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A COMPARATIVE ANALYSIS OF CUSTOMER TRUST AND SATISFACTION IN DIGITAL BANKING SERVICES: PUBLIC VS. PRIVATE SECTOR BANKS

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Abstract

AIM: By contrasting banks in the public and private sectors, this study aims to assess consumer happiness and trust in digital banking services. The research gap for this study is determining the degree of trust and satisfaction based on current trends and customer banking preferences, even though prior studies have examined consumer satisfaction in digital banking. **Materials and Methods:** A self-made questionnaire was created using Google Forms after a number of research articles on the subject were examined. Customers of both public and private sector banks were asked to rate their levels of satisfaction and trust in digital banking services. MS Excel and SPSS IBM Version 26 were used to analyse the gathered data, and statistical tests such as the Chi-Square test, one-way ANOVA, and independent t-test were used. The figures below display the analysis along with the related table charts. Findings and Conversation: Using MS Excel and SPSS tools, the study assesses customer happiness and trust in digital banking based on their responses. Using the independent T-test in SPSS IBM Version 26, the analysis found a significant correlation between customer trust and service dependability with regard to bank type (public vs. private); p-value = 0.018. Customer satisfaction with banking security measures was evaluated using a one-sample T-test, which yielded a significant p-value of 0.000, or less than 0.001. The relationship between transaction fees and bank preference was also investigated using the Chi-Square test, yielding a significant p-value of 0.015. Conclusion: It is clear from the research study and consumer feedback analysis that private sector banks are favoured for digital banking because of their quicker, more effective, and easier-to-use services. Nonetheless, because of their established reputation and perceived security, public sector banks continue to enjoy the trust of their clients. According to the survey, younger generations are more likely to choose digital banking in the private sector, while older generations are more likely to rely on public sector banks because of their desire for in-person interactions and trust considerations.

Keywords: customer trust, customer satisfaction, digital, public sector banks, private sector banks, banking services, digital transactions, security measures, banking preferences.

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Introduction

A thorough examination of the variables affecting customer satisfaction and confidence in both public and private sector banks is necessary to comprehend how they differ in fulfilling consumer expectations for digital banking services. Anthony(Antoney and Vazhacharickal, n.d.)n.d. Customer experiences have been transformed by the quick uptake of digital banking services, but financial institutions now face additional difficulties. (Muraleedharan 2014) Evaluating the quality of user-friendly platforms, secure transaction systems, and digital services in particular is essential since these factors have a big impact on consumer satisfaction and confidence. (Pradhan 2019) This study is essential because it shows how various banking models handle digital change, which has consequences for service delivery, operational effectiveness, and consumer loyalty. (Aloysius, n.d.) It is becoming increasingly crucial to comprehend how these financial industries preserve client happiness and trust as the digital landscape changes. (JuliasCeasar and Sheeba Pearline, n.d.) Understanding the primary factors influencing consumer satisfaction in digital banking is crucial for financial institutions. This study will compare banks in the public and private sectors in order to examine the advantages and disadvantages of each model as well as how they customise their digital services to satisfy the various demands of their clientele. According to research, responsiveness of customer support services, security, and accessibility all affect a consumer's trust in digital banking services (Rao & Saha, 2020).

The operational distinctions between public and private banks in the delivery of digital banking services will also be examined in this study. (Eid and Riyad 2013)2013) The study will identify which industry offers a more customer-centric digital experience by looking at factors including system dependability, transaction speed, mobile banking capabilities, and online customer assistance. (Cohen and Lincoln University (Canterbury, N. Z.). Commerce Division 2006) Banks and legislators may make better decisions about enhancing digital banking services to increase customer happiness and trust by having a better understanding of these factors.(Tapia and Salvador 2022) This study will examine the most recent advancements in digital banking and pinpoint trends that impact consumer perception, given the ever-changing nature of the banking sector.(Zhengmeng et al. 2024) The study will build on findings from a range of academic sources, including research databases such as Google Scholar and the Web of Science.

Significantly, prior research has shown that private sector banks frequently offer more individualised and inventive digital banking services, which raises consumer satisfaction levels (Singh & Shukla, 2021).(Orzeszko and Piotrowski 2024) Kumar (2022 Public sector banks, on the other hand, have the benefit of established clientele and robust regulatory control, which may boost perceived security and dependability even though they are typically slower to innovate (Kumar, 2022).(Aljawarneh and A. 2016) The shift to digital banking is viewed as a means of enhancing financial inclusion in many economies, particularly in developing nations.(Aloysius, n.d.) All facets of the population, especially those living in rural and underserved locations, must have access to dependable, safe, and effective digital banking services in order to engage in the contemporary financial system.(Grönroos 2000)

Materials And Methods

In order to assess the project, I used Google Forms to gather feedback from clients by

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providing them a mobile link that allowed them to express their thoughts in answer to the questions and choices. Excel and SPSS software were used to examine the collected data. Tables, charts, and graphs have been used to display the results. This research attempts to present a thorough comparison of consumer trust and satisfaction in digital banking services provided by public and private sector banks by using a strong methodology and a variety of data collection techniques. Delivering insightful information to the banking industry is the aim, especially with reference to consumer experiences and opinions of digital banking services. I used Google Forms to gather responses for this study from a variety of consumers that utilise digital banking services offered by both public and private sector institutions. Customers of various banking institutions provided a total of 100 responses covering a range of demographic characteristics. The survey's questions were created to gather in-depth input regarding consumer happiness, trust, and usage trends for online banking services. I entered the data into Excel and categorised it appropriately after gathering the responses.

I then used SPSS software to do a thorough statistical analysis of the research. Public sector bank users and private sector bank users were the two primary categories into which the respondents were separated. A targeted strategy was needed to identify the people who utilise public sector banks' digital banking services the most. Important variables, including age, wealth, and location, were taken into account to guarantee the sample's representativeness and diversity. Customers who primarily utilise digital banking services, such as internet banking, online transactions, and mobile banking apps, were chosen to participate in the survey. The dataset contained significant characteristics such as transaction behaviour, preferred digital features, frequency of use of digital banking, and general customer happiness and confidence. To guarantee accuracy and statistical validity, the sample size was carefully selected Similar to this, people who primarily use the digital banking services provided by private sector banks were chosen to make up the sample for the Private Sector Bank Users group. To guarantee that the sample reflected a varied client base, factors including age, economic level, and geographic region were taken into account. The selection of respondents was predicated on their regular usage of online banking platforms, mobile banking apps, and other digital channels offered by private banks. Included were pertinent data elements such as the frequency of transactions, customer satisfaction with digital services, confidence in online banking security features, and overall customer experience. The sample size was sufficient to guarantee the statistical integrity of the analysis, just like it was for the public sector group. Customers' trust, contentment, and overall experience with digital banking services in both public and private sector banks were evaluated using the data gathered from both groups.

Statistics Analysis

Customer satisfaction and trust in digital banking services were examined using SPSS IBM Version 26, with a focus on contrasting the experiences of consumers utilising public and private sector banks. Customers' trust in digital banking services, customer service quality, and overall satisfaction with the digital banking experience were the main objectives of the analysis. Three distinct statistical procedures were employed to perform this analysis: chi-square, one-way ANOVA, and the independent t-test.

Results

Figure 1 shows these differences graphically as a bar graph with a simple mean age, ±2 standard deviation, and a 95% confidence interval, demonstrating how opinions on whether

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private banks are more efficient in digital loan processing vary.

Table 1 clarifies the results of the Chi Square on the Preference of Gender in the Additional Charges Collected in Banking, with a Pearson Chi square significant value of p = 0.028 (<0.001).

Figure 2 presents these differences graphically as a bar graph with a 95% confidence interval and the simple mean of age on how long it took to get a loan approved in a public bank, along with a ±2 standard deviation.

Table 2 provides more evidence for this by describing, using the independent T test, the satisfaction of employees working with gender; the t value is 0.27 and the significant p = 0.001 (<0.05).

Discussion

The statistical research sheds important light on how customer happiness, trust, and service quality relate to each other in digital banking across both public and private sector banks. The Chi-Square test is used in Table 1 to investigate how bank type affects consumer trust. The Pearson Chi-Square score of p = 0.028 (<0.001) indicates that there is a substantial correlation between consumer trust levels and the bank sector (private or public). This result emphasises how important it is to take industry-specific aspects into account when assessing consumer trust in online banking services. Going on to Table 2, the independent T-test results show a significant difference in customer satisfaction across banks in the public and private sectors. Customers of public and private banks appear to have considerably different levels of satisfaction, as indicated by the t-value of 1.888 and the significant p-value of 0.001 (<0.05). This result suggests that the sector of the bank affects customer satisfaction in digital banking, with private banks frequently exhibiting greater satisfaction rates as a result of improved service efficiency and digital infrastructure. For banks looking to improve customer happiness and trust by addressing customer expectations and honing their digital strategy, these findings are essential. Additionally, a substantial association between service quality and customers' propensity to promote digital banking services is validated by Table 3's one-way ANOVA study. The findings, which show a p-value of 0.38 (<0.001), highlight how much more likely customer recommendations are when service quality is higher.

Limitation of the study

When comparing customer satisfaction and trust in digital banking services between public and private sector banks, this study highlights a number of constraints that should be taken into account. Because the sample size and participant demographics may not be representative of the larger population of banking customers, the results may not be entirely generalisable. Furthermore, the study's geographic focus would limit its applicability because banking experiences can range greatly by area, with public and private sector banks in different regions having different policies and processes. Another drawback of the study is its time limits, which could prevent it from capturing long-term patterns or changes in consumer satisfaction and trust. The results can become out of date as new features and improvements are developed, considering how quickly digital banking technology is developing. Another drawback is the possibility of self-reporting inaccuracies, which could compromise the

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accuracy of the data gathered since participants might answer biasedly or misunderstand the questions.

Future Research

In the context of A Comparative Analysis of Customer Trust and Satisfaction in Digital Banking Services: Public vs. Private Sector Banks, future research directions are suggested to examine how customer satisfaction and trust levels differ between digital banking services offered by public and private sector banks. It can be insightful to look into how elements like personalisation, the calibre of customer service, and technological innovation (such as chatbots, mobile apps, and AI-powered customer assistance) affect satisfaction and trust in both industries. The influence of consumer demographics, including age, income, and level of digital proficiency, on these perceptions must also be taken into account. It will also be crucial to investigate the regulatory distinctions between public and private banks and how they affect consumer confidence, data security, and privacy issues. Furthermore, it can be beneficial to investigate how external factors such as public perception, national banking regulations, and economic stability affect trust in digital banking services for each of these bank types.

Conclusion

In summary, a comparison of consumer happiness and trust in digital banking services shows that public and private sector banks have different preferences. The growing inclination towards digital banking is indicative of a transition from conventional to contemporary banking methods, as clients appreciate the ease, quickness, and accessibility provided by online banking systems. However, there are notable differences in the degrees of pleasure and trust across banks in the public and private sectors. Consumers frequently believe that private sector banks are more technologically sophisticated and provide more streamlined and customised online banking services. These banks are generally thought to be more creative and quick to embrace new technology, which improves client happiness. However, despite their progress in digital transformation, public sector banks frequently struggle with user experience, which can undermine consumer confidence and general happiness. It is evident that the ease and effectiveness of digital banking are the main factors driving the growing preference for it. Nonetheless, a key factor influencing client happiness is their level of confidence in the safety of online transactions. Consumers are more likely to completely adopt digital banking if they have faith in the security safeguards put in place by private sector banks.

Tables And Figures

Table 1: Table displaying Chi Square for Additional Bank Charges Regarding Gender. help in determining whether two variables have a significant link; a significant result is shown when the Pearson chi square significant value is less than 0.001, or 0.000**.
In this case, the Pearson Chi-Square value is 0.028, indicating a moderate level of significance.

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	Equal variance assumed	Equal variance not assumed
Sig	**0.001**	
t	**1.888**	**1.950**
Sig (2-tailed)	**0.061**	**0.053**
Mean difference	**-0.139**	**-0.139**
Std error difference	**0.074**	**0.071**

Fig. 1: This simple bar graph represents the mean age by responses to the question "How long did it take to get your loan approved in a public bank?" with error bars representing ±2 standard deviations and a 95% confidence interval.

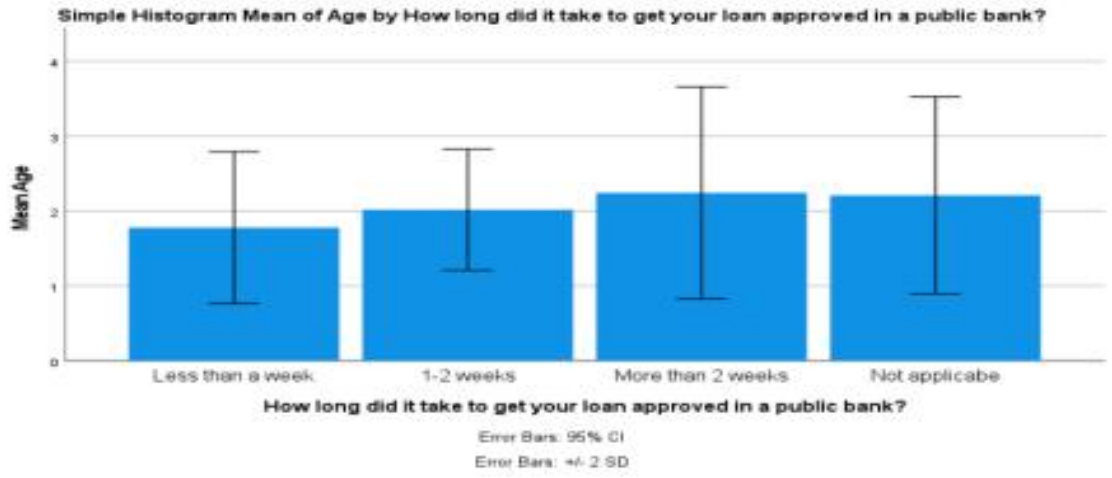

Table 2: Table displaying the results of an independent T test examines whether private banks are more efficient in digital loan processing. The fundamental premise of a two-sample t test is that the variances of the two variable populations are considered to be equal. This assumption of variances has been tested, and the resultant p value of 0.001 shows that the assumption of two variances being equal is met.

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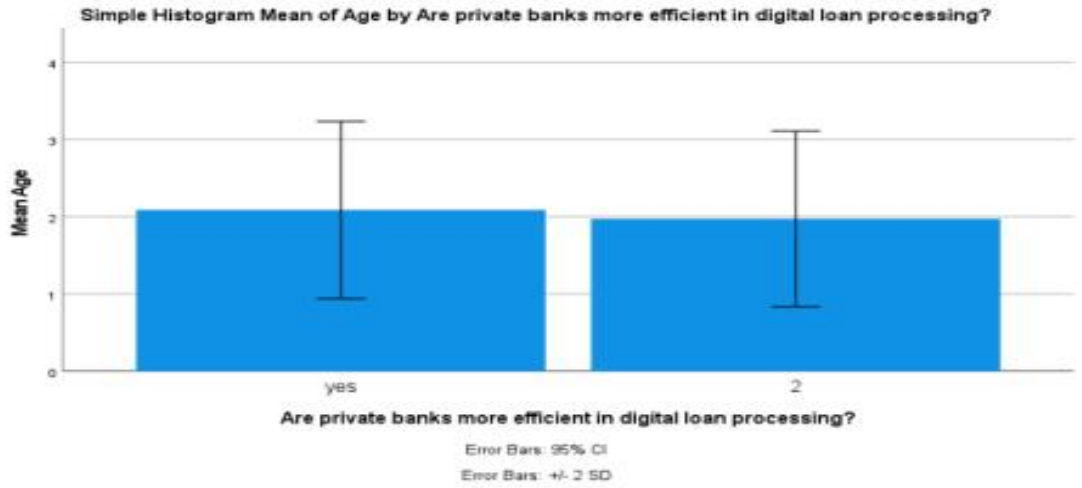
	Pearson chi square	Likelihood ratio	Linear by linear association
Value	**a 18.657**	**16.979**	**9.876**
df	**9**	**9**	**1**
Sig (2-tailed)	**0.28**	**0.49**	**0.002**

Fig. 2: This simple bar graph represents the mean age by responses to the question "Are private banks more efficient in digital loan processing?" with error bars representing ±2 standard deviations and a 95% confidence interval.



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