



## AN EMPIRICAL STUDY ON BANKING SECTOR

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### ABSTRACT:

Banks adopt advanced technology to deliver banking facilities properly. Customer satisfaction is the major concern of banks. Private sector banks delivery better banking facilities than public sector banks. The employees of public sector banks need proper training so that they can deliver banking facilities appropriately to the customers. Rural masses face difficulties to avail banking facilities due to poor infrastructure of banks in rural areas. Urban customers prefer e-banking than traditional banking in recent years. Banks emphasize on customer satisfaction to enhance customer loyalty. Private sector banks adopt modern technology to increase the level of customer satisfaction. The working environment of private sector banks is better than public sector banks. Highly educated people prefer e-banking more than traditional banking. The study is based on both primary and secondary data. Primary data has been collected from the customers of public and private sector banks in West Bengal. Secondary data has been collected from journal articles. In this paper, an attempt has been made to analyze various aspects of banking sector.

### KEYWORDS:

**BANK, BANKING FACILITIES, CUSTOMER, CUSTOMER SATISFACTION.**

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### I. INTRODUCTION

Banks provide banking facilities to customers with the help of technology. Rural customers suffer to avail banking facilities due to poor infrastructure of banks. The number of bank branches in rural areas is inadequate. Private sector banks emphasize on customer satisfaction more than public sector banks. Customer satisfaction depends on several factors such as security, convenience, accessibility etc. Banks adopt modern technology to improve service quality. Quality of service plays vital role to increase the level of customer satisfaction. Many people ignore e-banking due to security threat. Highly educated people prefer e-banking more than moderately educated people. Banks emphasize on e-banking to enhance customer satisfaction. The employees of public sector banks are not properly trained. The customer service of private sector banks is better than public sector banks. Customer satisfaction is the major concern of both public and private sector banks. Urban customers are more aware than rural customers regarding banking facilities. Banks focus on customer satisfaction to enhance customer loyalty. The objective of the study is to analyze various aspects of banking sector.

### II. LITERATURE REVIEW

Banks provide several services such as collect utility bills for government department, receive subscription funds, purchase of securities (Goud, 2021). Customer service plays vital role behind business growth in banking sector.

Customer service is the top priority of commercial banks for retention of customers (Kamboj et al., 2022). Development of technology has allowed the banks to provide e-banking facilities to customers (Zafar et al., 2011). Banks perform several functions such as distribution of loans and mobilization of deposits (Rehman and Lakshmi, 2024). Banks need to focus on service quality to survive in the competition in banking sector (Kampakaki and Papthanasion, 2016). The employees of banks have lack of knowledge about e-banking (Singhal, 2017). Change in technology has immense impact on the preference of customers in banking sector (Sunith, 2019). Traditional banking is based on branch banking where as online banking depends on internet (Santhiya and Saravanan, 2018). Public and private sector banks adopt e-banking to enhance the level of customer satisfaction (Prasad et al., 2019). Technological developments and increased competition in banking sector have compelled banks to emphasize on customer satisfaction (Cabanillas et

al., 2013). Banks suffer to provide e-banking services property due to poor internet service (Jindal, 2016). Mobile banking faces several challenges including regulatory challenges, economic challenges and demographic challenges (Deshwal, 2015). Highly educated people avail internet banking facilities more than moderately educated people (Yadav, 2016). E-banking has several advantages such as mobility, convenience, low cost (Sahu, 2016). E-banking enables customers to perform various tasks like checking account balances, applying for loans, transferring fund between accounts and paying bills electronically (Subedi and Adhikari, 2024). Employee skills play vital role to survive in the banking sector (Takeed et al., 2024). Digital banking has various advantages such as reduction in human error, improved customer experience, reduction of cost for banks and customers (Anthony, 2017). Online banking enables customers to perform a wide range of financial transactions (Faisal and Tayachi, 2021). E-banking has immense impact in the present scenario of banking sector (Singh and Mahajan, 2021). Customer satisfaction depends on psychological and economic factors (Kumbhar, 2011). Banks emphasize on customer satisfaction to enhance customer loyalty (Suleiman et al., 2012). E-banking provides banking facilities around the clock with the help of technology (Balogun et al., 2013). Customers are shifting from traditional banking to e-banking with the development of technology (Ayyash, 2017). Banks provide various types of e-banking services such as phone banking, door step banking, mobile banking (Arya, 2019). Banks should analyze the customer reviews for the development of product and service offerings (Sharp et al., 2024). Banks achieve greater customer satisfaction through e-banking (Yuvaraj et al., 2023). Banks obtain necessary information from borrowers for the development of service (Huang et al., 2023). Banks identify fraudulent activities by using artificial intelligence (Svoboda, 2023). Digital revolution in banking sector compelled banks to offer technology based services to customers (Mansuri, 2021). The transaction cost of e-banking is less than traditional banking (Hada, 2020). The development of technology has brought revolution in banking sector (Kapparashetty, 2020). The working environment of commercial banks has significant impact on the effectiveness of employees (Adah et al., 2020). Banks deliver online banking services to customers to survive in the competitive environment of banking sector (Sikira, 2021). The future of banking sector depends on artificial intelligence (Sreenivasamurthy, 2022). Reserve Bank of India regulates the banking sector (Sah, 2024). Digitization compelled banks to change traditional banking practices (Padhy, 2023). Banks adopt artificial intelligence to improve service quality (Kavitha, 2024). Banks are forced to concentrate on internet banking due to digital development (Roy et al., 2023).

### III. METHODOLOGY AND DATA ANALYSIS

The study is based on both primary and secondary data. Primary data has been collected from the state of West Bengal. The respondents are the customers of public and

private sector banks. The sample size of the study is two hundred. 64% of the respondents are male and 36% of the respondents are female. The respondents are from urban and rural areas. 57% of the respondents are the customers of public sector banks and 43% of the respondents are the customers of private sector banks. 27% of the respondents are between the age of 20 years to 30 years. 42% of the respondents are between the age of 30 years to 40 years. 15% of the respondents are between the age of 40 years to 50 years. 11% of the respondents between the age of 50 years to 60 years. 5% of the respondents are above 60 years of age. 63% of the respondents are graduates. 9% of the respondents are post graduates. 71% of the respondents are service holders. 23% of the respondents are businessmen. 6% of the respondents are unemployed.

The number of bank branches is very less in rural areas. 79% of the respondents agree that rural masses suffer due to inadequate number of branches in rural areas. Urban customers prefer e-banking more than rural customers. 82% of the respondents agree that urban customers avail e-banking services more than rural customers. The infrastructure of banks is very poor in rural areas. 68% of the respondents agree that rural customers suffer due to poor infrastructure of banks. The quality of service of private sector banks is better than public sector banks. 62% of the respondents agreed that private sector banks provide better service than public sector banks. Employees of public sector banks require proper training so that they can deliver banking facilities properly to customers. 58% of the respondents agree that the employees of public sector banks are not properly trained. Customers suffer to avail e-banking facilities due to poor internet service. 74% of the respondents agree that customers face difficulties to avail e-banking services due to poor internet service. Banks should emphasize on security factors so that customers can avail e-banking facilities easily. 76% of the respondents agree that customers avoid e-banking due to security threat. The inclination of customers towards e-banking has increased in recent years. 65% of the respondents agree that the inclination of urban customers towards e-banking has increased significantly in recent years.

### IV. CONCLUSION

Private sector banks provide banking facilities more accurately than public sector banks. Private sector banks focus on customer satisfaction more than public sector banks. The number of bank branches should be increased in rural areas. The infrastructure of banks should be improved in villages. The awareness about e-banking is very low among rural masses. Urban customers prefer e-banking more than traditional banking. The cost of e-banking is less than traditional banking. Banks should take proper steps to increase banking habits among rural masses. Both public and private sector banks adopt modern technology to deliver banking facilities appropriately to the customers. Private sector banks emphasize on service quality to achieve greater customer satisfaction. Banks detect fraudulent activities with the

help of artificial intelligence. Many customers avoid e-banking facilities due to security threat. Customer satisfaction is the key factor behind customer retention. Banks emphasize on customer satisfaction to survive in the competitive environment of banking sector.

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