

# SERVICE QUALITY IN PUBLIC AND PRIVATE SECTOR BANKS OF INDIA

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**Abstract:** *Banking sector and its performance play an important role in an economy. The current scenario of Indian banking sector is very dynamic and competitive. To maintain market share it is necessary for banking institutions to acquire large customer base. Customers today are very much aware about various financial services and institutions, moreover they are spoilt for choice. Therefore they can only be retained by providing quality services. The present study focuses on the service quality and customer satisfaction among private and public sector banks in India. It also attempts to compare service quality gaps between customer expectation and satisfaction regarding banking service. The outcome of the study shows that service gap is lower in private sector banks than public sector banks. Reliability and assurance are the dimensions where no significant difference has been observed between public and private sector banks.*

**Keywords:** *Customer Satisfaction, Service Quality, Private Banks, Public Banks, Servqual*

## INTRODUCTION

Effective functioning of banking system is very crucial for the development of an economy. Banking institutions play a key role in the process of mobilisation of savings to the productive sector of the economy. Before 1991, the level of competition in banking industry was very low. After nationalisation of commercial banks, banking sector was majorly dominated by public sector banks in terms of asset size. But in 1991, when India undertook a series of liberalisation, privatisation, and globalisation measures the banking industry has completely transformed with new private sector banks opening up, expansion of existing private sector banks, and entry of foreign banks.

Since then Indian banking sector has witnessed a phenomenal growth. Presently, the scenario of this industry is very dynamic and challenging. It has a large number of banks operating with mixed ownership. Regulators and policy makers are making banking norms in line with international standards with the aim that Indian banking system progresses with strong fundamentals. However even after many initiatives and policy measures introduced to strengthen banking sector there seems a lot of difference at the operational level of banks. Banks are required to understand these difference, discover their weaknesses, and work in pace with rapidly changing financial market.

In such a competitive set up banks are required to attract potential customers as well as retain the existing ones (Best, 2005). Banks are now required to capitalise on their core competencies and focus on differentiating their offerings

from that of competitors (Tang & Zairi, 1998). Further to maintain and improve their profit position and market share, banks have to design marketing strategies aiming customer satisfaction and loyalty through improved service quality.

As explained by Zeithaml (1987) "Service quality is the customer's judgment about an entity's overall excellence or superiority. It is a form of attitude, and results from comparison of expectation to perceptions of performance received". With reference to banking industry service quality is vital as products and services offered by different banks are similar to each other, as they function in same regulatory environment. So to survive and succeed banks have to understand service quality and satisfaction parameter. Banks must make frequent efforts to identify customers' perception regarding the services they provide. Jha (2000) pointed out that government today emphasizes on profits with a clear indication to 'perform or perish'. So banks must start realising their dependency over customer, try to improve their services and build good relationships with the clients.

## LITERATURE REVIEW

Service sector of an economy faces a continuous challenge of managing the quality of service they provide. With the expanding consumer base as well as growing competition, even banking sector is becoming customer driven. Therefore, nowadays banking institutions focus on analyzing satisfaction levels of customers and try to adopt differentiation in their services. Some researches done in this area are described below.

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Kangis and Vassilis (1997) studied customer's expectation and perception of public and private banks of Greece. They studied five dimensions of service quality and concluded that consumers of private sector banks have favorable impact of quality received as compared to banks in public sector. Vasilis, Constantine and Katerina (2005) made a similar attempt to study Greece customers' satisfaction level. Their study concluded that in terms of marketing efficiency public sector banks have high perceived value while in terms of professional services and communications private sector banks shows more satisfactory performance.

Al-Tamimi and Al-Amiri (2003) compared service quality between the Dubai Islamic Bank and the Abu Dhabi Islamic Bank. The result of their study indicated no major difference between service quality provided by these banks.

Islam and Ahmed (2005) used SERVQUAL model to compare private, public and foreign banks in Dhaka. The study concluded that personal attention to clients, error free records, safety of transactions and tangible physical facilities are most important attributes to measure service quality. Another finding of the study demonstrates significant difference between expected and perceived service quality of public and private banks.

Ahmad, Rehman, Saif and Safwan (2010) examined how customers perceive the services provided by Islamic and conventional banks in Pakistan. The study revealed that customers of Islamic banks expect a high quality of service from their bank while customers of conventional banks have low expectation in this regards.

Haq and Muhammad (2012) compared public and private sector banks of Pakistan. Customers were found to be more satisfied with the private sector banking services. As these banks were technologically well equipped and had multiple branches at convenient locations.

Akhter (2012) analysed public and private sector banks of Bangladesh. The study demonstrated a large gap between public and private banks. Commercial banks in public sector need an overall change and improvement in its system so as to meet the demand of their clients. The study also reveals that there exist a gap between customer expectations and employee perception in private sector banks. Therefore private sector should focus on internal as well as interactive marketing.

Yapa and Hasara (2013) researched customer satisfaction between customers of public and private sector banks in Sri Lanka. Their study revealed that there exist a lot of difference between performance and expectation of public and private sector banks. The major areas where the performance gap persists are tangibility and reliability.

## Literature on Banks in India

Aurora and Malhotra (1997) made efforts to study level of customer satisfaction and marketing strategies adopted in public and private sector banks in India. Their study explored various factors of satisfaction in these banks and concluded that customers are more satisfied with private banks mainly because of the staff factor. They suggest public sector banks to be well equipped, have trained staff, personalise the services provided, avoid long queues, and keep their environment attractive.

Varghese (2000) conducted a study to compare public and private sector banks of Kerela. He considered two banks from each category and analyzed their performance. The study revealed that there exist no major differences between services of public and private sector banks. Also, banks in both the sectors adopt similar internal marketing strategies.

Bodla (2004) examined four private sector banks and four public sector banks of Chandigarh, Delhi and Haryana in order to assess their service quality. He concluded that expectations and perceptions of customers differ significantly in the banks of these two sectors. Israel, Clement, and Selvam (2004) made similar attempt to analyse service quality of banks. Their study identified that marketing efforts and performance of banks in public sector are less efficient than in private sector, but when it comes to reliability and security public sector banks are trusted more over private sector banks.

Sudesh (2007) analysed service quality of banks in India and reported that services of public sector banks are of poor quality. These banks are rated low for tangibility, responsiveness and empathy when compared to private sector banks. The study also suggested that management should keep a close watch on potential failure points and should make efforts to solve customer problems promptly.

Singh and Arora (2011) studied the factors effecting customer satisfaction with the quality of services. The study was conducted in some selected branches of public and private sector banks of Delhi. The respondents reported that they were not satisfied with the employee behavior and infrastructure of public sector banks. While private sector services were perceived to be cost with lack of accessibility and communication.

Lohani and Shukla (2011) focused on banks in Lucknow city and concluded that customers perceive services of private sector banks to be of superior quality than banks in public sector.

Virk and Mahal (2012) presented a comparative analysis of level of customer satisfaction towards services provided by public and private sector banks in Chandigarh city. They

identified that customers prefer private sector banks mainly because of two reasons, firstly these banks focus on building and maintaining good relationship with their clients and secondly as they are well equipped with the use of modern technology as compared to banks in public sector.

Simon (2012) studied customers' perception with respect to service quality of public sector and private sector banks in Coimbatore. She concluded that private sector banks give tough competition to public sector banks by providing better quality and range of services to customers.

Franklin and Arul (2014) surveyed banks of Chennai city and compared satisfaction and expectation of consumers of public and private sector banks. They reported that service gap of private sector is better than public sector across all service dimensions except assurance. Public sector banks must concentrate on improving their performance in order to maintain their market share in Chennai.

## RESEARCH METHODOLOGY

### Research Objectives

- a) To examine the service quality expectations of the bank customers
- b) To examine the level of satisfaction of the customers towards services rendered by banking institutions
- c) To compare the difference between customer expectation and satisfaction of the banking services of public and private sector banks.

### Tools for Data Collection

A self-administered questionnaire was used for data collection. It consisted of close-ended questions. The questionnaire was divided in two parts – the first part was intended to know the respondent's expectation of the SERVQUAL service quality variables. Therefore, the respondents were asked to rate service quality variables on a five-point Likert Importance Scale where 1=Extremely Important, 2= Very Important, 3= Moderately Important, 4= Slightly Important and 5= Not at all Important. The second part of questionnaire included various statement describing service quality parameters, where the respondents rated their agreement on a five-point Likert Scale. The responses were labeled as 1= Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree. High level of validity was ensured through pilot test of the questionnaire with 40 respondents. Their views were incorporated in the final questionnaire. Convenient sampling method was used to select the respondents. They were contacted directly or through internet. The data were collected during January and February 2016. Total number of questionnaire distributed

was 250. However, researcher received 206 fully answered questionnaire, all of them were included in the study. Thus the response rate was 82%. Geographically the study was restricted to Indore city.

### Data Analysis

Various statistical analysis techniques such as descriptive statistics, factor analysis, gap analysis, and ANOVA were used, which were processed by statistical software. The analysis of data was carried out using Statistical Package for the Social Sciences (SPSS) 16.0 for Windows. The following hypotheses were tested:

- 1) **H0:** There is no significant difference in satisfaction level of public and private bank's customers with respect to tangibility.  
**H1:** There is a significant difference in satisfaction level of public and private bank's customers with respect to tangibility.
- 2) **H0:** There is no significant difference in satisfaction level of public and private bank's customers with respect to responsiveness.  
**H1:** There is a significant difference in satisfaction level of public and private bank's customers with respect to responsiveness.
- 3) **H0:** There is no significant difference in satisfaction level of public and private bank's customers with respect to reliability.  
**H1:** There is a significant difference in satisfaction level of public and private bank's customers with respect to reliability.
- 4) **H0:** There is no significant difference in satisfaction level of public and private bank's customers with respect to empathy.  
**H1:** There is a significant difference in satisfaction level of public and private bank's customers with respect to empathy.
- 5) **H0:** There is no significant difference in satisfaction level of public and private bank's customers with respect to assurance.  
**H1:** There is a significant difference in satisfaction level of public and private bank's customers with respect to assurance.

### Descriptive Statistics

Some information about the respondent's background was collected using demographic variable like gender, age, education, occupation and annual income. Distribution of respondents on the basis of their demographic profile is illustrated in Table 1. The collected information shows

that research sample consist of 138 males and 68 females belonging to Indore. A large proportion of respondents of public and private sector belong to 26-45 age groups. The respondent's distribution regarding the education level displays that 10.7% currently have higher secondary as their highest qualification, 23.3% have a graduate degree, 28.2% have a post graduate degree and 37.9% were qualified professionals. The above data indicate that majority of the sample represents highly educated class. Statistics related to occupation reveals that a significant number of the sample belongs to service class (48.1%) followed by professionals (26.7%). On the income level, sample information shows that 67% of the respondents have annual income less than or equal to Rs. 10 lakhs, higher income group with annual income above Rs. 15 lakhs is 16.5% of the total number. It is interesting to note that with regard to public and private sector banks, the sample number of respondents are equal to 50% who use services of public sector banks and remaining 50% uses services of private sector banks.

## Reliability Analysis

In this study reliability was examined on all items. As a test of reliability Cronbach's Alpha was adopted to represent internal consistency. Table 3 shows reliability test of all the items. Most of the values are greater than the threshold level of 0.70 except the reliability value of assurance (Walsh, 1995). Hence it can be concluded that the items reliably measure the defined constructs.

## Factor Analysis

Principal component factor analysis with Varimax Rotation was used to analyse service quality factors. Retaining only such factors which have Eigen values greater than 1, we infer that totally six factors have emerged. The total variance accounted for five factors which explain 71.62% variances. One factor is dropped in this process, as it was able to explain only 4% of the variance. Factors identified and their factor loadings are discussed in Table 2. Factor loadings

**Table 1: Demographic Profile of Respondents**

		Frequency	Percent	Cumulative Percent
Gender	Male	138	67	67
	Female	68	33	100.0
	Total	206	100.0	100.0
Age (in years)	18-25	38	18.4	18.4
	26-35	64	31.1	49.5
	36-45	66	32.0	81.6
	Above 45	38	18.4	100.0
	Total	206	100.0	100.0
Education	H.SC	22	10.7	10.7
	Graduate	48	23.3	34
	Post Graduate	58	28.2	62.1
	Professional	78	37.9	100.0
	Total	206	100.0	100.0
Occupation	Service	99	48.1	48.1
	Business	35	17.0	65
	Housewife	17	8.3	73.3
	Professional	55	26.7	100
	Total	206	100	100
Yearly Income	Less than 5 lakhs	52	25.2	25.2
	5 lakhs to 10 lakhs	86	41.7	67.0
	10 lakhs to 15 lakhs	34	16.5	83.5
	Above 15 lakhs	34	16.5	100
	Total	206	100	100
Type of Bank	Public Sector	103	50	50
	Private Sector	103	50	100
	Total	206	100	100

are the weights and correlations between each variable and the factor. High load signify that the factor is more relevant (Cooper & Schindler, 2006).

**Empathy:** This factor was perceived by the respondents as the most important factor with total variance of 43.218%. Empathy as a service quality dimension includes bank staff knowledge (0.613), right service in first time (.722), prompt services (.782), interest in solving customer problem (.727), employees understand individual needs (.560), polite employees (.689), bank keeps your interest in mind (.533), and bank understand your problem (.724)

**Responsiveness:** The second factor that emerged is responsiveness. This factor is loaded by four variables – equipped ATMs (.630), services meet your requirement (.696), full range of services provided (.615), services are provided on time (.616)

**Tangibility:** This factor explains 5.812% of variance. The items included in this factor are physical facilities (.788), environment of bank is clean (.752), arrangement of products and facilities (.695), and modern-looking equipments (.728)

**Reliability:** This factor is loaded by two variables safety of transaction with banks employees (.783) and trustworthy employees (.816).

**Table 2: Factors Identified and Their Factor Loadings**

Factor Name	Eigen Value	Cronbach Alpha	Variable and Questionnaire items	Factor Loading					
				1	2	3	4	5	6
Tangibility	2.797	0.818	Your bank's physical facilities are visually appealing	.788					
			The environment in your bank is clean	.752					
			Products and facilities in your bank are neatly arranged	.695					
			Your bank have modern-looking equipments	.728					
Responsiveness	2.900	0.798	The ATM's of your bank are technologically well equipped		.630				
			Services provided by bank meets your requirement		.696				
			Your bank provides full range of services		.615				
			Your bank provide services on time		.616				
Reliability	2.502	0.810	You feel safe in your transactions with the bank employees			.783			
			You can trust employees of your bank			.816			
Empathy	5.025	0.927	Your bank staff have sufficient knowledge to answer your queries				.613		
			Your bank's employees gives you right services in first time				.722		
			Your bank employees serves you promptly				.787		
			When customers have a trouble, your bank show a sincere interest in solving it				.727		
			Bank employees understand your individual needs				.560		
			Employees are polite				.689		
			Your bank keeps your interest in mind				.533		
			Bank understands your problem				.724		
Assurance	2.068	0.633	Products and services of the bank are correctly priced					.750	
			Your bank provides sufficient parking space					.678	
			Statements and documents provided by your bank are error free					.769	
			Your bank employees tell you exactly when the services will be delivered					.464	

**Assurance:** This factor explains 4.428% of variance. The items included in this factor are price of product and services (.750), sufficient parking space (.678), error free statements and documents (.769), and service delivery time known (.464).

**Gap Analysis**

According to Brown and Bond (1995) “The Gap model is one of the best received and most heuristically valuable contributions to the service literature”. This method is popularly used to find shortfalls in service quality dimensions. Customer develops an expectation based on the service and company information they collect from various sources. Once they experience the service they are able to rate their satisfaction level. The Gap model helps to analyze difference or gap in the expectation and satisfaction scores.

**Overall Service Quality Analysis**

The analysis of Table 3 shows difference between expectation and perception concerning service quality of public and private sector banks. On comparing the gap score, it is found that perceptual gap of private sector bank customers is narrow on all the dimensions. Therefore, it can be said that private bank customers are more satisfied with the bank services when compared with public sector bank customers.

**Dimension-wise Analysis**

**Tangibility:** Table 4 compares expectation, perception and service gap among customers of public sector and private sector. A negative gap score indicates that services are not provided as per customer’s expectations. As it can be seen, in all tangibility service quality dimensions gap score is higher in case of public sector banks. It can thus be concluded that physical facilities and availability of modern equipment is more in private sector banks.

**Responsiveness:** Table 5 shows expectation and satisfaction of customer in respect of responsiveness. When an element-wise analysis is made it is found that private sector banks are superior in two dimensions that is equipped ATMs and range of product and services offered while public sector banks are better in providing services as per customer’s requirement and also in providing timely services.

**Reliability:** Table 6 shows gap regarding reliability dimension. There are two elements in this dimension. One is safety of transactions with bank employees, the gap score depicts that it’s almost equal among public and private sector banks of Indore. But the second element that study trustworthiness of bank employees, customer trust employees of private sector banks over public sector banks.

**Empathy:** Table 7 shows comparison of public and private sector banks in regards to empathy. The results reveal

**Table 3: Difference between Expectation and Perception of Banks**

Service Quality Dimensions	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Tangibility	7.7864	32.1068	-24.3204	7.6863	28.2941	-20.6078
Responsiveness	7.3301	14.4854	-7.1553	6.7157	12.6961	-5.9804
Reliability	2.4466	4.0583	-1.6117	2.549	4.0882	-1.5392
Empathy	12.7961	21.0874	-8.2913	11.8333	18.2157	-6.3824
Assurance	6.9029	11.9417	-5.0388	6.5098	11.098	-4.5882

Higher the mean, lower the expectation  
 Negative gap represents services are not delivered as per expectations

**Table 4: Comparison between Expectation, Perception and Service Gap**

Service Quality Dimensions	Tangibility					
	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Bank’s physical facility	1.9029	2.2524	-0.3495	1.902	1.9412	-0.0392
Bank’s environment	1.8835	2.2718	-0.3883	1.7059	1.9216	-0.2157
Arrangement of Product and Facilities	1.835	2.4854	-0.6504	1.7745	2.098	-0.3235
Modern Looking Equipment	2.165	2.4854	-0.3204	2.3039	2.2353	0.0686

**Table 5: Expectation and Satisfaction of Customer in Respect of Responsiveness**

Service Quality Dimensions	Responsiveness					
	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Well Equipped ATM	1.4175	2.3301	-0.9126	1.3235	1.9706	-0.6471
Bank Service as per requirement	1.3495	2.1584	-0.8089	1.2353	2.1275	-0.8922
Range of Product and services offered	1.9208	2.4466	-0.5258	1.6176	2.1863	-0.5687
Timely Services	1.2136	2.5825	-1.3689	1.1961	1.951	-0.7549

**Table 6: Gap Regarding Reliability Dimension**

Service Quality Dimensions	Reliability					
	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Safety of transactions	1.0971	1.8835	-0.7864	1.1078	1.8922	-0.7844
Trustworthy bank employees	1.3495	2.1748	-0.8253	1.4412	2.1961	-0.7549

**Table 7: Comparison of Public and Private Sector Banks in Regards to Empathy**

Service Quality Dimensions	Empathy					
	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Knowledge of bank Staff	1.6408	2.5825	-0.9417	1.2941	2.4118	-1.1176
Right services in first time	1.4466	2.5631	-1.1165	1.3235	2.2941	-0.9706
Promptness of services	1.5631	2.5049	-0.9417	1.3235	2.0980	-0.7745
Interest in solving customer problem	1.3960	2.7723	-1.3762	1.3431	2.1176	-0.7745
Employees understand individual needs	1.7864	2.6214	-0.8350	1.6373	2.5490	-0.9118
Polite employees	1.8020	2.8155	-1.0136	1.6373	2.0196	-0.3824
Consideration of your interest by bank	1.7426	2.7767	-1.0341	1.7745	2.5000	-0.7255
Understanding customer's Problem	1.5146	2.5049	-0.9903	1.5000	2.2255	-0.7255

that majority of the elements explaining empathy suggest that services of private sector banks are better than public sector banks. Right service in first time, promptness of service delivery, interest in solving customer problem, polite employees, consideration of customer interest and understanding customer problem are the variables that shows high gap score in public sector banks in comparison to private sector banks. Respondents were more satisfied with public sector banks only on two elements that is knowledge of bank staff and employees understand individual needs of customers.

**Assurance:** Table 8 illustrates differences on the assurance dimension of service quality. The data shows that gap is more in private sector with respect to product and service quality. The data show that gap is more in private sector with respect to product and service pricing and parking facility provided to customers. While customers are satisfied with private sector bank's services in respect of error free statements and documents and also informing customers about service delivery time.

**Table 8: Differences on the Assurance Dimension of Service Quality**

Service Quality Dimensions	Assurance					
	Public Sector Banks			Private Sector Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Right Pricing of Product and Services	1.5347	2.3107	-0.7760	1.4706	2.6078	-1.1373
Parking Facility	2.2524	2.8155	-0.5631	2.1176	3.0392	-0.9216
Error Free Statements and documents	1.4660	2.1359	-0.6699	1.3431	1.8529	-0.5098
Service delivery time	1.6796	2.8932	-1.2136	1.5784	2.4412	-0.8627

**Table 9: ANOVA Table - 1**

		Sum of Squares	Df	Mean Square	F	Sig.
Tangibility * Type of Bank	Between Groups (Combined)	744.979	1	744.979	10.041	.002
	Within Groups	15061.002	203	74.192		
	Total	15805.980	204			

**Table 10: ANOVA Table - 2**

		Sum of Squares	Df	Mean Square	F	Sig.
Responsiveness * Type of Bank	Between Groups (Combined)	164.089	1	164.089	12.072	.001
	Within Groups	2759.307	203	13.593		
	Total	2923.395	204			

## Hypothesis Testing

### Tangibility and Type of Bank

The result of ANOVA test shows a value 0.002 (Table 9) which means that there is a significant difference in the service quality dimension of tangibility and type of bank at 5% level of significance.

### Responsiveness and Type of Bank

The result of ANOVA test reflects a value 0.001 (Table 10) which means that there is a significant difference in the service quality dimension of responsiveness and type of bank at 5% level of significance

### Reliability and Type of Bank

The result of ANOVA test shows a value 0.889 (Table 11) which means that there is no significant difference in the service quality dimension of reliability and type of bank at 5% level of significance. Both the sectors are considered to be equally reliable by customers.

### Empathy and Type of Bank

The result of ANOVA test shows a value 0.002 (Table 12) which means that there is a significant difference in the service quality dimension of empathy and type of bank at 5% level of significance.

**Table 11: ANOVA Table - 3**

		Sum of Squares	Df	Mean Square	F	Sig.
Reliability * Type of Bank	Between Groups (Combined)	.046	1	.046	.020	.889
	Within Groups	475.856	203	2.344		
	Total	475.902	204			

**Table 12: ANOVA Table - 4**

		Sum of Squares	df	Mean Square	F	Sig.	
Empathy * Type of Bank	Between Groups	(Combined)	422.629	1	422.629	9.984	.002
	Within Groups		8593.468	203	42.332		
	Total		9016.098	204			

**Table 13: ANOVA Table - 5**

		Sum of Squares	Df	Mean Square	F	Sig.	
Assurance * Type of Bank	Between Groups	(Combined)	36.481	1	36.481	3.654	.057
	Within Groups		2026.670	203	9.984		
	Total		2063.151	204			

### Assurance and Type of Bank

The result of ANOVA test shows a value 0.057 (Table 13) which means that there is no significant difference in the service quality dimension of assurance and type of bank at 5% level of significance.

### CONCLUSIONS

The present study attempted to examine service quality dimensions of banking institutions and also to understand difference between expectation and satisfaction of customers of two main banking sectors that is public and private. The study reveals that most important service quality practice on customer satisfaction is empathy followed by responsiveness, tangibility, reliability, and assurance.

Private banks seems to have provided better services and give better facilities than public sector banks in most of the areas and thereby they are successful in maintaining long association with their customers. Public sector banks on the other hand enjoy customer trust, which they have been using for their survival. Private sector banks need to be innovative and adaptive to maintain their market place while public sector banks must improve their physical facilities, technology usage and also impart soft skill training to their employees.

Customer satisfaction is a pre-requisite to compete successfully in market. It acts as a leading indicator of the customer purchase intention and loyalty. Satisfied customer tends to repeatedly avail same bank's services and also buy their products. They also create new customers by communicating positive message about it to others.

As there is a stiff competition between banks, they are forced to be customer-centric in order to retain the existing customers and to acquire new ones. It is necessary for all banking institutions to deliver high quality services

and attempt to assess and monitor their service quality periodically. Such practice will enable them to identify improvement areas and incorporate customer's views while taking control measures.

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