

# A Comparative Study of Customer's Satisfaction in Public and Private Sector Mobile Banking in India

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**Abstract** - Today the expectation of customers have increased from the services rendered to them by Banks in the form of Internet Banking, Branch Banking, Mobile Banking to name a few. With the onset of latest technology in the branch of banking customers are able to access and transact the banking services without even going to the banks physically. This paper discusses the various aspects of services, namely privacy, security, convenience, charges, etc., rendered by the banks i.e Public sector vis-à-vis Private sector in the area of mobile banking. It also discusses the features provided by the banks and the benefits for the customers while availing the banking services on the mobile phones.

**Keywords:** *Anywhere Anytime Banking, Customer Satisfaction, Mobile Banking, Public sector bank, Private sector bank*

## I. INTRODUCTION

Most of the banks In India have gone tech savvy with the introduction of the mobile banking applications, which are customer friendly, for the smartphones for their bank's customers. Bank offers many services like fund transfers, account balance enquiry, money deposits, utilities payments etc. on these mobile banking application for their customers from the convenience of their office or home round the clock.

The age-old deliberation of the customer satisfaction derived from the services rendered by the private sector bank as opposed to a public sector bank endures even today. There are few features which along with the age of the customers are considered like the charges and fees, accessibility, customer services, ease of banking, etc. The choice of a public sector or a private sector banks is different for young and old generation due to the difference of opinion.

Private sector banks are usually known for their extreme competitive attitude and technological dominance. Private sector banks have grown from asset to asset with the help of use of the best latest technology and providing their wide customer base the world class services. Private Banks engage in an extremely viable market share and typically embrace aggressive customer engagement approaches, which helps in further enhancing the strength of the banks to provide excellent services in the fastest imaginable duration of time. All the above factors assisted the private sector banks to grab the attender of the younger generation and created a reputation in the banking sector for their efficiency and an average customer prefers banking with them for the affordable advantages.

On the other hand, grander organizational structure of the public sector banks is best known along with their better

astuteness in the customer base. With this sector of banks, government are able to expand the scope and reach the inaccessible and far flung parts of the country, these sector banks still remains a favorite with the older generation but the customer count continues to rise as well.

## II. DISCUSSION

Here is an extensive parameter of elements to be considered:

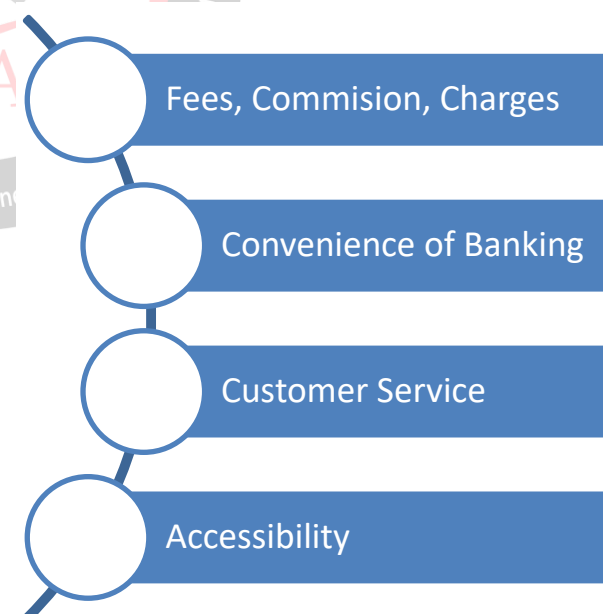


Figure 1: Mobile Banking- Guiding factors

- Fees, Commission and Charges

One of the biggest differences between the public sector banks and the private sector banks is that the former usually charge less on these additional fees as compared to their private counterparts. One of the reason behind these high cost could be that the latter banks have to pay high

costs and expenses in the form of lavish offices, higher compensation and remunerations to employees and other supplementary costs. The above expenses incurred by the banks are in a way charged from their customers only in the form of fees for the services rendered to them.

- Convenience of Banking

In both public and private sector banks, an important role is played by the technology. Today, every other bank in the industry offer the use of ATMs, internet banking, use of ATMs, phone banking services and mobile banking services. If the above factors are the only ones to be considered, then one would not see the much of a difference in the services of public sector bank as compared to the services of private sector bank.

Though, this is one of the few factors which bring out the benefits of private over public sector banks as the private sector banks are always ardent to embrace the latest technology and inventive products as compared to the latter version of banks.

- Customer Service

For the young generation, Customer service acts as an important factor. Due to the impatient attitude of younger generation, and their requirement for swift handling of their queries getting resolved and transaction being carried out in time, they prefer private sector banks over public sector banks, wherein employees of the banks are more approachable and proactive in catering to customer requests. Dedicated Customer support desk are a main part of Private banks, which can handle grievances or requests with superior speed.

Whereas, in contrast, public sector bank give less importance to the customer care and their employees are not duty-bound enough to accelerate customer requests or handle customer complaints. Though, one-to-one customer relationship is better in small branches of a public sector bank as compared to a private sector bank.

- Accessibility

Even after the banking based on technology, a main portion of bank customers still prefer visiting the branch bank to manage their account and make the transaction. Widespread branch networks are one of the main features of public sector banks, in comparison to many private banks. One can easily find a public sector bank in small cities as compared to a private sector bank.

Bank Name	Value (In Rs'000)
1 HDFC BANK LTD.	3741272731.88
2 STATE BANK OF INDIA	3995474977.88
3 ICICI BANK LTD	3645112717.31

4	AXIS BANK LTD	3558760574.48
5	BANK OF INDIA	558579132.64
6	BANK OF BARODA	455886118.60

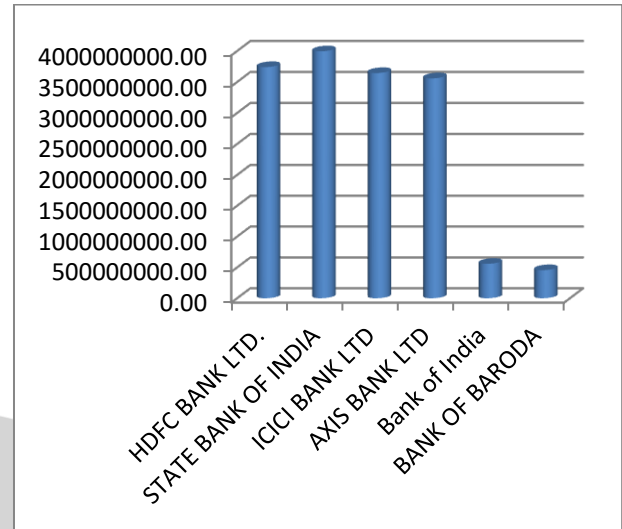


Chart 1: Mobile Banking Transactions

The above values are in (In Rs'000) for the mobile transactions amounting for the period March 2018-February 2019\*

\*Sources Reserve Bank of India's (RBI) Website

The above data has been collected from RBI's website where in the amount of transactions for the period ranging from March 2018- February 2019 has been taken into consideration. The above amount shows that both the public and private sector banks are favorite among customers as both the sector banks have their share of pros and cons.

### Mobile Banking Features and Benefits

Mobile banking has gained popularity since the time it has been introduced in India. There are adequate reasons for the above. Following are some of the features and benefits of mobile banking:

- One of the main benefits of using mobile banking is the accessibility and availability of the banking services at one's fingertips. Gone were the days when one has to wait in the queue at the bank or outside an ATM there and wait for the banking hours to check your balance in the account, to transfer the money, payment of your bills or to view statement of your account. With the introduction of mobile banking in India, a customer can perform all the above by mere use of your mobile phone. Fund transfer transactions can be performed when the banks are open but one can always check the balance in their account or get

statement of their account irrespective of the time or day.

- Mobile Banking services are offered to their customers by banks over SMS and USSD, since banks are very much aware that internet is not easily accessible to everyone. Customers who do not have access to internet can use SMS and USSD services for mobile banking and customers who own smartphones and have access to the internet can download and use the bank's mobile applications.
- To ensure the safety of your bank account and personal details while using mobile banking, banks will give you a set of login identifications along with the password and One Time Password over your mobile phones, which one needs to sign into their account and perform the transactions. The set of login authorizations are delivered on to you securely and since the customer is the only one who knows his/her login ID and password, their account is constantly safe. Most of the banks these days permit you to have access to your account by enabling two-step verification where one can only perform the banking transactions if you enter the One-Time Password (OTP) sent to your registered mobile number through SMS.
- Cost is another issue which customer think is an hurdle in using the mobile banking services but think. In reality, the mobile banking services are offered by the banks free of cost. No extra charges are levied on the customers for registration for mobile banking. In contrast to the ATM transactions where one have access to a free limited number of transactions, one can check the balance and the statements of their account , pay your bills as many times as you want without paying any additional fees, commission or charges.

### III. CONCLUSION

Building Customer satisfaction takes time and it is only possible by introducing a supportive and user friendly mobile banking application. For a bank to build an efficient, smooth and interactive mobile banking application, smooth transactional experience and effective customer support should be the primary focus for the banks. Addition of advanced features and functions such as notifications and alerts, financial analyzers or customized and personalized support will help to secure bonus points in overall customer satisfaction. Any of the banks trying to attain and outdo in the field of customer satisfaction in mobile banking, prioritizing in-applications features based on customer needs should primarily be the initial point. Public sector bank or private sector banks, customers prefer mobile application of the banks providing value and reliable services. The data collected from RBI

shows the preferences of the customers towards both the sectors.

Some of the factors that contribute to the adoption of mobile banking are associated with the convenience, access to the service 24 X7 regardless of time and place, security and privacy and time and effort saving. Nevertheless, the fact is that the adoption of new technology is not growing at the same pace as the introduction of the same. Consumers refrain themselves from using these technologically radical services, moderately because of lack of awareness and moderately due to other concerns of security, device functionality, etc.

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