are low level perception.

Table 5
Age and Level of Perception

Particulars	Public Sector Banks	Private Sector Banks
Calculated chi square value	3.266	17.645
Table value	12.592	12.592
Degrees of freedom	6	6
Inference	Not Significant	Significant

It is clearly evident from Table 5 that in the case of public sector banks, the calculated value is less than the table value. Hence, the null hypothesis is accepted. Therefore, it could be inferred that age does not influence the perception of respondents towards customer relationship management Villupuram town. In case of private sector banks, the calculated value is greater than the table value. Hence, the null hypothesis is rejected. Therefore, it could be inferred that age influences the perception of respondents on customer relationship management Villupuram town.

Table 6
Gender and Level of Perception

Particulars	Public Sector Banks	Private Sector Banks
Calculated chi square value	5.495	1.589
Table value	5.991	5.991
Degrees of freedom	2	2
Inference	Not Significant	Not Significant

It is inferred from Table 6 that in case of public and private sector banks, the calculated value is less than the table value. Hence, the null hypothesis is accepted. Therefore, it could be inferred that gender does not influence the perception of respondents towards customer relationship management.

Table 7
Education and Level of Perception

Particulars	Public Sector Banks	Private Sector Banks
Calculated chi square value	12.572	30.546
Table value	12.592	12.592
Degrees of freedom	6	6
Inference	Not significant	Significant

It is clearly evident from Table7that in the case of public sector banks, the calculated value is less than the table value. Hence, the null hypothesis is accepted. Therefore, it could be inferred that educational qualification does not influence the perception of respondents towards customer relationship management Villupuram town. In case of private sector banks, the calculated value is greater than the table value. Hence, the null hypothesis is rejected. Therefore, it could be inferred that educational qualification influences the perception of respondents on customer relationship management Villupuram town.

Table 8
Income and Level of Perception

Particulars	Public Sector Banks	Private Sector Banks
Calculated chi square value	18.090	30.607
Table value	15.507	15.507
Degrees of freedom	8	8
Inference	Significant	Significant

It is clearly evident from Table8that in the case of public sector banks, the calculated chi-square value is greater than the table value at 5 per cent level. Hence, the null hypothesis is rejected. Therefore, it could be inferred that there exist relationship between income and level of perception of the respondents. In

the case of private sector banks, the calculated chi-qquare value is less than the table value at 5 per cent level. Hence, the null hypothesis is accepted. Therefore, it could be inferred that there is not exist any relationship between income and level of perception of the respondents.

10. Findings

- The important majority of the respondents' age group is 31 to 40 years

- In the public sector banks, the percentage of male customers is 81.30, whereas in private sector banks, it is 74.70 per cent of the total.

- The level of education among the respondentsis under graduation (18.70 percent) both in public and private sector banks.

- The first two important occupations among the customers in public and private sector banks are business and government employment.

- The first two important income patterns among the customers in public and private sector banks are below Rs.10000 and Rs.10000 to 20000.

- Urban customers in the public sector banks are the dominant group compared to the private sector banks in the study area

- Majority of the customers among public and private sector banks are married in the study area.

11. Conclusion

A banks' ability to identify customer needs, segment customers and build accurate customer profiles, all depend on how effectively it collects, manages and uses customers' data. Banks needs to realize which type of information they need, harvest it carefully, store it safely, keep it updated and use it proactively to cross-sell, improve customers experience and deepen relationship.

Our Heritage

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