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# Customer Perception Towards Public Sector and Private Sector Banks Value Added Services of in Trichy District

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**Abstract**

This study focuses on customer perception of value-added services offered by public and private sector banks in Trichy district. The main aim is to study customer satisfaction with selected banking services. The study covers services such as internet banking, mobile banking, UPI transactions, SMS alerts, debit cards, and credit cards. It compares the services provided by public and private sector banks. The study uses a proportionate stratified sampling method. Data were collected from 800 customers, and 780 valid questionnaires were used for analysis. The study examines customer satisfaction, service quality, accessibility, security, and ease of use. It also identifies the factors influencing customers' use of banking services. The findings will help banks understand customer needs and improve their services. Finally, the study suggests ways to enhance customer satisfaction and improve banking service delivery.

**Keywords:** Value-Added Services, Public Sector Banks, Private Sector Banks, Digital Banking.

## Introduction

The banking sector plays a vital role in the economic development of a country by providing financial services to individuals, business, and governments. With rapid technological advancement and increasing customer expectations, banks have expanded their services beyond traditional deposits and lending activities. These additional facilities, commonly known as value – added services, include internet banking, mobile banking, ATM services, SMS alerts, UPI transactions, debit and credit cards, digital wallets, online bill payments, and personalized customer support. Both public and private sector banks have introduced various value- added services to improve customer convenience, satisfaction, and loyalty. The banking industry in has witnessed significant growth in digital banking adoption due to increasing internet penetration, smartphone usage, and government initiatives promoting digital transactions. Customers in the district use various value- added banking services for their daily financial needs. However, their perceptions may differ based on factors such as service quality, accessibility, security, reliability, responsiveness, and ease of use. This study focuses on comparing customer perception towards the value – added services offered by public and private sector banks in Trichy district. It aims to identify the factors influencing customer satisfaction, compare the effectiveness of services provided by both sectors, and examine the challenges faced by customers while using these services. The findings of the study will help banks understand customer expectations, improve service delivery, strengthen customer relationships, and formulate strategies to enhance customer satisfaction and competitiveness in the evolving banking environment.

## Objectives of the Study

1. To study the perception of the respondents on the selected services of Indian Bank.
2. To examine the level of satisfaction of respondents in availing of selected banking services.

**Methodology**

In this study proportionate stratified sampling is used. Stratified sampling is a form of random sampling, wherein the said universe is divided or stratified into groups which are mutually exclusive and include all the items of the universe.

The Four Public Sector banks and Four Private Sector Banks in Trichy District were selected for the study and they are State Bank of India, Canara Bank, Bank of Baroda and Bank of India, ICICI Bank, Axis Bank, City Union Bank and HDFC Bank. From the total customers in a bank, 100 customers from each bank were randomly selected for the study which constituted a sample size of 800. The questionnaires issued and received were 800, out of which only 780 questionnaires was found to be complete in all aspects and 20 questionnaires was found in incorrect. Hence the sample size for the study is 780.

**Hypotheses of the Study**

- H0: There is no significant difference between types of bank and the sources of avail VAS.
- H0: There is no significant relationship between bank types and usage of VAS knowledge.
- H0: There is no significant relationship between socio economic factors and the customer satisfaction about value added services of banks.

**Analyses and Interpretation**

**Account type-wise Respondents**

| Types of Account | Bank Respondents | | Total |
|---|---|---|---|
| | Public Sector | Private Sector | |
| Savings Bank Account | 355 (45.5%) | 366 (46.9%) | 721 (92.4%) |
| Current Account | 36 (4.6%) | 23 (2.9%) | 59 (7.6%) |
| Total | 391 (50.1%) | 389 (49.9%) | 780 (100.0%) |

**Source: Primary data**

The above table interprets that, among 391 (50.1%) public sector respondents, 45.5 per cent of the respondents are having savings bank account and 4.6 per cent of the respondents are having current accounts. Out of 389 (49.9%) private sector respondents, 46.9 per cent respondents are having savings bank account and 2.9 per cent respondents are having current accounts. It is concluded from the above analysis majority of the respondents having saving account.

**Gender-wise Respondents**

| Gender | Bank Respondents | | Total |
|---|---|---|---|
| | Public Sector | Private Sector | |
| Male | 164 (21.02%) | 166 (21.28%) | 330 (42.30%) |
| Female | 227 (29.10%) | 223 (28.59%) | 450 (57.70%) |
| Total | 391 (50.1%) | 389 (49.9%) | 780 (100.0%) |

**Source: Primary data**

From the above table analyses that, among 391 (50.1%) public sector respondents, 21.02 per cent of the respondents are men and 29.10 per cent of the respondents are women. Out of 389 (49.9%) private sector respondents, 21.28 per cent respondents are men and 28.59 per cent respondents are women. It is concluded from the above analysis majority of the respondents are women.

**Age-wise Respondents**

| Age | Bank Respondents | | Total |
|---|---|---|---|
| | Public Sector | Private Sector | |
| Up to 21 Years | 59 (7.6%) | 40 (5.1%) | 99 (12.7%) |
| Between 21 Years to 40 Years | 242 (31.0%) | 255 (32.7%) | 497 (63.7%) |
| Between 41 Years to 60 Years | 69 (8.8%) | 89 (11.4%) | 158 (20.3%) |
| Above 60 Years | 21 (2.7%) | 5 (0.6%) | 26 (3.3%) |

**Source: Primary data**

It is observed from the table that, among 391 (50.1%) public sector respondents 7.6 per cent respondents belong to age group up to 21 years; 31 per cent respondents belong to age group 21 to 40 years; 8.8 per cent respondents belong to age group 41 to 60 years; 2.7 per cent respondents belong to age group above 60 years.

**Occupational wise Respondents**

| Occupation | Bank Respondents | | Total |
|---|---|---|---|
| | Public Sector | Private Sector | |
| Salaried Employee | 237 (30.4%) | 116 (14.9%) | 353 (45.3%) |
| Business People | 55 (7.1%) | 69 (8.8%) | 124 (15.9%) |
| Professional | 8 (1.0%) | 64 (8.2%) | 72 (9.2%) |
| Housewife | 91 (11.7%) | 140 (17.9%) | 231 (29.6%) |

**Source: Primary data**

The table describes that occupational wise analysis of respondents, among 391 (50.1%) public sector respondents 30.4 per cent respondents are salaried employee; 7.1 per cent respondents are business people; 1 per cent respondents are professionals; 11.7 per cent respondents are housewife. Out of 389 (49.9%) private sector respondents, 14.9 per cent respondents are salaried employee; 8.8 per cent respondents are business people; 8.2 per cent respondents are professionals; 17.9 per cent respondents are housewife. It concluded from the above analysis majority respondent both banks salaried employee.

**Customer Awareness about Value Added Services**

| Customer Awareness | Bank Respondents | | Total |
|---|---|---|---|
| | Public Sector | Private Sector | |
| Aware | 291 (37.3%) | 357 (45.8%) | 648 (83.1%) |
| Not Aware | 100 (12.8%) | 32 (4.1%) | 132 (16.9%) |

**Source: Primary data**

Above Table presents customer awareness about value added services of commercial banks. In public sector 391 (50.1%) respondents, 37.3 per cent of the respondents are aware of value added services of public sector banks and 12.8 per cent of the respondents are not aware. Out of 389 (49.9%) private sector respondents, 45.8 per cent respondents are aware of value added services of private sector bank and 4.1 per cent respondents are not aware. It is concluded from the above analysis majority of the respondents are aware value added services of commercial banks.

**Level of Awareness about Value Added Services**

| Level of Awareness | Bank Respondents | | Total |
|---|---|---|---|
| | Public Sector | Private Sector | |
| Very Little Extent | 71 (9.1%) | 51 (6.5%) | 122 (15.6%) |
| Little Extent | 140 (17.9%) | 232 (29.7%) | 372 (47.7%) |
| Moderate | 172 (22.1%) | 85 (10.9%) | 257 (32.9%) |
| Highly Extent | 8 (1.0%) | 21 (2.7%) | 29 (3.71%) |

**Source: Primary data**

From table depicts level of awareness about value added services of commercial banks. From total respondents, 372 (47.7%) respondents level of awareness is little extent, 257 (32.9%) respondents level of awareness is moderate, 122 (15.6%) respondents level of awareness is very little extent and the remaining 29 (3.71%) respondents level of awareness is highly extent. It is concluded from above analysis majority of respondents are aware little extent.

**Getting Knowledge about Value Added Services of Banks through Bank Staff**

| Types of Bank | Agree | Not Agree | Total | ANOVA Table | | |
|---|---|---|---|---|---|---|
| | | | | .df | F | Sig. |
| Public Sector Banks | 208 (26.7%) | 183 (23.46%) | 391 (50.1%) | 1 | 6.047 | 0.014 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Private Sector Banks | 265 (34.0%) | 124 (15.90%) | 389 (49.9%) | | | |
| Total | 473 (60.6%) | 307 (39.4%) | 780 (100.0%) | | | |

**Source: Primary data**

It concluded from above table most of the respondents are agreed regarding getting knowledge about value added services through bank employees.

Here, p-value (0.014) is less than significant value (0.05). So, we accept the null hypothesis. There is no significant difference exist between type of banks and getting knowledge about value added services through bank staff.

**Getting Knowledge about Value Added Services of Banks through Website**

| **Types of Bank** | **Agree** | **Not Agree** | **Total** | **ANOVA Table** | | |
|---|---|---|---|---|---|---|
| | | | | **.df** | **F** | **Sig.** |
| Public Sector Banks | 106 (13.6%) | 285 (36.54%) | 391 (50.1%) | 1 | 1.439 | 0.231 |
| Private Sector Banks | 69 (8.8%) | 320 (41.03%) | 389 (49.9%) | | | |
| Total | 175 (22.4%) | 605 (77.6%) | 780 (100.0%) | | | |

**Source: Primary data**

It concluded from above table most of the respondents are not agreed regarding getting knowledge about value added services through website.

Here, p-value (0.231) is greater than significant value (0.05). So, we reject the null hypothesis. There is a significant relationship existing between type of banks and getting knowledge about value added services through website.

**Getting Knowledge about Value Added Services of Banks to organized Exhibitions/ Awareness Camps / Conference**

| **Types of Bank** | **Agree** | **Not Agree** | **Total** | **ANOVA Table** | | |
|---|---|---|---|---|---|---|
| | | | | **.df** | **F** | **Sig.** |
| Public Sector Banks | 52 (6.7%) | 339 (43.46%) | 391 (50.1%) | 1 | 151.321 | 0 |
| Private Sector Banks | 120 (15.4%) | 269 (34.49%) | 389 (49.9%) | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total | 172 (22.1%) | 608 (77.9%) | 780 (100.0%) | | | |

**Source: Primary data**

It concluded from above table most of the respondents are not agreed regarding getting knowledge about value added services through Exhibitions or Awareness Camps or Conference.

Here, p-value (0.00) is less than significant value (0.05). So, we accept the null hypothesis. There is no significant relationship exist between type of banks and getting knowledge about value added services through Exhibitions or Awareness Camps or Conference.

**Getting Knowledge about Value Added Services of Banks through Friends and Relatives**

| **Types of Bank** | **Agree** | **Not Agree** | **Total** | **ANOVA Table** | | |
|---|---|---|---|---|---|---|
| | | | | **.df** | **F** | **Sig.** |
| Public Sector Banks | 184 (23.6%) | 207 (26.54%) | 391 (50.1%) | 1 | 10.184 | 0.001 |
| Private Sector Banks | 251 (32.2%) | 138 (17.69%) | 389 (49.9%) | | | |
| Total | 435 (55.8%) | 345 (44.2%) | 780 (100.0%) | | | |

**Source: Primary data**

It concluded from above table most of the respondents are agreed regarding getting knowledge about value added services through Friends and Relatives

Here, p-value (0.001) is less than significant value (0.05). So, we accept the null hypothesis. There is no significant relationship exist between type of banks and getting knowledge about value added services through Friends and Relatives.

**Level of Usage of Automated Teller Machine**

| **Types of Bank** | **Frequently Used** | **Rarely Used** | **Not in Use** | **Total** | **$\chi^2$ Calculated Value** | **Value Table (0.05)** | **d.f.** | **Remarks** |
|---|---|---|---|---|---|---|---|---|
| Public Sector Banks | 381 (48.84%) | 5 (0.6%) | 5 (0.6%) | 391 (50.1%) | 3.10 | 5.99 | 2 | Significant |
| Private Sector Banks | 370 (47.43%) | 11 (1.41%) | 8 (1.02%) | 389 (49.9%) | | | | |

**Source: Primary data**

It concluded from the above analysis majority respondent both banks used ATM card frequently used.

The result of chi-square test show that the null hypothesis is accepted because calculated value is less than table value, there is no significant relationship between bank types and usage of ATM facility.

**Level of Usage of Internet Banking**

| Types of Bank | Frequently Used | Rarely Used | Not in Use | Total | $\chi^2$ Calculated Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|---|---|---|---|
| Public Sector Banks | 175 (22.4%) | 129 (16.5%) | 87 (11.15%) | 391 (50.1%) | 30.29 | 5.99 | 2 | Insignificant |
| Private Sector Banks | 116 (14.9%) | 203 (26.0%) | 70 (9.0%) | 389 (49.9% | | | | |

**Source: Primary data**

It concluded from the above analysis the level of usage if internet banking service of public bank customers are frequently used, otherwise if compared to private bank customers are rarely used the internet banking services.

The result of chi-square test show that the null hypothesis is accepted because calculated value is less than table value, there is no significant relationship between bank types and internet banking facility.

**Level of Usage of Mobile Banking**

| Types of Bank | Frequently Used | Rarely Used | Not in Use | Total | $\chi^2$ Calculated Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|---|---|---|---|
| Public Sector Banks | 110 (14.1%) | 113 (14.5%) | 168 (21.54%) | 391 (50.1%) | 21.81 | 5.99 | 2 | Insignificant |
| Private Sector Banks | 100 (12.8%) | 172 (22.1%) | 117 (15.0%) | 389 (15.0%) | | | | |

**Source: Primary data**

It concluded from the above analysis the level of usage of mobile banking service not in use of both bank respondents.

The result of chi-square test show that the null hypothesis is accepted because calculated value is less than table value, there is no significant relationship between bank types and mobile banking facility.

**Level of Usage of Electronic Fund Transfer**

| Types of Bank | Frequently Used | Rarely Used | Not in Use | Total | Calculated $\chi^2$ Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|---|---|---|---|
| Public Sector Banks | 268 (34.4%) | 100 (12.8%) | 23 (2.95%) | 391 (50.1%) | 33.34 | 5.99 | 2 | Insignificant |
| Private Sector Banks | 220 (28.2%) | 93 (11.9%) | 76 (9.7%) | 389 (49.9%) | | | | |

**Source: Primary data**

It concluded from the above analysis majority of the respondents are frequently used.

The result of chi-square test show that the null hypothesis is rejected because calculated value is greater than table value, there is a significant relationship between bank types and electronic fund transfer facility.

**Level of Usage of RTGS**

| Types of Banks | Frequently Used | Rarely Used | Not in Use | Total | Calculated $\chi^2$ Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|---|---|---|---|
| Public Sector Banks | 271 (34.7%) | 55 (7.1%) | 65 (8.3%) | 391 (50.1%) | 67.19 | 5.99 | 2 | Insignificant |
| Private Sector Banks | 156 (20.0%) | 110 (14.1%) | 123 (15.8%) | 389 (49.9%) | | | | |

**Source: Primary data**

It concluded that at most of both banks are real time gross settlement frequently used.

The result of chi-square test show that the null hypothesis is rejected because calculated valu e is greater than table value, there is a significant relationship between bank types and RTGS facility.

**Level of Usage of Bill Payments and Recharges**

| Type of Banks | Frequently Used | Rarely Used | Not in Use | Total | Calculated χ2 Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|---|---|---|---|
| Public Sector Banks | 290 (37.2%) | 61 (7.8%) | 40 (5.13%) | 391 (50.1%) | 55.93 | 5.99 | 2 | Insignificant |
| Private Sector Banks | 187 (24.0%) | 120 (15.4%) | 82 (10.5%) | 389 (49.9%) | | | | |

**Source: Primary data**

It concluded from the above analysis the majority respondents are frequently usage of customers through utility bill payment.

The result of chi-square test show that the null hypothesis is rejected because calculated value is greater than table value, there is a significant relationship between bank types and utility bill payment facility.

**Gender wise analysis of Customer Satisfaction about Value Added Services**

| Gender | Level of Satisfaction | | | | | Total |
|---|---|---|---|---|---|---|
| | Highly Satisfied | Satisfied | Moderate | Dissatisfied | Highly Dissatisfied | |
| **Male** | 5 (0.64%) | 101 (12.95%) | 183 (23.46%) | 20 (2.56%) | 21 (2.69%) | 330 (42.31%) |
| **Female** | 35 (4.49%) | 233 (29.87%) | 142 (18.21%) | 15 (1.92%) | 25 (3.21%) | 450 (57.69%) |

**Source: Primary data**

The above table defines that gender wise analysis that level of satisfaction about value added services. Out 780(100 percent) respondents, 40(5.13 percent) respondents are highly satisfied about their value-added service, 334(42.82percent) respondents are satisfied, 325(41.67 percent) respondents are moderate, 35(4.49 percent) respondents are dissatisfied and the remaining 46(5.9 percent) respondents are highly satisfied.

| Factor | Calculated χ2 Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|
| Gender | 63.95 | 9.48 | 4 | Insignificant |

The result of chi-square test show that the null hypothesis is rejected because calculated value is greater than table value, there is a significant relationship between gender and the customer satisfaction about value added services of banks.

**Occupation wise analysis of Customer Satisfaction about Value Added Services**

| Occupation | Level of Satisfaction | | | | | Total |
|---|---|---|---|---|---|---|
| | Highly Satisfied | Satisfied | Moderate | Dissatisfied | Highly Dissatisfied | |
| **Salaried Employee** | 32 (4.10%) | 178 (22.82%) | 135 (17.31%) | 4 (0.51%) | 4 (0.51%) | 353 (45.26%) |
| **Business** | 23 (2.95%) | 20 (2.56%) | 61 (7.82%) | 14 (1.79%) | 6 (0.77%) | 124 (15.90%) |
| **Professional** | 33 (4.23%) | 10 (1.28%) | 20 (2.56%) | 5 (0.64%) | 4 (0.51%) | 72 (9.23%) |
| **Housewife** | 27 (3.46%) | 101 (12.95%) | 80 (10.26%) | 15 (1.92%) | 8 (1.03%) | 231 (29.62%) |
| **Total** | 115 (14.74%) | 309 (39.62%) | 296 (37.95%) | 38 (4.87%) | 22 (2.82%) | 780 (100%) |

**Source: Primary data**

The above table defines that occupation wise analysis that level of satisfaction about value added services. Out 780(100 percent) respondents, 115(14.74 percent) respondents are highly satisfied about their value-added service, 309(39.62percent) respondents are satisfied, 296(37.95 percent) respondents are moderate,38(4.87 percent) respondents are dissatisfied and the remaining 22(2.82 percent) respondents are highly dissatisfied.

| Factor | Calculated $\chi 2$ Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|
| Gender | 135.16 | 21.02 | 12 | Insignificant |

The result of chi-square test show that the null hypothesis is rejected because calculated value is greater than table value, there is a significant relationship between occupation and the customer satisfaction about value added services of banks.

**Accounting Type wise analysis of Customer Satisfaction about Value Added Services**

| Type of Account | Level of Satisfaction | | | Total |
|---|---|---|---|---|
| | Highly Satisfied | Satisfied | Moderate | |
| Savings Bank Account | 106 (13.6%) | 308 (39.5%) | 307 (39.4%) | 721 (92.4%) |
| Current Account | 15 (1.9%) | 26 (3.3%) | 18 (2.3%) | 59 (7.6%) |
| Total | 121 (15.5%) | 334 (42.8%) | 325 (41.7%) | 780 (100.0%) |

**Source: Primary data**

Table 4.78 describes that type of account wise analysis that level of satisfaction about value added services. Out 780(100 percent) respondents, 121(15.5 percent) respondents are highly satisfied about their value-added service, 334(42.8percent) respondents are satisfied 32541.7 percent) respondents are moderate.

| Factor | Calculated $\chi 2$ Value | Table Value (0.05) | d.f. | Remarks |
|---|---|---|---|---|
| Gender | 5.97 | 5.99 | 2 | Insignificant |

The result of chi-square test show that the null hypothesis is accepted because calculated value is lesser than table value, there is a significant relationship between accounting type and the customer satisfaction about value added services of banks.

**Conclusion**

The study concludes that value – added services having become an essential factor influencing customers choice of banks. The findings reveal that customers of both sector banks actively use services such as internet banking, mobile banking, ATM services, SMS alerts, UPI transactions, debit and credit cards, digital wallets, online bill payments – fund transfers. Most respondents hold savings accounts, indicating that these services are widely utilized by regular banking customers. The study also indicates that while both categories of banks provide value – added services, private sector banks are generally perceived as offering faster, more convenient, and technology- driven services, whereas public sector banks enjoy greater customer trust, security, and reliability. Customer satisfaction depends on service quality, ease of access, responsiveness, and awareness of the available banking services.

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