

# Statistical Analysis of Conventional Banking Services Comparison between Public and Private Sector Banks



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## Abstract

Banking system which has also been stated as a system which reaches the customers offering services in cash management and updating them with the needed information on a regular basis with reference to the daily banking activities of their accounts maintained with the concerned financial institute. Every bank gives better services as well they can provide moreover bank services are same but the consumer whom using services is main effecting point for bank status. Best services attracted the consumer itself.

The purpose of this research article is to compare the conventional services by the primary method where sample unit is bank customer who are using services in both public as well as private banks . The study also focused on various factors that determine the , banking services, banking performance,infra- structure facility, loan oriented services and other value added services. Analysis was made by using t-test for comparison of services.

**Keywords:** Public Bank, Private Bank, Services Attributes, Loan, Insurance, Physical Amenities.

## Introduction

Banking institutions are considered to be the subgroup of the financial service industry. Banking system which has also been stated as a system which reaches the customers offering services in cash management and updating them with the needed information on a regular basis with reference to the daily banking activities of their accounts maintained with the concerned financial institute. In India, the banking activities is free from difficulties and in addition to it should be able to meet the new defies postured by the technical know-how and any other macro and micro environment factors.

## Importance of Banking Services

Businesses, regardless of size and type, would have to rely on or deal with banks and financial services companies one way or another. It's important to acknowledge and take advantage of the role these companies play. Banking and the federal insurance protects our money. Card services have enables us quick access to money. Money spent through bank can easily be traced and further be an important tool to check budget as well. Very few people have achieved long-term success in their personal finances without a budget. And few things make a budget work like the tools banks give us. Debt is a double-edged sword. Many tales abound of folks who used other people's money to increase their net worth, but far more traumatic are the stories of people whose finances were ruined by debt. Whichever way it slices, the fact that bank credit is available as an option has enhanced our lives in more ways than we might realize.

## Public Sector Bank

These are banks where majority stake is held by the Government of India. Examples of public sector banks are: SBI, Bank of India, Canara Bank, etc..

## Private Sector Banks:

These are banks majority of share capital of the bank is held by private individuals. These banks are registered as companies with limited liability. Examples of private sector banks are: ICICI Bank, Axis bank, HDFC, etc..

## Review of Literature

Jitendra K. Sharma (2017) in his paper "A Study on Innovation in Banking and its Impact on Customer Satisfaction" he analyzed that private

bank has been performing better than public sector bank. Customer trust is major ingredient of success for commercial bank. Private sector banks try to work in professional way since they have direct focus on revenues. Though public sector banks are also focusing more on creating better marketing mix, but there is more to achieve. The policy-makers in public sector banks must take proactive steps towards improving upon promptness and empathy towards customers.

Gurme and Meshram (2017) said that Mobile banking is big platform of new technology which promotes banking functions in India through mobile technology and also helps increasing their customers. This paper explores the awareness of mobile banking is the new era of technology which helps the banking industry grow at higher speed and also most important use is development of economic in India in his paper "A Study on Mobile Banking Awareness of Customers Perspective with Reference to Kothrud, Pune Area"

Gupta and Dev (2012) studied the factors impacting customer satisfaction in Indian banks and their effects on customer satisfaction. A questionnaire was given to 400 customers of 13 retail banks in India. Five factors were suggested driving customer satisfaction in banks namely: service quality, ambience, client participation, accessibility and financials.

### Research Methodology

This study is based on primary data. The primary data were obtained through well structured questionnaires which is tested for reliability and validity and were completed with sending the mails , threw Google drive and oral interviews of customers who have account in both public sector bank as well as private sector bank involved in the study.the sample size is 248.

### Objective of the study

1. To analyze the conventional services(service attributes, loan, insurance, physical amenities) of public and private sector banks
2. To compare the conventional services of public and private sector banks.

3. To evaluate which bank provide better conventional services.

### Research Variables

For this study we considered some conventional services which is our research variable and these are following:

#### Service Attributes

Which contain some co variables which are:

1. Service Quality
2. Technology Base
3. Trust on Bank
4. Location of the Branch
5. Management/Staff

#### Loan

A thing that is borrowed, especially a sum of money that is expected to be paid back with interest. There are so many loans that we have considered in our study.

#### Insurance

A thing providing protection against a possible eventuality. Number of insurance are included in this article

#### Physical Amenities

Some amenities at the bank which help accentuate the customer experience. These amenities can include stationary, drinking water, guard(s), air conditioning

#### Analytical Tools

For the purpose of analysis of data, a number of statistical techniques have been used in this study.The date was tested for normality by Shapiro wilk test and found non normal. But by the central limit theorem every data is normal if data is large so in this paper we use independent t test for mean of two groups

#### Research hypothesis

H0: There is no significant difference in opinion of customers for providing conventional services by public and private sector banks

H1: there is significant difference in opinion of customers for providing conventional services by public and private sector banks

## Result and Discussion

Group Statistics							
	Bank		Statistic	Bootstrapa			
				Bias	Std. Error	95% Confidence Interval	
						Lower	Upper
Service attributes	Public	N	248				
		Mean	2.3290	-.0013	.0330	2.2612	2.3920
		Std. Deviation	.49627	-.00114	.02535	.44356	.54621
		Std. Error Mean	.03151				
	Private	N	248				
		Mean	2.4161	.0006	.0342	2.3476	2.4833
		Std. Deviation	.53906	-.00296	.02994	.47699	.59605
		Std. Error Mean	.03423				
Loans	Public	N	248				
		Mean	1.5697	-.0006	.0233	1.5234	1.6155
		Std. Deviation	.35318	-.00086	.00981	.33296	.37054
		Std. Error Mean	.02243				
	Private	N	248				
		Mean	1.4303	.0002	.0227	1.3842	1.4722

		Std. Deviation	.35318	-.00134	.01016	.33172	.37076
		Std. Error Mean	.02243				
Insurance	Public	N	248				
		Mean	1.6097	-.0006	.0242	1.5592	1.6562
		Std. Deviation	.36958	-.00095	.00958	.34796	.38706
		Std. Error Mean	.02347				
	Private	N	248				
		Mean	1.3903	.0003	.0238	1.3445	1.4356
Std. Deviation		.36958	-.00157	.00964	.34752	.38607	
Std. Error Mean		.02347					
Physical amenities at bank	Public	N	248				
		Mean	2.1124	-.0001	.0515	2.0090	2.2118
		Std. Deviation	.79865	-.00227	.02806	.74067	.85448
		Std. Error Mean	.05071				
	Private	N	248				
		Mean	2.0640	-.0002	.0448	1.9728	2.1486
		Std. Deviation	.69992	-.00166	.02204	.65334	.73884
		Std. Error Mean	.04444				

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Service attributes	Equal variances assumed	1.604	.206	-1.872	494	.062	-.08710	.04653	-.17851	.00432
	Equal variances not assumed			-1.872	490.658	.062	-.08710	.04653	-.17851	.00432
Loans	Equal variances assumed	.000	1.000	4.394	494	.000	.13935	.03172	.07704	.20167
	Equal variances not assumed			4.394	494.000	.000	.13935	.03172	.07704	.20167
Insurance	Equal variances assumed	.000	1.000	6.609	494	.000	.21935	.03319	.15415	.28456
	Equal variances not assumed			6.609	494.000	.000	.21935	.03319	.15415	.28456
Physical amenities at bank	Equal variances assumed	6.067	.014	.718	494	.473	.04839	.06743	-.08410	.18088
	Equal variances not assumed			.718	485.641	.473	.04839	.06743	-.08411	.18088

From the table, group statistics has been done where responses were taken from 248

respondents who have account both public and private sector banks

So by this table, "Service attribute" comprises of Service Quality, Technology base, Trust on bank, Location of the branch and Management/staff of the bank. Majority of the respondents from both Public and Private Banks were found satisfied with 'Service attribute'.

For variable "Loan" which comprises of 'Home loan', 'Car loan', 'Credit card loan', 'Education loan', 'Personal loan', 'Two wheeler loan' respondents from Public Banks were found satisfied whereas respondents from Private Banks were found extremely satisfied.

For variable "Insurance" which comprises of 'Life insurance', 'Car and Two wheeler insurance', 'Health insurance', 'Home insurance', respondents from Public Banks were found satisfied whereas respondents from Private Banks were found extremely satisfied.

For variable "Physical amenities at bank" which comprises of 'Pen and paper', 'Water', 'Guard', 'Cash deposit machine', 'Kiosks', 'Parking', 'Proper and comfortable fixtures for seating', respondents from both Public Banks and Private Banks were found satisfied.

#### Conclusion

Since, after applying independent t- test we conclude that for service attributes and physical amenities the p value is greater than 0.05 so we accept our null hypothesis that is there is no significant difference in opinion of consumer for public and private sector bank that mean both bank provide equal services and perform equally. And by the group statistics we can also say that consumers are equally satisfied with both banks.

And, in providing loans and insurance the p value is less than 0.05 so we reject our null hypothesis that is there is significant difference in opinion of consumer to taking these services. so we can say that public and private sector are providing loans and insurance in different different manner. But by the group statistics we can also say that consumer are extremely satisfied by the private sector banks as compared to public sector banks.

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