Service Quality Perception and Awareness of E-Banking in Public and Private Sector Banks in Chennai District

Dr. N. Leela
Principal and HOD of commerce.
Vivekananda Vision Arts & Science College.
Katchur. Uthukottai.
Thiruvallur District 602026. Tamilnadu

Abstract

The banking and financial industry has the country overall by supplying the necessary funding for various economic sectors. Since this is a service industry, employee productivity affects the calibre of services provided. The primary focus of this study is the Chennai district's customers' awareness of public and private sector banks. This study's primary objectives are to ascertain customer expectations about bank service, as well as how consumers view the quality of service and service quality caps offered by the two sector banks in the Chennai region. The SERVQUAL method's fundamental structures were used in the observed approach to gauge banks' service quality. Respondents were chosen using sampling techniques from among clients of two commercial (Axis and ICICI banks) and two public (SBI and Indian Bank) banks in the Chennai district. To keep their market share in Chennai, public sector banks, in particular, need to perform better.

Keywords: Customer awareness, SERVQAL, banking industry, and service quality, among other things.

I. INTRODUCTION

When it comes to building and maintaining positive connections with clients, service quality is a crucial factor in determining competitiveness. Service marketers have come to understand that distinguishing quality is a good way to control competition. Superior service quality is largely dependent on a company's customer-focused culture, a well-designed service system, and efficient use of information and technology. The world is now enabled by technological advancements that give consumers instant recently made significant investments to provide ICT to its clientele (Vijay M. Kumbhar 2009). Modernising and computerising the financial sector is essential for a developing nation like India to keep up with the global situation.

Banks were compelled to adopt a customer-centric strategy as a result of this competitive environment in order to both maintain and attract new clients. For banks to retire their clients, they must be satisfied. The advancement of technology has also raised consumer expectations for financial services.

The purpose of this study is to ascertain whether there are any differences between Chennai's public and private sector banks in terms of consumer awareness. To measure consumer awareness, Parasuraman, Zeithamal, and Berry (1985) developed the "SERVQUMAL" model.

Banking and Chennai City

Chennai, a burgeoning metropolis in a growing nation, has challenges such as a special economic zone for footwear manufacture and performances. The evidence on the relationship between various bank attributes is outlined in the special feature. Chennai is home to branches of practically every major Indian bank. There are 196 branches and 194 ATMs operated by SBI Bank, 127 branches and 223 ATMs operated by IB Bank, 73 branches and 105 ATMs operated by ICICI Bank, and 57 branches and 88 ATMs operated by Axis Bank in Chennai city.

Literature Review

Customer expectations: Each consumer has a distinct experience using a product or service, and these experiences can be categorised as customer expectations. This is especially relevant to the service and financial industries. Parasuraman, Zeithaml, and Berry developed the SERVQUAL model, according to V.A. Zeithaml et al. (1985). It starts with the expectations of consumers for services and compares them with their actual perceived experiences to determine the level of customer awareness. Expectations are not constant or predictable, and they are subjective.

The phrase "customer's perception of experiences" describes how a consumer feels about a business or its products. A customer's perspective is their assessment of the calibre of the goods or services they have used. Customers' assessment of a product or service's overall excellence or superiority is known as perceived quality (Lew, 1936). In highly skilled and technologically advanced industries, such as banking, perceived service quality factors frequently play a significant influence.

The idea of customer awareness is significant and pertinent. Each individual, product, and service will have a different level of awareness. In each service, there is a chance that the customer's expectations and their actual experience will differ. Which results in dissatisfied customers? Therefore, in order to raise consumer awareness, the whole service sector should work to close this gap. Numerous studies have examined the connection between consumers' awareness and expectations about perceived service quality (Zeithaml et al., 1988). One of the best predictors of consumer loyalty and buy intentions is customer awareness. One of the most often gathered measures of market perception is customer awareness data (Abu Bakar Siddique et al., 2011). Numerous studies concurred that customer awareness and service quality are conceptually distinct (Bitner, 1990); yet, Prasante K. Padhy et al. (2009) assert that these two criteria are the primary determinants of customers' purchase intentions.

Susesh (2007) found that low service quality in public sector banks is caused by a lack of responsiveness, empathy, and tangibility, but private sector banks do not have these issues. After being privatised, state-owned banks' performance has improved by 95% when compared to other banks. Regardless of whether a bank is in the public or private sector, service quality is a crucial aspect of customer awareness is proven to be closely linked to the likelihood that a client will suggest a bank (Monica Bedi 2010). M.J. Vidhyaa (2009) came to the conclusion that while SBI and ICICI banks are on an equal footing, SBI performs somewhat worse than ICICI bank in terms of resolving customer complaints.

Research Methodology

To get the information from respondents on their expectations and perceptions of banking services in India, the structured questionnaire was divided into two pieces. Twenty sets of question statements were categorised under five categories (four each) using a five-point Likert scale. Thirty respondents from each bank in the Chennai district has given the questionnaires to complete. Convenience sampling and clustery sampling techniques were combined to pick the samples. The respondents are selected from among the clients leaving the banks, where it would be simple to extend an invitation to participate in the study.

Objectives of the Study

1. To determine what clients in the Chennai district anticipate from the banks in terms of services.

2. To learn how consumers feel about the quality of services provided by public banks.

3. To examine and contrast the service gap (P-E) between clients of Chennai district.

Table -1
Demographic Factor

Demographic Factor	Respondent	Per cent
Male	62	51.7
Female	58	48.3
Total	120	100.0
Student	6	5.0
Employed	83	69.2
Self employed	18	15.0
Retired	13	10.8
Total	120	100.0
Less than 10000	32	26.7
10,001 – 20,000	71	59.2
20,001 – 30,000	7	5.8
30,001 – 40,000	5	4.2
40,001 – 50,000	5	4.2
Total	120	100.0
Less than 10000	32	26.7
Student	6	5.0
Employed	83	69.2
Self employed	18	15.0
Retired	13	10.8
Total	120	100.0
18-25	27	22.5
26-40	37	30.8
41-50	30	25.0
51-60	26	21.7
Total	120	100.0

According to the above table, 62 (51.7%) of the 120 (100%) respondents who were male gave a comment on the level of service provided by public and commercial banks are in the 10,001–20,000 wage range. These respondents are asked about their perceptions of banking awareness and service quality. According to the aforementioned poll, a maximum of the ages of 26 and 40 and have completed the relevant survey. Customers of private banks have larger expectations than those of public sector banks, according to the table analysis. Customers of private banks also report that they received better service. Despite having high expectations, private sector banks had the smallest service gap, which clearly shows that, in terms of actual responsiveness and empathy, private bank clients were much happier than those of public sector banks. In terms of dependability, the service gaps in the two banks are about comparable. However, because they cover more demands, private banks were superior in comparison. Overall, private banks raise consumer awareness and have smaller service gaps.

Table -2
Service Quality Dimension

Service Quality Dimension	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Tangibles	25.35	18.46	-6.89	24.84	18.51	-6.33
Reliability	22.33	19.22	-3.11	20.78	15	-5.78
Responsiveness	21.71	16.04	-5.67	19.75	22.08	2.33
Assurance	23.74	22.35	-1.39	23.02	18.28	-4.74
Empathy	22.66	18.14	-4.52	20.36	15.37	-4.99

Source: Primary data

Tangibles: Customers of public and private sector banks are compared in the table based on their expectations, perceptions, and service gaps. Compared to public sector banks [-5.48], private sector banks have a smaller service gap (-2.94). This demonstrates unequivocally that banks in the private sector offer superior physical services. Upon doing an element-by-element examination, it is discovered that public sector banks have a very large service gap across all elements, which is indicative of their subpar visual services in comparison to private banks.

Table -3
Service Quality Dimension

Service Quality Dimension	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
New Looking tools	6.98	4.68	-2.3	6.95	5.63	-1.32
Material facilities	5.83	4.5	-1.33	3.86	3.26	-0.6
Employers appearance	5.23	3.71	-1.52	5.62	4.96	-0.66
Materials associated visually appearing	5.26	4.93	-0.33	5.09	4.73	-0.36

Source: Primary data

Reliability: According to the table, the dependability measurement service difference between public and private sector banks in the Chennai district is about equal. Since public sector banks have a smaller service gap than private sector banks, the analysis indicates that they fulfil promises on schedule and keep error-free records. This can be because private banks are held to high standards for timely promise delivery. Private sector banks were more adept at demonstrating a genuine interest in resolving client issues and providing the best possible service straight away. Overall, private banks' perceived services (19.7) are higher than public sector banks' (25.88), suggesting that private banks were providing more dependable.

Table -4
Service Quality Dimension

Service Quality Dimension	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Timing response	5.89	3.87	-2.02	6.28	5.73	-0.55
Genuinely Interest in solving customers issue	6.5	4.87	-1.63	5.26	4.98	-0.28
Execute the right service at mean time	5.62	3.98	-1.64	6.89	5.50	-1.39
False free record	7.87	6.98	-0.89	7.54	6.23	-1.31

Source: Primary data

Responsiveness: The table's analysis clearly demonstrates that, in terms of responsiveness, private sector banks outperform public sector banks in terms of consumer awareness. Even if private sector banks haven't fully fulfilled all of their customers' expectations, the superiority of private sector banks over public sector banks is demonstrated by all four of the aspects related to this client dimension. In comparison to public sector banks (-4.62), private sector banks (-6.01) provide better overall service, according to the opinions of the respective clients.

Table -5

Statement	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Bank precisely when service will be performed	5.82	4.26	-1.56	4.28	4.16	-0.12
Proper service	5.42	4.13	-1.29	5.89	4.37	-1.52
Ready to help of customers	6.53	5.78	-0.75	4.58	2.68	-1.9
Nothing too busy	4.26	5.28	1.02	5.35	2.88	-2.47

Source: Primary data

Assurance: According to the data from this study, public sector banks performed better than private sector banks in terms of assurance, one of the SERVQUAL dimensions. The only area where public sector banks outperform private sector banks across all dimensions (expectation, perceptions, and service gap) is assurance. According to element-by-element study, the primary factor contributing to this is the consumers' sense of security while doing business with banks. Private sector banks have the fewest service gaps in terms of staff conduct and customer courtesy.

Table -6

Statement	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Employee behaviour hope in customers	5.47	4.82	-0.65	5.2	4.38	-0.82
Feel secure in transactions	5.82	3.72	-2.1	6.23	4.98	-1.25
Consistently respect to customers	6.82	5.78	-1.04	5.78	4.02	-1.76
Customers desires will knew to Employees	5.78	4.98	-0.8	5.34	5.02	-0.32

Source: Primary data

Empathy: Analysis of the data in the table revealed that workers of private sector banks understood the wants and requirements of their customers better than those of public sector banks. This is because, in comparison to public sector banks, their overall service gap for this dimension is better. Private sector banks have provided more contributions to their clients than public sector banks in every area and from every angle, according to the element-by-element examination.

Table -7

Statement	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Personally attention to customers	5.22	4.22	-1	5.89	4.05	-1.84
Flexible working hours	6.92	5.56	-1.36	3.98	2.89	-1.09
Focused customers services	5.82	4.26	-1.56	5.59	4.89	-0.7
Delegates the customer's specific needs	5.85	4.51	-1.34	4.78	3.27	-1.51

Source: Primary data

II. CONCLUSION

With the exception of the assurance aspects, where public sector banks outperform private sector banks, customers' expectations, perceptions, and service gaps are better at private sector banks than at public sector banks. It's possible that the higher expectations in private sector banks stem from their stronger interest in transactions compared to public sector banks. Customers' expectations show that they think private sector banks can provide better awareness than public sector banks. They provide their clients more awareness since the service gap of the banks.

Compared to commercial banks, public sector banks have a smaller service gap in terms of guarantee. which demonstrate that consumers in the Chennai district have faith in state banks. The responsiveness and empathy components of the service gap are quite high, demonstrating the lack of staff response, particularly when it comes to delivering timely services. Enhancing staff responsiveness is crucial for public sector banks, as it is one of the main issues that clients have.

Giving consumers the highest level of safety and fostering and enhancing customer confidence are crucial for private sector banks. Private sector banks should exercise extreme caution since their service gaps are generally better than those of public sector banks. Customers' expectations are increasing at a very rapid pace, thus banks should work harder to fulfil them.

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