

## **A Study on Customer Perception of a Private Banks with Special Reference to Coimbatore City**

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### **ABSTRACT**

This research article looks at the customer about how they see Private Banks in Coimbatore City using the SERVQUAL model, evaluating service quality across tangibility, empathy, assurance, responsiveness, and reliability. Findings reveal that while Private Banks attracts a young, educated customer base with active savings accounts, strengths lie in reliability and responsiveness. However, gaps were identified in tangibility and assurance, reflecting needs for improvement in physical infrastructure and staff confidence. The study recommends Private enhance digital services and physical facilities, as well as tailor offerings for diverse income and occupational segments, to improve satisfaction and foster customer loyalty in a competitive market.

### **KEYWORDS**

*SERVQUAL, SATISFACTION, LOYALTY, ASSURANCE, EMPATHY*

### **INTRODUCTION**

In today's competitive financial landscape, customer perception plays a pivotal role in determining the success and sustainability of Banking institutions. With the rapid growth of the Banking sector in India, Banks must continually evolve their services to meet customer expectations. Customer satisfaction, loyalty, and perception are key determinants of a Banks reputation, profitability, and market share. Among the various Banks in the Private sector, Private Banks has emerged as a major player, known for its extensive product range and commitment to service quality. The main goal of this article is to investigate how customers in Coimbatore see Private Banks. a major city in Tamil Nadu known for its economic and industrial significance. This research offers valuable feedback to Private Banks on areas that need improvement or innovation, providing insights that can help the Banks enhance its services, improve customer retention and competitive advantage in the Banking sector.

### **REVIEW OF LITERATURE**

A title of the article **"A Relationship between Service Quality and Customer Satisfaction in e-Banking services- a study with reference to commercial Banks in Chennai City"** The main goal is to study and

validate the various service quality dimensions offered by the commercial Banks in the study area. to determine the connection between the commercial Bank's customer happiness and service quality metrics. There are 600 people in the sample, and the study was carried out in 15 different Chennai City zones. The convenience sampling method was also employed by the author. The author employed both linear multiple regression analysis and factor analysis.

A title of the article **“Examining the effect of electronic Banking service quality on customer satisfaction and loyalty: an implication for technological Innovation”**, Examining how customer happiness and loyalty are affected by service quality when utilizing e-Banking is the primary objective. They gathered about 385 samples from online Banks customers using convenience sampling. Additionally, the data was analysed by the author using chi-square statistical analysis. The findings demonstrated that responsiveness, dependability, privacy and security, speed, and convenience all have a significant impact on customer satisfaction. In a similar vein, client loyalty is significantly impacted by how satisfied customers are with the quality of electronic Banking services.

The article title **“service quality in Banks: an analysis”**, The primary objective is to examine how public and Private sector Banks are evaluated in terms of service quality as well as how they are expected to perform. They gathered about 551 samples from Patiala, Chandigarh, using convenience sampling. The author employed both linear multiple regression analysis and factor analysis. According to the study's findings, the empathy dimension had the largest gap, followed by the tangibility, assurance, responsiveness, and reliability dimensions.

## RESEARCH OBJECTIVES

- To analyse customer perceptions of Private Banks in Coimbatore City based on the five dimensions of the SERVQUAL model: tangibility, empathy, assurance, responsiveness, and reliability.
- To identify the key factors influencing customer satisfaction in Private Banks.

## SCOPE

This article focuses on analyzing customer perceptions of Private Banks's service quality in Coimbatore City using the SERVQUAL model, specifically examining the dimensions of reliability, assurance, empathy, responsiveness, and tangibles. The article targets existing Private Banks customers from diverse demographic backgrounds, including varying age groups, income levels, occupations, and educational qualifications. The research is geographically limited to Coimbatore, a key commercial and industrial hub in Tamil Nadu, to gain insights into the unique customer experience in this region. Based on the findings, the study will provide recommendations for improving the Bank's service quality in Coimbatore to enhance customer satisfaction and loyalty.

## LIMITATION

This study has some restriction or in other words there is some limitation. Due to time constraints, the scope of data collection and analysis was limited, potentially affecting the depth of exploration into customer perceptions. The sample size of 215 respondents, while helpful for initial insights, may not be fully representative of the broader Private Banks customer base in Coimbatore, and a larger sample could yield more reliable and generalizable results. Additionally, the data collection was confined to specific areas within Coimbatore, which may not capture the full diversity of customer experiences across the city. Future research could benefit from a larger, more geographically diverse sample and an extended data collection period for a more comprehensive analysis.

## CONCEPTUAL MODEL

### INDEPENDENT VARIABLES

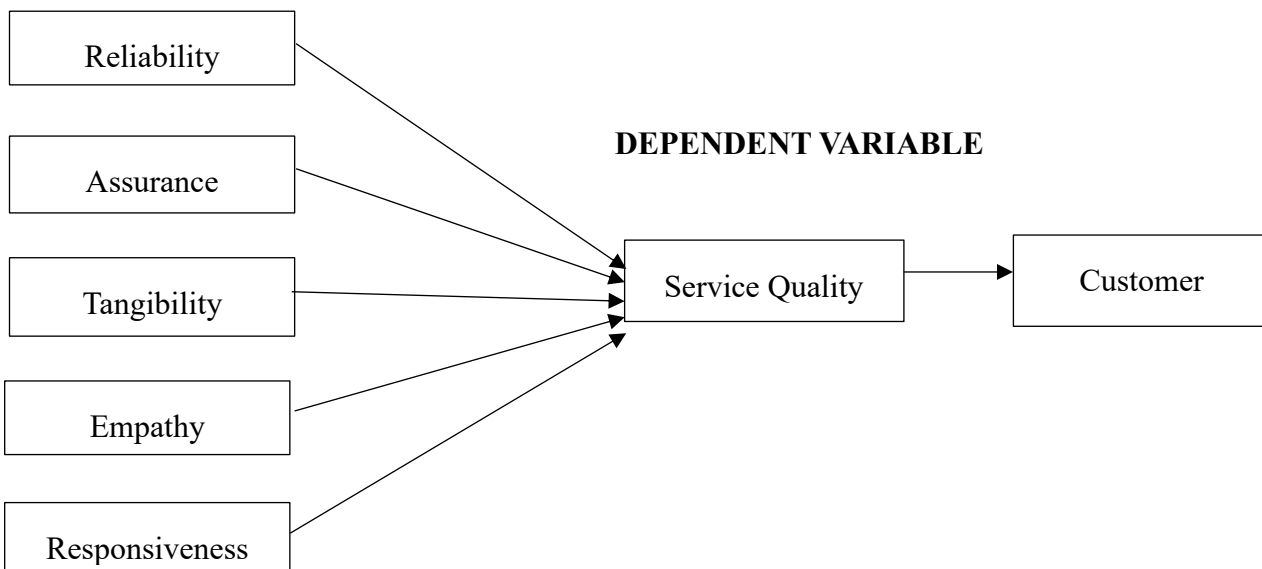


Chart No.01

## DATA ANALYSIS

Table No.01

### Percentage Analysis

| Category | Frequency | Percent |
|----------|-----------|---------|
| Age      |           |         |
| 18-25    | 83        | 38.6%   |

| Category              | Frequency | Percent |
|-----------------------|-----------|---------|
| 26-35                 | 56        | 26.0%   |
| 36-50                 | 46        | 21.4%   |
| Above 50              | 30        | 14.0%   |
| <b>Total</b>          | 215       | 100.0%  |
| <b>Gender</b>         |           |         |
| Female                | 104       | 48.4%   |
| Male                  | 110       | 51.2%   |
| Other                 | 1         | 0.5%    |
| <b>Total</b>          | 215       | 100.0%  |
| <b>Education</b>      |           |         |
| Up to 10th            | 7         | 3.3%    |
| Up to 12th            | 9         | 4.2%    |
| UG                    | 108       | 50.2%   |
| PG                    | 68        | 31.6%   |
| Others                | 23        | 10.7%   |
| <b>Total</b>          | 215       | 100.0%  |
| <b>Monthly Income</b> |           |         |
| Below 25000           | 94        | 43.7%   |
| 25001 – 50000         | 72        | 33.5%   |
| 50001 – 75000         | 36        | 16.7%   |
| Above 75000           | 13        | 6.0%    |
| <b>Total</b>          | 215       | 100.0%  |
| Government Sector     | 13        | 6.0%    |
| Private Sector        | 120       | 55.8%   |
| Business              | 29        | 13.5%   |
| Others                | 53        | 24.7%   |
| <b>Total</b>          | 215       | 100.0%  |

| Category                     | Frequency | Percent |
|------------------------------|-----------|---------|
| <b>Types Account</b>         |           |         |
| Savings Account              | 131       | 60.9%   |
| Salary Account               | 63        | 29.3%   |
| Current Account              | 33        | 15.3%   |
| Demat Account                | 13        | 6.0%    |
| <b>Banks Visit Frequency</b> |           |         |
| Daily                        | 12        | 5.6%    |
| Weekly                       | 28        | 13.0%   |
| Fortnightly                  | 8         | 3.7%    |
| Monthly                      | 67        | 31.2%   |
| Occasionally                 | 100       | 46.5%   |
| <b>Total</b>                 | 215       | 100.0%  |

Table No.02

Mean Value for the Statement

| Sl. No | STATEMENT   | MEAN VALUE |
|--------|---|------------|
| 1      | PRIVATE Banks have modern-looking equipment.  | 3.44       |
| 2      | PRIVATE Bank's physical facilities are visually appealing.                                | 3.52       |
| 3      | PRIVATE Banks employees are neat in appearance.   | 3.68       |
| Sl. No | STATEMENT   | MEAN VALUE |
| 4      | The PRIVATE Banks brochure, notices, Cheques, and other materials are visually appealing. | 3.70       |
| 5      | When PRIVATE Banks promises to do something by a certain time, it does so.                | 3.52       |
| 6      | Employees at PRIVATE Banks will take an interest in resolving client issues.              | 3.60       |
| 7      | PRIVATE Banks delivers the service correctly the first time.                              | 3.60       |

|    |  |      |
|----|--|------|
| 8  | PRIVATE Banks provides its services at the time it promises to do so.  | 3.54 |
| 9  | PRIVATE Banks insists on error-free records.   | 3.52 |
| 10 | PRIVATE Banks employees tell you exactly when the services will be performed.                                | 3.60 |
| 11 | PRIVATE Banks employees give you prompt services.  | 3.54 |
| 12 | Employees in PRIVATE Banks are always willing to help you.   | 3.62 |
| 13 | Employees at PRIVATE Banks are never too busy to respond to your questions.                                  | 3.55 |
| 14 | Employees at PRIVATE Banks instil confidence in you.   | 3.58 |
| 15 | Employees at PRIVATE Banks provide sufficient trust to you, placing confidence in employees in this respect. | 3.60 |
| 16 | Employees at PRIVATE Banks always respect you.   | 3.73 |
| 17 | Employees at PRIVATE Banks have the necessary knowledge to answer your questions.                            | 3.65 |
| 18 | PRIVATE Banks gives you individual attention.  | 3.64 |
| 19 | PRIVATE Banks working hours that are suitable for all.   | 3.61 |
| 20 | PRIVATE Banks places a high focus on serving your interests.   | 3.66 |
| 21 | Employees at PRIVATE Banks are aware of the unique needs of each individual.                                 | 3.58 |

## FINDINGS

The survey indicates that the majority of Private Banks's customers fall within the 18-25 age group (38.6%), followed by 26-35 (26%) and 36-50 (21.4%), with only 14% aged above 50. Gender distribution is nearly equal, with 51.2% male and 48.4% female respondents, and a small fraction (0.5%) identifying as other genders. Most respondents are well-educated, with 50.2% holding an undergraduate degree and 31.6% a postgraduate degree. The largest occupational segment is the Private sector (55.8%), with smaller percentages in business (13.5%) and government jobs (6%). While 60.9% have a savings account, only 29.3% have a salary account. Few respondents hold current accounts (84.7% do not), Demat accounts (94% do not), or other types of accounts (96.3% do not). Nearly half (46.5%) visit the Banks occasionally, followed by monthly visits (31.2%). The average respondent earns ₹25,001 to ₹50,000 monthly and has held their account for 3-6 years. The SERVQUAL analysis reflects moderate satisfaction in reliability, responsiveness, and empathy, with some

scope for improvement in tangibility and assurance, as indicated by generally neutral to slightly positive mean scores across service quality dimensions.

## CONCLUSION

The article provides valuable insights into customer perception and service quality at Private Banks in Coimbatore, highlighting the demographic profile of its customers, their Banking habits, and their views on the Banks's services. The findings reveal a young, well-educated customer base, with a significant portion relying on savings accounts while showing limited engagement with other financial products. The SERVQUAL analysis indicates generally positive perceptions of service quality across dimensions such as Reliability, Responsiveness, Assurance, and Empathy. However, there are areas for improvement, particularly in Tangibility, where modernizing facilities and service materials could enhance customer satisfaction. The article also emphasizes the importance of maintaining consistent service standards, as nearly half of the respondents are occasional visitors who may value convenience and efficiency in each interaction. Customers' preference for savings accounts over other products suggests potential opportunities for the Banks to promote more diverse financial offerings. Additionally, the close gender balance among respondents indicates that marketing strategies could benefit from being inclusive and appealing across demographics. Ultimately, by addressing these insights, Private Banks can further align its services with customer needs and strengthen customer loyalty.

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