

To Study Customer Satisfaction of Public and Private Sector Banks after Demonetization (with Specific Reference to Haridwar)

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Abstract: *In this paper author has tried to prove that the satisfaction level of the customers of private sector bank is higher than the satisfaction level of the customers of public sector bank by the means of a self-developed questionnaire. In this study author has derived response from 30 customers having an account in private sector banks as well as having an account in public sector banks by the means of self-developed questionnaire from Haridwar. In this study the response was compared by using ANNOVA (Analysis of Variances).*

Keywords: satisfaction level, private sector, public sector, Haridwar, ANNOVA (Analysis of Variances)

1. Introduction

1.1 Indian Banking System

Banking in India in actual sense originated in 18th century. Among the principal banks were the Bank of Hindustan, which was set up in 1770 and exchanged in 1829–32; and the General Bank of India, set up in 1786 however flopped in 1791.

The biggest bank, and the most established still in presence, is the State Bank of India (S.B.I). It began as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks financed by an administration government; the other two were the Bank of Bombay in 1840 and the Bank of Madras in 1843. The three banks were converged in 1921 to frame the Imperial Bank of India, which upon India's autonomy, turned into the State Bank of India in 1955. For a long time, the administration banks had gone about as semi national banks, as did their successors, until the point when the Reserve Bank of India was set up in 1935, under the Reserve Bank of India Act, 1934.

In 1960, the State Banks of India was given control of eight state-related banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are currently called its partner banks. In 1969 the Indian government nationalized 14 noteworthy private banks; one of the enormous banks was Bank of India. In 1980, 6 more private banks were nationalized. These nationalized banks are the greater part of loan specialists in the Indian economy. They command the managing an account part due to their huge size and far reaching systems.

The Indian managing an account area is comprehensively grouped into booked and non-planned banks. The planned banks are those included under the second Schedule of the Reserve Bank of India Act, 1934. The planned banks are additionally ordered into: nationalized banks; State Bank of India and its partners; Regional Rural Banks (RRBs);

outside banks; and other Indian private area banks. The term business banks allude to both planned and non-booked business banks managed under the Banking Regulation Act, 1949.

For the most part managing an account in India is genuinely develop as far as supply, item range and reach-despite the fact that span in provincial India and to the poor still remains a test. The administration has created activities to address this through the State Bank of India extending its branch arrange and through the National Bank for Agriculture and Rural Development (NABARD) with offices like microfinance.

Private Banks are the banks claimed by either the individual or a general partner(s) with constrained partner(s). Private banks are not consolidated. In any such case, the lenders can look to both the "whole of the bank's advantages" and also the sum of the sole-proprietor's/general-accomplices' benefits.

1.2 Public Banks

A public bank is a money related establishment, in which a state or open performing artists are the proprietors. It is an organization under state control.

Open or 'state-claimed' banks multiplied comprehensively in the late nineteenth and mid twentieth hundreds of years as key operators of industrialization in entrepreneur and communist nations alike; as late as 2012, state banks still possessed and controlled up to 25 for every penny of aggregate worldwide saving money resources.

The 2015 Addis Ababa Financing for Development Action Agenda noticed that open banks ought to have an essential part in accomplishing the new Sustainable Development Goals. Progressively, significant universal money related establishments perceive the positive and synergist part open banks can serve in the coming low carbon atmosphere strong change. Universal NGOs and basic researchers contend that

open banks can assume a huge part in financing a fair and evenhanded vitality progress.

1.3 Private Banks

These banks have a long convention in Switzerland, going back to in any event the Revocation of the Edict of Nantes (1685). Private banks additionally have a long convention in the UK where C. Hoare and Co. has been doing business since 1672.

There were numerous private banks in Europe, yet most have now turned out to be fused organizations, so the term is once in a while obvious any more. Today, the expression "private bank" can likewise allude to the budgetary establishment represent considerable authority in monetary guidance and administrations for high-total assets people (private saving money).

"Private banks" can likewise allude to non-government possessed banks when all is said in done, rather than government-claimed (or nationalized) banks, which were common in comrade, communist and some social law based states in the twentieth century.

2. Review of Literature

1) Roma Mitra, Shankar Ravi (2008), A stable and efficient banking sector is an essential precondition to increase the economic level of a country. This paper tries to model and evaluate the efficiency of 50 Indian banks. The Inefficiency can be analyzed and quantified for every evaluated unit. The aim of this paper is to estimate and compare efficiency of the banking sector in India. The analysis is supposed to verify or reject the hypothesis whether the banking sector fulfils its intermediation function sufficiently to compete with the global players. The results are insightful to the financial policy planner as it identifies priority areas for different banks, which can improve the performance. This paper evaluates the performance of Banking Sectors in India.

2) B.Satish Kumar (2008), in his article on an evaluation of the financial performance of Indian private sector banks wrote Private sector banks play an important role in development of Indian economy. After liberalization the banking industry underwent major changes. The economic reforms totally have changed the banking sector. RBI permitted new banks to be started in the private sector as per the recommendation of Narashimancommittee. The Indian banking industry was dominated by public sector banks. But now the situations have changed new generation banks with used of technology and professional management has gained a reasonable position in the banking industry.

3) Brijesh K. Saho, Ananddeep Singh (2007), this paper attempts to examine, the performance trends of the Indian commercial banks for the period: 1997-98 - 2004-05. Our broad empirical findings are indicative in many ways. First, the increasing average annual trends in technical efficiency for all ownership groups indicate an affirmative gesture about the effect of the reform process on the performance of the Indian banking sector. Second, the higher cost efficiency

accrual of private banks over nationalized banks indicate that nationalized banks, though old, do not reflect their learning experience in their cost minimizing behavior due to X-inefficiency factors arising from government ownership. This finding also highlights the possible stronger disciplining role played by the capital market indicating a strong link between market for corporate control and efficiency of private enterprise assumed by property right hypothesis. And, finally, concerning the scale elasticity behavior, the technology and market-based results differ significantly supporting the empirical distinction between returns to scale and economies of scale, often used interchangeably in the literature.

4) Vradi, Vijay, Mauluri, Nagarjuna (2006), in his study on 'Measurement of efficiency of bank in India concluded that in modern world performance of banking is more important to stable the economy .in order to see the efficiency of Indian banks we have seen the fore indicators.i.e. profitability, productivity, assets, quality and financial management for all banks includes public sector, private sector banks in India for the period 2000 and 1999 to 2002-2003. For measuring efficiency of banks, we have adopted development envelopment analysis and found that public sectors banks are more efficient then other banks in India.

5) PetyaKoeva (July 2003), stated that in this study on the performance of Indian Banks. During Financial Liberalization states that new empirical evidence on the impact of financial liberalization on the performance of Indian commercial banks. The analysis focuses on examining the behavior and determinants of bank intermediation costs and profitability during the liberalization period. The empirical results suggest that ownership type has a significant effect on some performance indicators and that the observed increase in competition during financial liberalization has been associated with lower intermediation costs and profitability of the Indian banks.

3. Research Methodology

Objectives of the Study

- 1) To compare the satisfaction level of customer availing service of public and private sector banks in India. .
- 2) To suggest various measures for management.

Sample Size

A total of 30 respondents who were having an account in (both) public and private banks were selected for this study.

Sampling Technique

Simple random convenience technique was used for this study in the city of Haridwar.

Author has used ANNOVA (Analysis of variance) on the basis of the response given by the respondents.

Anova: Two-Factor Without Replication				
SUMMARY	Count	Sum	Average	Variance
RESPONDENT 1	52	117	2.25	0.622549
RESPONDENT 2	52	112	2.153846	0.877828
RESPONDENT 3	52	112	2.153846	1.348416
RESPONDENT 4	52	110	2.115385	1.12368
RESPONDENT 5	52	132	2.538462	0.488688
RESPONDENT 6	52	86	1.653846	0.466063
RESPONDENT 7	52	121	2.326923	0.85181
RESPONDENT 8	52	115	2.211538	0.483786
RESPONDENT 9	52	131	2.519231	0.372172
RESPONDENT 10	52	138	2.653846	1.40724
RESPONDENT 11	52	91	1.75	0.740196
RESPONDENT 12	52	94	1.807692	0.942685
RESPONDENT 13	52	138	2.653846	0.819005
RESPONDENT 14	52	119	2.288462	0.99359
RESPONDENT 15	52	121	2.326923	0.655732
RESPONDENT 16	52	102	1.961538	0.351433
RESPONDENT 17	52	132	2.538462	0.684766
RESPONDENT 18	52	108	2.076923	0.739065
RESPONDENT 19	52	105	2.019231	0.764329
RESPONDENT 20	52	120	2.307692	1.825038
RESPONDENT 21	52	117	2.25	0.622549
RESPONDENT 22	52	103	1.980769	0.921192
RESPONDENT 23	52	127	2.442308	1.035822
RESPONDENT 24	52	135	2.596154	0.480769
RESPONDENT 25	52	132	2.538462	0.488688
RESPONDENT 26	52	95	1.826923	0.538084
RESPONDENT 27	52	106	2.038462	1.096531
RESPONDENT 28	52	90	1.730769	0.749623
RESPONDENT 29	52	131	2.519231	0.372172
RESPONDENT 30	52	129	2.480769	1.627074
QA 1(PUBLIC)	30	69	2.3	0.631034
QA 1(PRIVATE)	30	56	1.866667	0.395402
QA 2(PUBLIC)	30	90	3	1.448276
QA 2(PRIVATE)	30	59	1.966667	0.791954
QA 3(PUBLIC)	30	87	2.9	1.127586
QA 3(PRIVATE)	30	56	1.866667	0.671264
QA 4(PUBLIC)	30	60	2	1.034483
QA 4(PRIVATE)	30	51	1.7	0.424138
QB 1(PUBLIC)	30	105	3.5	0.672414
QB 1(PRIVATE)	30	75	2.5	0.534483
QB 2(PUBLIC)	30	84	2.8	1.82069
QB 2(PRIVATE)	30	60	2	0
QB 3(PUBLIC)	30	78	2.6	0.455172
QB 3(PRIVATE)	30	58	1.933333	0.754023
QB 4(PUBLIC)	30	75	2.5	0.672414
QB 4(PRIVATE)	30	45	1.5	0.258621
QC 1(PUBLIC)	30	93	3.1	0.92069
QC 1(PRIVATE)	30	56	1.866667	0.878161
QC 2(PUBLIC)	30	81	2.7	1.251724
QC 2(PRIVATE)	30	53	1.766667	0.736782
QC 3(PUBLIC)	30	93	3.1	1.127586
QC 3(PRIVATE)	30	60	2	0
QC 4(PUBLIC)	30	90	3	1.655172
QC 4(PRIVATE)	30	61	2.033333	0.791954
QD 1(PUBLIC)	30	78	2.6	1.075862
QD 1(PRIVATE)	30	52	1.733333	0.202299
QD 2(PUBLIC)	30	66	2.2	0.57931
QD 2(PRIVATE)	30	65	2.166667	1.178161
QD 3(PUBLIC)	30	78	2.6	1.075862
QD 3(PRIVATE)	30	60	2	0
QD 4(PUBLIC)	30	42	1.4	0.248276
QD 4(PRIVATE)	30	45	1.5	0.258621
QE 1(PUBLIC)	30	78	2.6	0.868966
QE 1(PRIVATE)	30	56	1.866667	0.395402

QE 2(PUBLIC)	30	81	2.7	0.424138
QE 2(PRIVATE)	30	63	2.1	0.644828
QE 3(PUBLIC)	30	84	2.8	0.57931
QE 3(PRIVATE)	30	59	1.966667	0.516092
QE 4(PUBLIC)	30	78	2.6	0.662069
QE 4(PRIVATE)	30	55	1.833333	0.626437
QF 1(PUBLIC)	30	69	2.3	0.217241
QF 1(PRIVATE)	30	55	1.833333	0.626437
QF 2(PUBLIC)	30	69	2.3	0.424138
QF 2(PRIVATE)	30	56	1.866667	0.671264
QF 3(PUBLIC)	30	75	2.5	1.086207
QF 3(PRIVATE)	30	48	1.6	0.524138
QG 1(PUBLIC)	30	60	2	0
QG 1(PRIVATE)	30	44	1.466667	0.257471
QG 2(PUBLIC)	30	63	2.1	0.506897
QG 2(PRIVATE)	30	48	1.6	0.248276
QG 3(PUBLIC)	30	87	2.9	0.92069
QG 3V(PRIVATE)	30	60	2	0.551724

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Rows	129.9032	29	4.479421	7.629074	5.66E-29	1.475195
Columns	380.6224	51	7.463185	12.71084	4.37E-84	1.355381
Error	868.3968	1479	0.587151			
Total	1378.922	1559				

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4. Result and Conclusion

- 1) The difference between the F and F critical value of Rows shows that there is somewhat difference between each respondent i.e respondents are selected at random.
- 2) The difference between F and F critical value of Columns shows that there is high difference between the satisfaction level of customers of public and private sector banks.
- 3) P-value of test is less than 0.05 which shows that data are statistically significant.

5. Limitations

- 1) Result depends upon the number of respondents.
- 2) Changing the location may change the outcomes.

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