

To study of Preference of the Bank and Satisfaction with Banking Services: Comparative Picture of Nationalized and Private Banks

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Abstract

This paper emphasizes to show the preference of the consumers towards the banking sector. Beyond this we have tried to know which brand consumers prefer when it comes to banking sector. The analysis also tries to identify the consumers' preference towards Private Bank over Public Sector Bank due to what reasons. In which ways a Public Sector Bank can improve the performance. The survey of 500 consumers has been conducted to know which demographical factors are affecting the selection of the bank. We have tried to analyse the satisfaction level of the consumers in various services related to banking area. The findings would be really helpful for the group of people who are willing to know what a bank can do to encourage the consumers towards themselves and it would be helpful for government also to know how the difference between the private as well as public sector banks is concentrated.

Keywords: *consumer preference, banking, private sector, public sector, brand*

1. Introduction

Indian economy has seen speediest growth in the world by Central Statistics Organisation (CSO) and IMF. After a decade of financial and banking quarter reforms 1991. Evidence from internationally suggests that a valid and evolved banking machine is required to preserve monetary improvement. India has a higher banking gadget in evaluation to other developing countries. Banking revolution and increase has long past thru innumerable twists and turns within the post-independence generation. Today banking performs a vital role within the boom and development of Indian economic system. The procedure of globalisation and liberalisation has strongly influenced the Indian banking quarter. Emergence of new non-public region banks and commencing up of branches of overseas banks in India after

banking sector reforms have changed the entire situation of the banking characteristic in latest years. Banks capabilities are more purchaser oriented now and banks innovate to offer new facilities that are extra patron friendly. Indian banks have gone through a paradigm shift of their objectives. Maximisation of their earnings has end up secondary to developing long time relationships with their clients which will acquire better market penetration and also to live on and grow in now a day's cut throat opposition.

Similarly if we talk about Indian insurance industry it consist of 57 insurance companies out of which 24 are in life insurance and 33 are in non- life insurance. LIC is the only public sector company in this sector providing life insurance. Insurance penetration has reached to a large extend in Indian market due to government policy. Even there are lot of private players who have entered in making various products for life insurance. In August 2017, the Life Insurance industry reported a 24 per cent growth in overall annualised premium equivalent with the help of both private players and Life Insurance Corporation. (ibef.org).

A sound developed and advanced banking and insurance region is a blessing for any monetary improvement of a country. The long-time period budget for infrastructure growth and simultaneously stronger hazard taking aptitude of the country are made to be had via this area. One of the most full-size traits within the global economic system over the past decade has been witnessed through India's rapid fee of monetary boom. A number of things has governed industry on its manner to improvement.

1.1 Buying Behaviour

People stay with limitless wishes. They need life giving materials, transportation and heaps of different objects. Every character inside the global is a customer a few manner or the alternative. The customer or client is a complicated entity and he/she constantly attempts to attain a better preferred of dwelling with the aid of acquisition of products and services. The purchasers' wishes and dreams are frequently at unique levels of emergence and delight. Some are hidden whilst others are manifest and still others are quite dominant. Some of these wishes are inside their means and hence without difficulty meet them. On the alternative hand, a few others may be past pleasure. There appear to be peculiarities and inconsistencies in purchaser behaviour that makes it difficult to predict and apprehend. Consumer realizes that wishes can be ever-developing and yesterday's luxuries are modern-day requirements, and strives to boom to satisfy developing desires. He sports alternatives, dictates introduction of goods and services. All those constitute uninhibited customer behaviour.

1.2 Customer, Buyer and Consumer

A patron is one that intends to purchase or devour the product on carrier in near destiny or getting pleasure about the blessings of the product/service first time. He may additionally decide or won't decide to buy the product. A client is one who has the shopping strength. He purchases the product on making price for the product or service. He may purchase for you to eat himself or to be ate up through anyone else. He is the customer at the start. After figuring out to purchase he will become a client. A consumer is one who in the long run consumes the product. A purchaser becomes purchaser on making fee, and purchaser turns into purchaser on consuming the product. For the marketer, the customer, consumer and customer are all the same. The market purpose is to draw the patron to head for their products. For this, information of consumer behaviour is needed.

1.3 Characteristics of Buyer Behaviour

Consumer behaviour or buyer behaviour is the system by means of which people determine whether, what, when, from whom, in which and what kind of to buy. Consumer behaviour comprises each intellectual and physical activities of a purchaser. It is made up of buyer who are complicated, dynamic. Gender wise behaviour is encouraged via internal and external elements. It is

1.6 Buying Behaviour Models

a fundamental part of human behaviour. In many instances, it is the sum total of the behaviour of some of men and women. It is prompted with the aid of a number of advertising stimuli provided via the marketer. It entails both psychological and social. Consumers are basically social in nature".

1.4 Types Buying Behaviour

According to the concept of advertising and marketing the shopping for behaviour can be divided in different ways:

Consumer Behaviour: It refers to those who use the consumer who buys the product for direct consumption, no longer to apply for in addition sale motive like as home customers.

Business Behaviour: It includes users who buy the product for the in addition sale cause like shopkeepers, dealers, and retailers.

1.5 Types of Purchasing Behaviour

Consumer decision making varies with styles of buying selection. There is a brilliant difference among the buying of a computer and an automobile. Buying decisions vary with the type of product. The sorts of buying behaviour are one at a time divided as consistent with patron and enterprise buying. A description of four sorts is given and those are explained under.

(a) Complex Shopping for Behaviour

Consumers go through complex shopping for behaviour while they may be distinctly concerned in the acquisition and aware of substantial difference among manufacturers.

(b) Dissonance Reducing Buying Behaviour

Consumer is quite concerned in a buy and observes insignificant variations among the manufacturers.

(c) Habitual Buying Behaviour

Many merchandise are sold under situations of low consumer involvement and the absence of sizable emblem differences. Such type of behaviour takes place while the consumers purchase low fee, often bought products.

(d) Variety-seeking Shopping Behaviour

Some buying conditions are characterized by means of low consumer involvement however sizable logo variations. Customers attempt to use specific manufacturers of such products due to the fact they want to check style of products.

(a) Nicosia Model

The models range their interpretation of the selection item. In the Nicosia provider attempts to influence client logo choice by message this is then adjusted based on consumer remarks. The

disposition towards the firms offering impacts the translation via purchasers of the message and creates a mindset that may induce look for in addition information and evaluation of the company's logo. Positive evaluation effects in the motivation to buy the emblem from specific provider. Given its reliance on a provider's communication initiative the Nicosia Model is slender. This model focuses on the connection among the company and its capacity consumers. The firm communicates with consumers thru its advertising and marketing messages and the purchasers react to those messages via purchasing response.

(b) Howard-Sheth Model

This model indicates 3 levels of choice making:

1. The first describes massive hassle fixing. At this level the client does no longer have any basic information or information about the emblem and lie does not have any choices for any product.
2. The 2nd stage is limited hassle solving. This state of affairs exists for clients who have little. Know-how about marketplace, or partial know-how about what they want to purchase. In order to arrive at a brand preference some comparative logo records is sought.
3. The third stage is ordinary reaction behaviour. In this stage the customer is aware of very well about the different manufacturers and he can differentiate among the exclusive characteristics of every product, and he already makes a decision to buy a selected product.

(C) Engel Blackwell-Kollat Model of Buyer Behaviour

The EKB (Engell, Kollat and Blackwell or Miniard) version identified choice manner stags (trouble popularity, inner and outside seek, opportunity evaluation, purchase choice and outcome). The diploma of involvement for each level varies with specific buy decisions. In each case the selection manner is stimulated by client's private traits, social and situational impacts and retained reminiscence through consumer's private traits, social and situational impacts and retained reminiscence from publicity to communications. Consumer choice follows the degrees of seek antl assessment of alternatives, ensuing in dissonance or satisfaction/dissatisfaction.

Abraham Maslow's "Need Hierarchy Theory"

One of the maximum extensively stated theories of motivation is the hierarchy of wishes placed forth by psychologist Abraham Maslow. Maslow noticed human desires in the shape of a hierarchy,

ascending from the lowest to the best, and he concluded that when one set of needs is happy, this sort of need ceases to be a motivator.

The Learning Model

According to the studying model which takes its cue from the Pavlovian stimulus response concept, client's behaviour may be inspired with the aid of manipulating the drives, stimuli and responses of the client. The model rests on guy's ability to examine, overlook and determine. The stimulus response gaining knowledge of theory states that there develops a bond among behaviour producing stimulus and a behaviour response (S. R. Bond) as a result of the conditioning of behaviour and formation of conduct. This theory can be traced to Pavlov and his experiments on salivating dog.

Bettman's Data Processing Model of Purchaser Choice

Bettman in his model describes the client as owning a constrained capacity for processing facts. He implicate that the customers not often examine the complex alternatives in selection making and observe very simple strategy. In this version there are seven main degrees.

Consumer Marketplace

Combining very last clients constitutes purchasers marketplace. It consists of individuals and families who buy items and services for personal consumption. The Consumer marketplace includes purchasers varying in age, income, education, lifestyle, preferences and so forth. Different clients have extraordinary method of gratifying their needs and desires, with this sort of huge market and distinction in customer, the marketers keenly need to examine in consumer behaviour in order to body right advertising method to draw those various consumers.

Major Factors Influencing Customer Behaviour

Consumer behaviour is exceedingly influenced through precise set of cultural, social economic and mental elements. Family and other key institutions help youngsters to accumulate set values, belief, possibilities and behaviour. Value relating to achievement, achievement, interest, performance material comfort, freedom, individualism and so on; are the elements to which a child's values are uncovered.

(a) Cultural elements

Wants behaviour of persons are profoundly determined via culture. "Culture refers to a hard and fast of values, thoughts, artifacts and their significant symbols that assist people communicate, interpret, and compare as individuals of society". It has been described because the 'blue print' of human interest figuring out the co-ordinates of

social movement and productive hobby. It is a set of socially obtained behaviour styles transmitted symbolically through language and but means to the individuals of unique society.

(b) Social Factors Influencing Consumer Behaviour

Social factors which includes reference organizations, own family, social roles, status eight: life fashion impact patron's behaviour.

(c) Economic Factors Influencing Consumer Behaviour

Economists many of the social scientists have been the first to have a look at patron shopping for behaviour by using explaining about the manner customer clear up intake troubles especially & spend-save troubles and product-preference troubles in fashionable.

The levels cited above aren't extinctive. One patron may additionally take quick choice for a specific product whereas any other client for the same product may additionally take a long time. The put off at each Stage is because of the patron's character, this is, cautious gradual decider, hesitant, chance taker etc. Moreover, the buyer does no longer wait to evaluate all of the options available. He tries to find out the purpose-effect relationships of his choices. Thus, the marketers task become challenging. Because the marketer has to predict the unpredictable customer. Hence, it can be said that the behaviour of a customers is hard puzzle.

Banking

Banking in India has come of age. And not simply in India, however throughout the Globe. Evolution and development inside the banking zone is concomitant with development of the human civilization and monetary structures. Banks are the most tremendous middleman of any monetary machine and channelize price range from surplus units to deficit gadgets (Mahesh, 2006). Since this studies paintings is based totally on the Banking Sector, it becomes vital at the introduction level to observe the historical development and evolution of this institution. We shall adopt this dialogue in steps. We shall begin with the aid of tracing the improvement of banking at a Global Level after which we shall take a look at the evolution of banking from an Indian attitude.

2. Review of Literature

Brooker (1976) studied about the various factors indicating that "quality of life" has now become an integral part of people's living socially and economically. Moreover, there are some important relationships known as consumer action relationship, presently. There is a segment of potential customers which intensify the above

mentioned problems known as "socially conscious customers", influencing consumer's choice and personality characteristics. This paper tries to study how personality traits alter consumer choices. The study is supported by the theory of Abraham Maslow – Hierarchy of needs explaining influence of personality on customer's need. The Q-test and Chi- Square methods are applied here, with 102 interview and 99 questionnaires filled up resulting into a sample of 9. Results show that there is a relation between consumer behaviour and their personalities. Through regression, it was found out that the demographic factors like number of children and residences however influenced the decisions through personality changes, overlooking age concern. It was found that people having more self-actualization needs are more of a socially conscious group. The person who is mentally healthy will take decisions that complements well the need of the society.

Bernritter, Ooijen & Müller (2017) aimed to talk about self-persuasion as a technique to market a product or service. It tries to find how much self-persuasion can affect a consumers' generosity that affects the target behaviour of the customer. Self-persuasion places the customer in a situation where they are persuaded to revive their own attitude and behaviour. The approach selected for the study was a field experiment in the lunch room of a Dutch Company testing 106 people wherein they weren't given any direct persuasion to buy a product which was later on followed by a lab test. The data was analysed with techniques like SPSS macro processor, Johnson- Neymen technique and t-test. It was found that self-persuasion is more effective than direct persuasion techniques and thus helps the customer reach target behaviour to buy a product, for customers with high involvement. The customers with moderate or low involvement don't have much difference. It was considered as self-persuasion was a strong influencer for positive behaviour towards purchase. The technique of self-persuasion can bring a customer's actual buying behaviour closer to desired one, adding a practical approach to it.

Sinha & Banerjee (2004) study is to identify the drivers of store choice in various product categories, in the context of the evolving retail industry in India. The study involved a field survey conducted across different stores in the city of Ahmedabad, in the Western State of Gujarat. The respondents were approached at the shop after they had finished shopping, while leaving the store. The customers experienced that there might be a change in the set of variables that drive store choices. May cast a serious doubt over the retail evolution, which has taken shape in the Indian markets lately.

Dalwadi, Rathod & Patel (2010) researched wishes to examine a relation between the customer perception and demographic factors that influence customer perception, how and what changes can be made in retail stores to increase customer base. It is very important to understand the customers' needs to provide better services. Customer behavior is also influenced by psychographic, social and economic status and residence place. Important to understand that how a customer perceives the exposed information. Primary data collection from 196 retail chains tools like sample T-test, Chi-square test, Binomial test, Factor Analysis, Cross-tabulation, and Percentage & Frequency Analysis were used. Findings were that, there is no relation between demographic factors and customer choice to go a particular retail shop. Secondly, there is no relation amongst demographic factors and assessing the needs of new retail stores. Thirdly, there is a positive relation between customer purchase decision and the salesperson. Major findings were that 60% of the customers reacted proportionately to the variety of the products, their layout, convenience and atmosphere of the store and service provided. Majority of the customers preferred to pay by cash. Need of a trained staff was felt.

Pederson (2001) revealed the concept of loyalty, according to the common belief that the internet will give customer access to more information so that they can easily compare and get information about the product and vendor. The research is trying to compare loyalty among online bank customers using shopbots when choosing a financial service provider with online bank customers that are not given access to shopbot service. Shopbot service means agent based services; to assist customers in their information search and reduce their search costs. Research tries to know whether shopbot is threat to customer loyalty, the finding says its not direct threat but may work as a tool for switching behavior. Till than it is a kind of value added service. Giving customer such kind of services may also be seen as an indication of vendor honesty and instrumental in building customer trust.

Brahmbhatt & Panelia (2008) studied and compares the private, public and foreign banks on the basis of customer satisfaction and quality of the services provided by the banks in Gujarat state. The method to study the sample of 246 collected through questionnaire is done through SERQUAL model. The SERQUAL model is examined for five dimensions i.e reliability, tangibility, assurance, responsiveness and service quality provided. The service quality and performance of the foreign banks is better than the private and public banks of the country which means that there is definitely a

scope of improvement in the domestic banking industry. The finding of the research were that the banks are doing well in the Tangibility concept and people trust the public sector banks more than any other kind of the banks. However, private banks rank better in the other dimensions but overall the performance of the foreign banks is best. It was also found that loyal customers are better to be retained than to find new one especially amongst the banking sector. It was also found that there is a big difference amongst the expectations of the customer and the services provided. Hence, banks need to improve their services and train their employees to increase the satisfaction of the state's customers.

Ranparia (2013) accomplished the objective of financial inclusion in various state of India it is necessary to have an access to financial services. Banking sector of Gujarat, along with Bankers throughout the country are also targeting towards Financial Inclusion. The new Branch Authorization Policy of Reserve Bank of India encourages banks to open branches in under banked states and areas of other states (Agawam – 2008). Analysis done shows that the Advances to Priority Sector and Advances to Weaker Sections are 62.64% and 14.47% respectively, which proves that banks are still keen in furthering credit disbursement to priority sector. Under the State Financial Inclusion Plan, 622 villages from 795 villages have been covered by ending Q2 of 2011. Micro-Credit and advances to weaker sections comprise of almost 3.2% and 23% of the priority sector respectively. The State banking community has developed a time bound comprehensive action plan for achieving the objective of 100% Financial Inclusion in the State.

Tsu-Wei Yu & Mei-Su Chen (2014) aimed to find out the factors that affect the predecessor of relationship quality, and thereby determine Relationship Quality, Long Term Relationship Quality and the customers that are the part of Insurance Marketing Channel. The concept of Relation Quality is more concerned with the retention of the customers. The study of the same was conducted in Taiwan wherein interviews and surveys were conducted. The Likert Scale was used for the collection of the data of the study and for analysis statistical measures like CFA, SEM were used. Found that the characteristics of salesman like that of expertise, likeability and similarity affect the customer relationship positively. Finding says that, if the salesperson seems to have an unbiased selling attitude, it affects the relationship with the customers positively. Moreover, it was also found that predecessors of Insurance like Customer Orientation, expertise; Similarity and number of times the customer is contacted affect the Relationship quality positively and that they are

strongly correlated. Moreover, it was also found that Relationship Qualities like Trust, satisfaction and commitment affect the long term relationship formation, as Insurance is concerned. Hence, it is more like a process wherein the salesperson and his unbiased attitude can build up a better relationship quality which will ultimately result into customer retention or customers' loyalty towards the insurance company would increase in such cases. This paper would help the insurance companies' to improve their Supplier Customer chains and thereby, possibly building better and longer customer relationships.

Nurullah & Staikouras (2008) aimed to give some insight into the naturally complex phenomenon of bancassurance. The main question raised is whether the separation of banking from insurance is something that banks should pursue or not. The paper endeavours to add another piece of facts that in the pre-merger analysis it is found that life and non-life insurance underwriting appear to be more risky than banking. General and life insurance significantly increase volatility and the possibility of bankruptcy where as the main objective of the regulators is to minimize risks, for the protection of the depositors and policyholders. In countries where bancassurance has met with little success, such as the UK and the US, institutions have done little to change consumer's attitude. The security and trust offered by banks has been a major step in creating consumer confidence in bancassurance, but it is only half of the challenge. Requires new products and sales processes to alter consumers' perception. Expanding the market to reach middle and lower income segments could be one step towards that direction. Moreover, the high cost of developing, maintaining and compensating a skilled sales force has to be addressed and new marketing alternatives developed.

Chan & Ma article is based on the study conducted among various corporate customers of banking services in Hong Kong. It is about the companies' use of banks, split-banking and bank-switching behaviour and also about the attributes of banks that are considered desirable by corporate clients in a banking relationship. According to their study most of the people were using the services rendered by top banks but the interesting thing was they also supplemented the use of small player banks, as they were offering various other services that could play as a back-up for the case where main bankers fail. Shows that various banks were trying to attract same group of people for different needs.

3. Research Methodology

Present study is based on both secondary and primary data. Secondary data related to banking sector is mainly collected from Reserve Bank of India (RBI) database and RBI Handbook of Statistics on Indian Economy, Ministry of Finance, Annual reports of banks, newspapers, and other secondary sources. Primary data for the research purpose are collected with the help of structured questionnaire. Total sample of 500 respondents was selected for the purpose of study. Purposive random sampling technique has been followed for selection of sample. Four main cities from Gujarat viz. Ahmedabad, Surat, Rajkot and Baroda were selected with equal number of respondents (125) from each city. Within each city attempt has been made to select representative sample (25 each) from North, South, East, West, and Central part of the city. Out of total sample size of 500, attempt has been made to select equal number of respondents based on employment categories i.e. government job and private job.

The data collected, both secondary, and primary, were analyzed with the help of statistical software IBS SPSS and MS Excel. Various statistical techniques were employed for the purpose of data analysis. Statistical tools like descriptive statistics, frequency distribution, t-test, Chi-square etc. are employed. For the presentation of data tabulation and graphical methods are used. The questionnaire used in the study comprises the use of Likert scale. To check the reliability of the scale, Cronbach's Alpha has been employed.

4. Data analysis

Age and Type of Bank Account

It can be seen from the data that 58.1 percent respondents in the age group of below 25 prefer private bank as against 30.7 percent respondents in the age group of above 45 years of age. In the case of nationalized banks, 69.3 percent respondents in the age group of above 45 prefer nationalized bank as against 41.9 percent in the age group of up to 25 years.

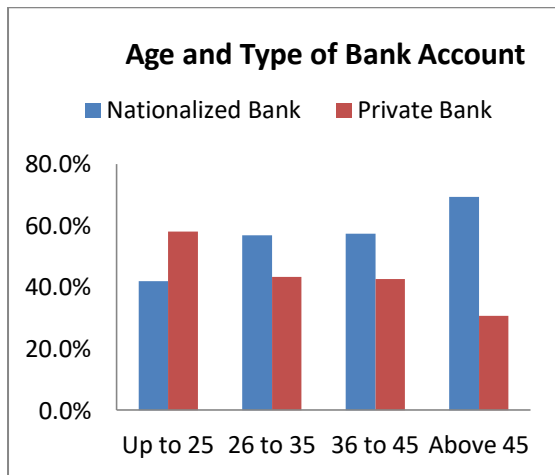


Fig. 1 Age and Type of Bank Account

In order to assess the significance association between age and preference toward bank viz. nationalized and private Chi-square test has been conducted with following hypothesis;

Hypothesis 1

H₀: Age and Bank Preference are independent

H₁: Age and Bank Preference are not independent

Table 1: Chi-Square Tests: Age and Banking

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.950 ^a	3	.003
Likelihood Ratio	14.079	3	.003
Linear-by-Linear Association	11.840	1	.001
N of Valid Cases	500		

From the above table the value of Pearson chi-square is 13.950 and associated significant value is 0.003 (which is less than 0.05) therefore, the null hypothesis (H₀) is rejected and we can say that age and bank preference are not independent.

Income and Banking Preference

Income is also one of the factors that affect the individual preference for type of bank i.e. nationalized and private bank. The comparative picture of preference of bank and income is presented in table and graph below.

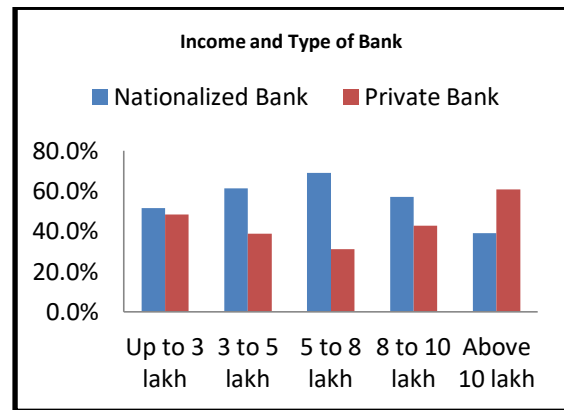


Fig. 2 Income and Type of Bank

It is clearly evident from the data that nationalized bank has been the preference of individual at all income level except the group earning more than 10 lakh. In the case of individuals earning more than 10 lakh of income, 60.9 percent have reported that they prefer private bank while 39.1 percent prefer nationalized banks. For all other income group the proportion of respondents preferring nationalized bank is more than that of private banks.

In order to test the significance different in banking preference across different age group, Chi-square test has been conducted. Chi-square test has been done to test following hypothesis.

Hypothesis 2

H₀: Income and Preference of Bank are independent

H₁: Income and Preference of Bank are not independent

The results of the chi-square test are presented in table below.

Table 2: Chi-Square Tests: Income and Banking

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.510 ^a	4	.000
Likelihood Ratio	20.669	4	.000
Linear-by-Linear Association	2.470	1	.116
N of Valid Cases	500		

From the above table the value of Pearson chi-square is 20.510 and associated significant value is 0.000 (which is less than 0.05) therefore, the null hypothesis (H₀) is rejected and we can say that income and banking preference are not independent.

Gender and Banking Preference

The attempt has also been made in the study to understand the association between gender and banking preference. The impact to gender on

preference of type of bank is presented in table and graph below.

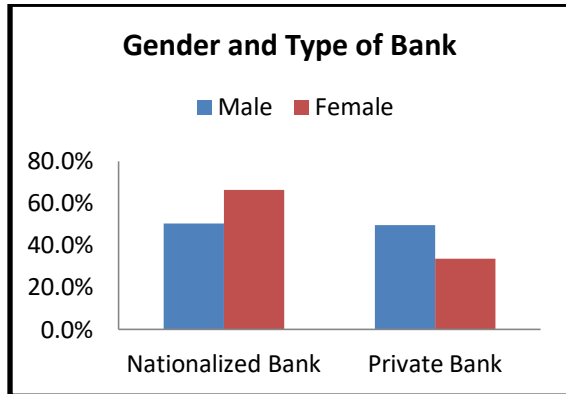


Fig. 3 Gender and Type of Bank

It can be seen from the data that the proportion of female preferring nationalized bank is relatively higher than that of male. As against 49.5 percent male only around 33.7 percent female have reported that they prefer private banks. Statistical analysis has been conducted to test the association between gender and banking preference. Following hypothesis is framed for the purpose of testing.

Hypothesis 3

H₀: Gender and preference of bank are independent

H₁: Gender and preference of bank are not independent

Chi-square test has been conducted for testing the hypothesis. The results of chi-square tests are presented below.

Table 3: Chi-Square Tests: Gender and Banking

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.931 ^a	1	.001
Likelihood Ratio	12.081	1	.001
Linear-by-Linear Association	11.907	1	.001
N of Valid Cases	500		

From the above table the value of Pearson chi-square is 11.931 and associated significant value is 0.001 (which is less than 0.05) therefore, the null hypothesis (H₀) is rejected and we can say that gender and banking preference are not independent. Individual choice of bank viz. nationalized and private is influenced by their gender. Female has preference towards nationalized banks while male have relative preference for private banks.

Education and Banking Preference

The choice of an individual about the type of bank, nationalized or private, is influenced by the level of education. According to general understanding educated people are expected to prefer private

sector bank while individual with low level of education prefer nationalized bank. The detail analysis of the level of education and type of bank is presented in table and graph below.

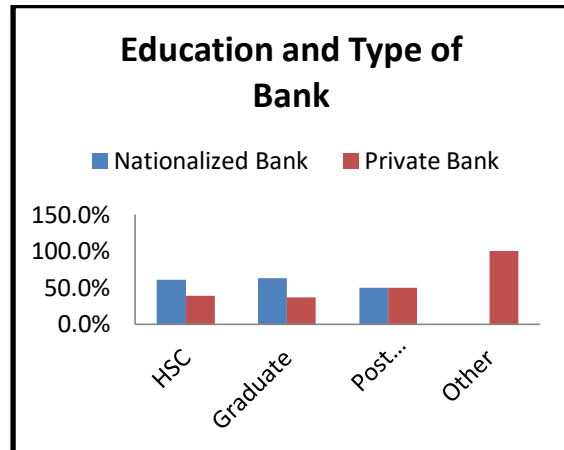


Fig. 4 Education and Type of Bank

The data about preference of bank across individuals with different level of education as presented above shows that proportion of individual preferring nationalized bank is higher among those with qualification up to HSC and Graduation. There is no difference in the choice of bank among those with post graduate qualification. The statistical analysis has been performed to test the association between level of education and preference of bank.

Hypothesis 4

H₀: Education and preference of bank are independent

H₁: Education and preference of bank are not independent

The chi-square test has been conducted to test the association between education and banking preference. The result of Chi-square test is presented below.

Table 4: Chi-Square Tests: Education and Banking

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.921 ^a	3	.008
Likelihood Ratio	13.049	3	.005
Linear-by-Linear Association	7.139	1	.008
N of Valid Cases	500		

From the above table the value of Pearson chi-square is 11.921 and associated significant value is

0.008 (which is less than 0.05) therefore, the null hypothesis (Ho) is rejected and we can say that education and choice of bank are not independent.

Satisfaction with Banking Services

Individuals included in the survey were asked about their satisfaction with the banking services. Responses were recorded on five point scale. The detail analysis of level of satisfaction of the customers for various banking services for both the categories of banks viz. public and private banks is presented in table below.

Table 5: Group Statistics: Satisfaction with Banking Services

	Type of Insurance	N	Mean	Std. Deviation
Deposits Services	Public	279	2.541	1.0982
	Private	221	2.240	1.1761
ATM Services	Public	274	2.609	1.0643
	Private	221	2.176	1.0957
Tax Payment	Public	229	3.284	1.4578
	Private	196	2.668	1.2225
Net Banking	Public	249	2.747	1.2461
	Private	216	2.148	1.0724
Safe lockers	Public	269	2.948	1.3034
	Private	216	2.667	1.3977
Loans & Investments	Public	279	3.215	1.2160
	Private	216	2.639	1.2937
Mobile Banking Services	Public	264	2.784	1.2527
	Private	216	2.343	1.3023
Credit /Debit Card Services	Public	274	2.642	1.0944
	Private	221	2.290	1.1822
PPF	Public	279	2.986	1.3570
	Private	216	2.565	1.3726

The data about customer satisfaction with various banking services as presented above shows that customers of public sector banks are most satisfied with credit /debit card services followed by ATM services and deposit services. While the customers of private bank are most satisfied with deposit services followed by ATM services and net banking services.

It can also be seen from the data that customers of public sector banks are most dissatisfied with tax payment services and loans and investments services offered by bank. As against this customers from private sector bank are most dissatisfied with tax payment and safe lockers services of banks.

Further analysis of difference in level of satisfaction among customers of public sector banks and private sector banks is conducted. Following hypothesis has been established for the purpose of statistical testing.

Hypothesis: 5

H0: There is no significant difference between respondents from nationalized and private sector banks in terms of satisfaction with different banking services.

H1: There is significant difference between respondents from nationalized and private sector banks in terms of satisfaction with different banking services.

In order to test the hypothesis stated above, independent sample t-test has been conducted. The results of the tests are presented in table below.

Table 6: Independent Samples Test: Satisfaction with Banking Services

Services	t-test for Equality of Means			
	t	df	Sig. (2-tailed)	Mean Difference
Deposits Services	2.953	498	.003	.3014
ATM Services	4.441	493	.000	.4330
Tax Payment	4.670	423	.000	.6155
Net Banking	5.511	463	.000	.5988
Safe lockers	2.287	483	.023	.2813
Loans & Investments	5.084	493	.000	.5762
Mobile Banking Services	3.774	478	.000	.4415
Credit /Debit Card Services	3.439	493	.001	.3527
PPF	3.405	493	.001	.4208

It can be seen from the data that there is significant difference in the level of satisfaction with various services of public and private sector banks (associated significant value is less than 0.05). It is very clear from the data that the average level of satisfaction of the customers of private bank is more than that of public sector banks across all kinds of services.

5. Conclusion

The choice of bank i.e. nationalized bank and private bank depend on various demographic and socio-economic factors. Banks are required to consider these factors before designing banking products and marketing the products. The data about customer satisfaction with various banking services shows that customers of public sector banks are most satisfied with credit /debit card services followed by ATM services and deposit services. While the customers of private bank are most satisfied with deposit services followed by ATM services and net banking services. Customers of public sector banks are most dissatisfied with tax

payment services and loans and investments services offered by bank. As against this customers from private sector bank are most dissatisfied with tax payment and safe lockers services of banks.

6. Recommendations

Based on the study, we would like to recommend

As per the analysis we see the age is making a difference in the selection of the bank. India is popular for its demographic dividend and having the huge population which is young. But, the youth is always very demanding so the banking has to revamp itself and come up with better system. The youth has started moving towards private sector due to the service and innovation they find there, so we have a huge contribution of public sector banks in all over banking so even a high need is there to bring those innovation in public sector banks.

Customers of public sector banks are most satisfied with credit /debit card services followed by ATM services and deposit services. While the customers of private bank are most satisfied with deposit services followed by ATM services and net banking services. Nationalized banks and private sector banks can learn from each other in terms of their best practices.

The analysis clearly shows that all income group do have a bank account in public sector but when we look at a very high income group consumers they have the bank account preference more in private sector. The private sector should also start thinking about the consumers with low income, to extend their market share.

Usually the salaried class fall in low as well as average income group Dus their accounts are mostly in public sector bank as they have the association with the company in which this salaried classes working so it is also recommended that private sector needs to enter in different association for the salary accounts to attract the low as well as average income group consumers towards their banking products.

Female segment is also ignored by the private sector bank. One needs to work upon to attract female consumers towards the banking products.

Is education level is the most important part of any country's economic development one needs to see that as the level of education goes up the choice moves towards privatized banks. So there is a need for public sector to attract highly educated people so that they lead to better services demands and same with the private sector banks needs to also provide services and attract less educated people to

prove that they are not targeting only one segment of the country.

Demographic and socio-economic factors plays an important role in banking services. Both nationalized and private sector banks are required to consider these factors while designing their financial products.

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