

## **A COMPARISON STUDY ON NATIONALIZED BANKS AND PRIVATE BANKS WITH RESPECT TO TUMKUR CITY**

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### **ABSTRACT**

The similar concentrate on nationalized banks and confidential banks in Tumkur centers around different angles, for example, bank structure, development, proficiency, capital sufficiency, resource quality, the executives quality, benefit liquidity, and nature of administration. Nationalized banks in India were laid out fully intent on extending banking administrations to rustic regions and giving monetary consideration to underserved populaces. Then again, confidential banks in India are known for their productive administrations and consumer loyalty. Research shows that public area banks succeed in credit-store proportion and venture store proportion, while private area banks lead in NPA the board, return on resources, return on value, net revenue edge, and capital sufficiency proportion. Confidential area banks are additionally noted for better ATM entrance and consumer loyalty levels contrasted with public area banks. The review stresses the significance of examining the presentation and comprehensiveness of both public and confidential area banks to guarantee a powerful financial framework in India.

### **1. INTRODUCTION**

While contrasting nationalized banks and confidential banks, understanding the major distinctions in their designs and operations is critical. Nationalized banks, otherwise called public area banks, are laid out with the essential goal of stretching out financial administrations to all segments of society, frequently with an emphasis on monetary incorporation and social government assistance. Running against the norm, confidential area banks are claimed and overseen by confidential elements or people, prompting differentiations in their administration, dynamic cycles, and administration contributions. Research has investigated the presentation of public and confidential area banks through different effectiveness measurements, revealing insight into variables like development, proficiency, capital sufficiency, resource quality, the executives quality, and productivity. Moreover, studies have examined the monetary effect of nationalized and confidential area banks during monetary emergencies, giving experiences into their flexibility and commitments to the economy. These relative examinations offer important points of view on the jobs and viability of the two kinds of banks in various monetary settings.

### **2. OBJECTIVES**

- To know the opinion of respondents about Nationalized banks and Private banks.
- To analyse the purpose of respondents for using Nationalized banks and Private banks.
- To know the overall satisfaction of respondents with respect to Nationalized banks and Private banks.

### **SCOPE:**

- Nationalized and private area banks' productivity, benefit, and generally execution have been the subject of close examinations.
- The Financial Organizations (Securing and Move of Endeavors) Act of 1970 and the Financial Organizations (Procurement and Move of Endeavors) Act of 1980 are clear examples of nationalized banks. Then again, private region banks are selected under the Associations Act.
- Nationalized and confidential area banks' financial effects during financial crises have been the subject of research, particularly in districts like Kanchipuram.
- While private area banks may offer a broader range of services tailored to various market segments, nationalized banks typically focus on monetary incorporation and social government assistance.

### **LIMITATIONS:**

**Managerial Differences:** Private area banks operate under the Organizations Act, whereas public area banks rely on unofficial laws. Although confidential banks should adhere to RBI regulations, they have their own determination cycle.

**Reception of Innovation:** When compared to private banks, public area banks are slower to adopt new technologies. Utilizing inventive innovation to improve productivity and customer service is a primary focus of confidential banks.

**Client care:** Public region bank laborers could require motivation to really decide client fights. Workers in the confidential area of the bank are quicker and more agile in meeting the needs of customers.

**Inclusion of Topography:** In contrast to private banks, which focus primarily on metropolitan communities, public area banks have a more extensive branch organization, particularly in level 2 urban areas and provincial regions.

**Stability for employers:** Business dependability is higher in open region banks appeared differently in relation to private region bank.

### **3. REVIEW OF LITERATURE**

**Dr. Sujit S. Mishra and Dr. Sasmita Mishra (2020):**

Zeroed in on contrasting the resource nature of public and confidential area banks in India. Revealed that nationalized banks confronted higher non-performing resource (NPA) proportions contrasted with private banks.

**Dr. B. K. Mehta and Ms. R. R. Dave (2019):**

Analyzed the monetary execution of select nationalized and confidential banks over a particular period. Concluded that private banks reliably beat nationalized banks with regards to productivity and resource quality.

**Dr. (Mrs.) K. A. Goyal and Dr. Navneet Joshi (2017):**

Examined the monetary execution of nationalized and confidential banks utilizing the CAMEL model. Found that nationalized banks confronted difficulties connected with resource quality and productivity contrasted with private banks.

**Dr. Arindam Gupta and Dr. B. K. Jha (2015):**

Investigated the near proficiency and productivity of nationalized, private, and unfamiliar banks in India. Concluded that private banks displayed higher effectiveness and benefit contrasted with nationalized banks.

### **4. RESEARCH METHODOLOGY**

The study of primary data take the surveys, papers, books, and relevant websites. The practical sampling technique is used to collect data from respondents. The data that was shown in tables.

#### **SOURCES OF DATA COLLECTION:**

The primary data collected through interview and questionnaire

The secondary data used for my research work is collected through internet, reports and books.

#### **SAMPLE DESIGN**

**SAMPLING UNIT:** Tumkur city

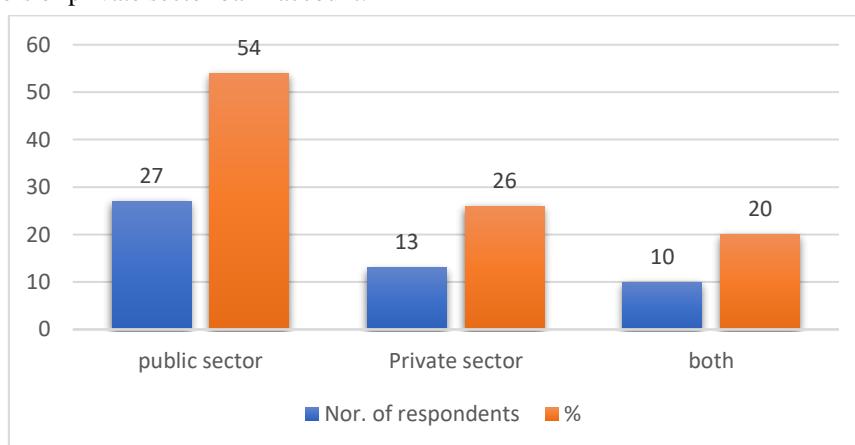
**SAMPLING:** 50

### **5. DATA INTERPRETATION AND ANALYSIS**

#### **1. Which bank do you have Account?**

Name	Nor. of respondents	%
public sector	27	54
Private sector	13	26
both	10	20
Total	50	100

**Analysis:** From the above table it can be analysed that 54% of respondents are users of Public sector and 20% of respondents are users of private sector bank account.

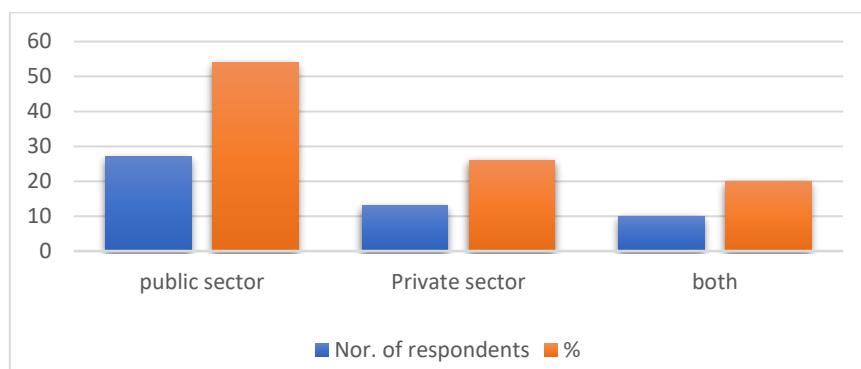


**Interpretation:** According to the analysis, 54% of respondents would rather have a bank account in the public sector because of the government's backing, perceived dependability, and broad accessibility. On the other hand, 20% choose private sector banks because of specialized services, technological advancement, and individualized customer experiences.

**2. Which type of bank account do you have?**

Type of Account	Nor. of respondents	%
Savings	48	96
Current	2	4
Fixed Deposit	0	0
Demat	0	0
Total	50	100

**Analysis:** According to the aforementioned table, 96% of respondents have a savings account, while 4% have a current account.

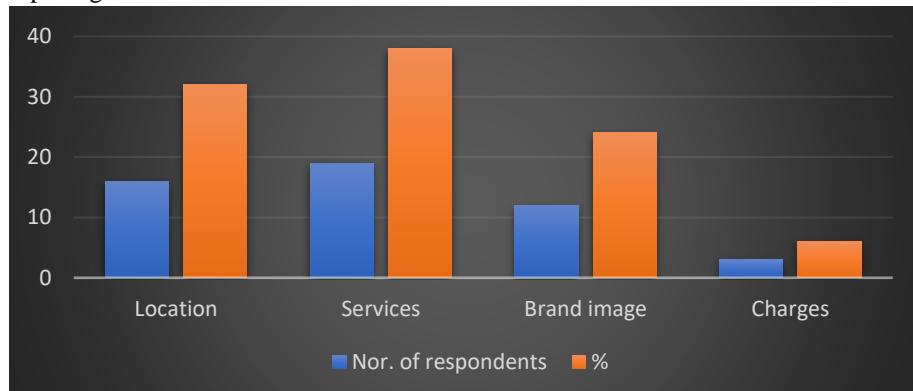


**Interpretation:** The data show that respondents have a strong preference for savings accounts, with 96% choosing this type of account. This preference suggests a focus on long-term financial planning, saving practices, and possibly an interest in benefiting from savings. The fact that only 4% of people use current accounts suggests a preference for savings-oriented banking services or a lower emphasis on immediate transactional needs.

**3. Which is the selection criteria for opening account in Particular bank?**

Criteria	Nor. of respondents	%
Location	16	32
Services	19	38
Brand image	12	24
Charges	3	6
Total	50	100

**Analysis:** According to the data, 38% of respondents prefer services over choosing a specific bank account, and 6% prefer charges to opening an account.

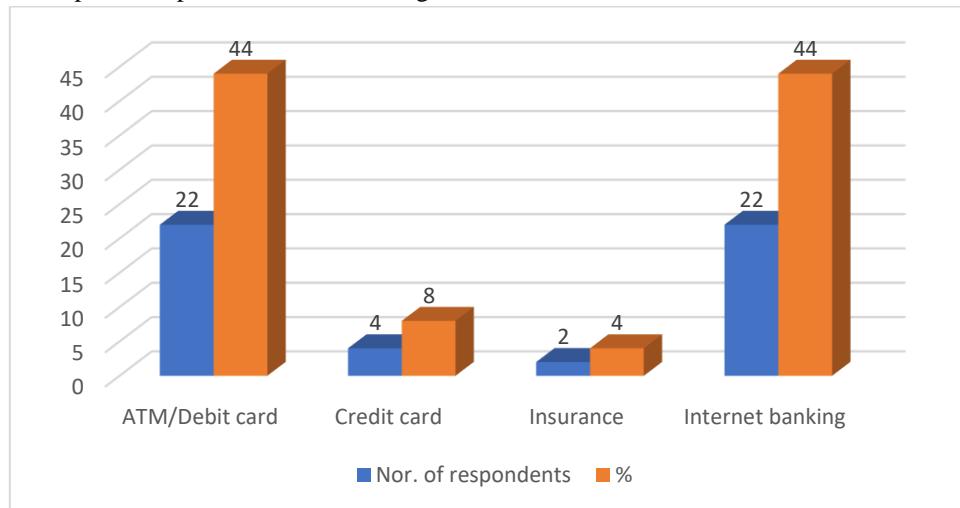


**Interpretation:** According to the data, 38% of respondents place a high value on the variety and quality of banking services provided when choosing a bank, indicating a preference for superior customer service and cutting-edge digital solutions. In contrast, 6% place a high value on bank account fees and charges, indicating a preference for cost-effectiveness and financial transparency in their banking choices.

**4. Do you think which is the best service that provided by your preferred bank?**

Types of services	Nor. of respondents	%
ATM/Debit card	22	44
Credit card	4	8
Insurance	2	4
Internet banking	22	44
Total	50	100

**Analysis:** According to the data, 44 % of respondents prefer both ATM and Internet banking services are good in their bank, and 4% of respondents preferred Insurance is good in their bank.

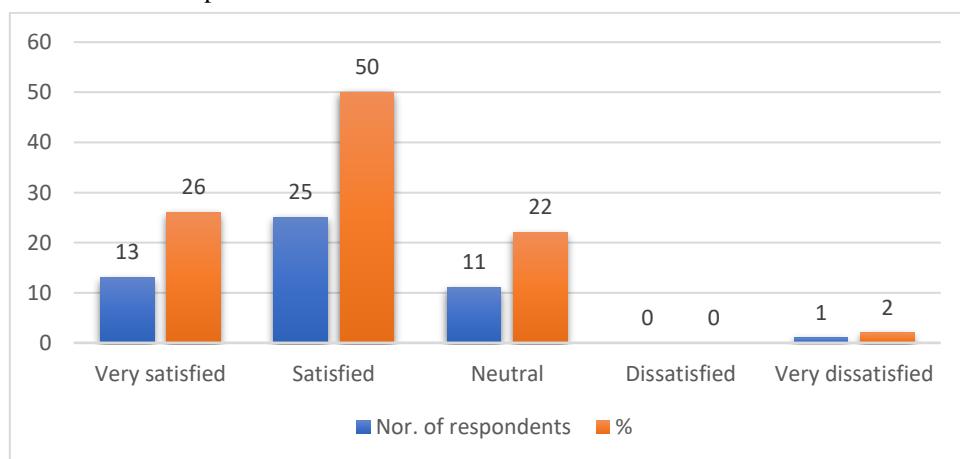


**Interpretation:** The results of the analysis show that 44% of respondents place a high value on the quality of their bank's Internet banking and ATM services. This demonstrates areas of strength for comfort, openness, and effectiveness in dealing with their funds carefully. On the other hand, only 4% place a high value on the quality of insurance services provided by their bank, indicating a desire for more comprehensive financial services and protection than just basic banking needs.

**5. How much do you satisfied with your bank Performance/ overall service?**

Measures	Nor. of respondents	%
Very satisfied	13	26
Satisfied	25	50
Neutral	11	22
Dissatisfied	0	0
Very dissatisfied	1	2
Total	50	100

**Analysis:** as per above table, 50% of respondents are satisfied with their bank performance and 2% of respondents are very dissatisfied with their bank performance

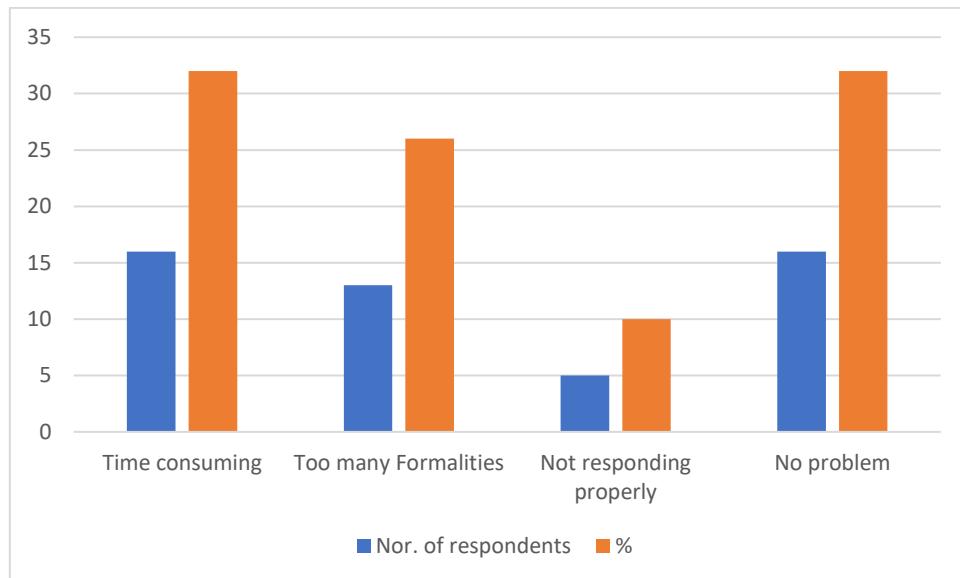


**Interpretation:** The data show that a significant half of respondents, or 50%, are satisfied with the services, dependability, and overall customer experience provided by their bank. On the other hand, only 2% of respondents express very high levels of dissatisfaction, highlighting issues such as poor service quality, unmet expectations, or dissatisfaction with particular banking features. This recommends that while a greater part are content, there is still space for banks to resolve issues influencing a little yet remarkable portion of clients

#### **6. Did you faced any issues while using services/transactions in your bank?**

Issues	Nor. of respondents	%
Time consuming	16	32
Too many Formalities	13	26
Not responding properly	5	10
No problem	16	32
Total	50	100

**Analysis:** as per above table, 32% of respondents are facing Time consuming issue and also 32% does not any problem with their bank performance and 10% of respondents are facing less or lack of response issue with their bank.



**Interpretation:** According to the analysis, 32% of respondents encounter difficulties related to time-consuming banking procedures, pointing to potential service delivery inefficiencies or delays. Another 32% of customers report having no issues with their bank's performance at the same time, indicating a positive experience in terms of service quality and operational effectiveness. Furthermore, 10% of respondents express disappointment with the responsiveness of their bank, featuring worries over correspondence and ideal client support. These findings highlight the diverse customer experiences and priorities when it comes to banking services.

#### **6. FINDINGS**

1. Public sector banks are preferred by 54% due to their perceived dependability, while private sector banks are preferred by 20% due to their specialized services.
2. Savings accounts receive strong support (96%), indicating a focus on long-term financial planning.
3. Only 6% place a high value on bank fees and charges, while 38% place a high value on the variety and quality of banking services.
4. Internet banking and ATM services are important to 44%, but banks' insurance services are only valued by 4%.
5. The services provided by their bank are appreciated by half of those polled (50%) while only 2% are highly dissatisfied.
6. 32% face difficulties with tedious financial techniques, and 10% are disappointed with their bank's responsiveness.

#### **7. SUGGESTIONS**

- The expansion and enhancement of a bank's range of services, particularly digital solutions and customer support, should be the primary focus.
- Improve overall service delivery efficiency by addressing banking procedures that are time-consuming.

- To meet the needs of customers who place a high value on clear communication, customer support should become more responsive.
- To appeal to customers who are concerned about their finances, maintain pricing strategies that are competitive and guarantee transparency in fee structures.
- Improve Internet banking and ATM services, which are highly valued by customers, by continuing to invest in technological advancements.

## **8. CONCLUSION**

From the study, respondents prefer public sector banks for their perceived reliability, while others prefer private banks for their specialized services. Most respondents focus on investment accounts, underscoring long haul monetary preparation. Diverse and high-quality banking services are in high demand, particularly in the digital and customer support fields. Regardless of generally fulfillment, challenges like functional failures and correspondence holes with clients propose valuable open doors for banks to improve administration conveyance and client experience.

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