

## Comparative Analysis Of Private Bank And Public Sector Bank In Terms Of Service Quality

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Purpose of the paper is to do comparative analyze private bank and public sector bank. Both public and private sector banks were included in the sample and analysed on the basis of different service quality measures. Total 340 samples taken from Dharampur Atul and Valsad city conveniently. There are lots of service quality factors which influence customer decision banks to select. Mann-Whitney U test method used for data analysis for some factors. The findings highlighted that public and private sector banks were not very much different in terms of size and growth parameters. Private bank selected by respondents because of brand name and public sector bank selected by respondents because of its branches are conveniently available.

**Introduction**

The banking sector is the lifeline of any modern economy. It is one of the important financial pillars of the financial sector, which plays a vital role in the functioning of a economy. It is very important for a country's economic development that its financing trade, industry and agriculture requirements are met with a greater degree of commitment and responsibility. Thus, the development of a country is integrally linked to the banking development. Over here researcher had try to do comparison between private sector bank and public sector bank in terms of service quality of different sector bank.

**Literature review**

Lapavitsas, Costas. In their research "Systemic failure of private banking: A case for public banks." Explain that the 2007-9 crisis represents a systemic failure for the private bank. The private nature of banks created opacity and exacerbated liquidity problems, bad assets and a shortage of capital. In addition, private banks have failed to collect information and manage risks, as well as mediate the acquisition of vital assets by families. It is paradoxical that, faced with this systemic failure, Keynesian and other heterodox economists have generally made proposals for non-systemic reform. This article is based on Marxist theory to argue that systemic change is necessary, including the conversion of failed private banks to public banks, which are executed transparently and with democratic accountability. Public banks could face liquidity and solvency problems more easily; they could also play a long-term role, providing stable credit flows for households as well as small and medium-sized businesses.

Bedi, Monica. In their research "An Integrated Framework For Service Quality, Customer Satisfaction And Behavioral Responses In Indian Banking Industry--A Comparison Of Public And Private Sector Banks." Explain that their study attempts to investigate the relationship between service quality, general customer satisfaction and behavioral intentions between public and private banks in India. The results indicated that service quality is a significant determinant of customer satisfaction in the Indian banking sector, regardless of public and private sector banks. However, it was found that different dimensions of service quality are statistically significant in public and private banks. It was found that customer satisfaction was strongly associated with the propensity to recommend. The study will help banks

redefine their corporate image to one that is focused on the customer and driven by quality of service.

Houston, Joel, and Christopher James. In their research "Bank information monopolies and the mix of private and public debt claims." Explain that their article examines the determinants of the combination of private and public debt using detailed information on the debt structure of 250 publicly traded companies from 1980 to 1990. We conclude that the relationship between bank loans and the importance of growth opportunities depends on the number of banks. The company uses and if it has outstanding public debt. For companies with a single bank relationship, dependence on bank debt is negatively related to the importance of growth opportunities. On the other hand, among companies that borrow from several banks, the relationship is positive.

Singh, Surabhi, and Renu Arora. In their research "A comparative study of banking services and customer satisfaction in public, private and foreign banks." Explain that the banking system is facing challenges with strong competition and advances in technology. It is imperative that service providers meet or exceed target customers' satisfaction with the quality of services expected by them. Therefore, this research attempted to study the perception of customers about the quality of services, both based on transactions and on IT, activated in terms of constituent factors in the public sector, the private sector and foreign banks. Also through this study, we would measure the extent of IT adoption in the public, private and foreign banks in this electronic age. The present investigation was planned with the objective of evaluating the extent of the use of services, especially the IT-enabled services in these banks, and analyzing the constituent factors that affect customer satisfaction with the quality of services. This study was carried out in the public sector, private sector and foreign banks in Delhi. Random sampling in several stages was used for sample selection. The study was proposed to be carried out in five areas (east, west, north, south and central) of Delhi. A branch of the above banks in any area of Delhi was selected at random. When selecting the branch, care was taken to ensure that it provided at least five IT-enabled services. This step was followed to compare Intra Bank. The study shows that customers of nationalized banks were not satisfied with the behavior and infrastructure of employees, while respondents from private and foreign banks were not satisfied with the high charges, accessibility and communication.

Schauer, Catharina, Ralf Elsas, and Nikolas Bretkopf. In their research "A new measure of financial constraints applicable to private and public firms." Explain that their study managers' self-assessment of their company's financial constraint status to assess the validity of commonly used financial constraint indicators. Since categorizations based on common measures of financial constraints lead to high incorrect classifications, we obtain a new measure of financial constraints that performs well inside and outside the sample for private companies. Applying our new measure to a large sample of European private companies, we find consistently lower investment cash flow sensitivities and greater distortions in response to exogenous financing friction for restricted companies in all countries. In addition to private companies, our new measure can also be applied to companies listed in the USA, as it reliably identifies restricted companies, as measured by the occurrence of liquidity events and the incidence of an inelastic supply of capital.

### **Research methodology**

The research is aimed at comparative analysis of private bank and public sector bank in terms of service quality. Total 340 samples 180 from private bank and 160 from public sector bank

selected conveniently from Dharampur, Atul and Valsad city Gujarat. The main objective of research is to compare public sector bank and private sector bank in terms of customer satisfaction and also various factors affecting customer in terms of service quality for both private and public sector bank. The data generated from the survey is analyzed using statistical tools SPSS 20 and Mann–Whitney U. The p-values have been calculated for the select variables and on comparing with central value their significance has been checked at 95% confidence level. Factors considered fast and convenient services, interest rate offered by bank, hidden charges, professional appearance etc.

### **Findings**

Most of private banks customers are using debit card while public sector bank customers are using credit card the most. Private sector bank selected by customer because of brand name and public sector bank selected by customers because of conveniences. Respondents observe the public sector bank take more time in resolving problems as compared to private bank. In terms of skills of employee both public sector bank and private sector banks respondents are satisfied. Mann–Whitney U is also conducted for some factors. It was found that there is no significance difference in different factors. The p-values have been calculated for different group of respondents (income wise). P value found .690 for fast and convenient service, .740 for interest rate offered by bank, .178 for hidden charges and .233 for professional appearances.

### **Recommendations and suggestions**

As from research found that the preference for public sector bank is more because of conveniences i.e. number of branches available private sector banks should plan for more number of branches. Public sector banks needs to focus more on debit card use by respondents. Still very few customers of both the banks are using mobile banking facility so more awareness about the same is required. Private sector bank should plan for more number of ATM branches as compared public sector banks.

### **Conclusion**

Both the private sector and public sector banks are doing good business now days. Customers of respective banks are satisfied with the king of services provided by both of the banks. Brand name of most concerned for private banks to attract more number of customer while for public sector bank availability of branches is most beneficially for them for customers. In the era of digitalisation still more focus is required for digital banking facilities like mobile banking and internet banking.

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