

Customer Satisfaction, Service Quality, and Digital Banking Experience in Private Banks: An Analytical Study of Mehkar Taluka

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Abstract

This study examines customer service quality in private banks of Mehkar Taluka. A descriptive research design is used, and primary data is collected from 100 respondents through a structured questionnaire. The study analyzes factors such as service quality and digital banking services and their impact on customer satisfaction. The findings indicate that customers are generally satisfied with banking services, especially in terms of speed, convenience, and technology. However, issues such as technical problems and lack of personalized interaction still exist. The study concludes that improving service quality and digital support can enhance customer satisfaction and loyalty.

Keywords:

Customer Service, Service Quality, Customer Satisfaction, Private Banks, Digital Banking, Retail Banking

1. Introduction

The banking sector has experienced a significant transformation over the past few decades, evolving from traditional branch-based operations to a highly competitive and technology-driven service industry. This transformation has been driven by economic reforms, globalization, and rapid advancements in information and communication technologies, which have fundamentally reshaped the structure and functioning of financial institutions.

In this dynamic environment, private sector banks have emerged as key drivers of innovation and service excellence. These banks have adopted customer-centric strategies and leveraged modern technologies to provide efficient, reliable, and convenient banking services. Unlike traditional banking systems, private banks emphasize speed, accessibility, and personalization as essential components of service delivery.

Customer service has become a critical determinant of success in the banking industry. With increasing awareness and higher expectations, customers demand not only accurate and secure financial services but also prompt responses, personalized attention, and seamless service experiences. As a result, banks are continuously striving to improve their service quality to enhance customer satisfaction and loyalty. The rapid adoption of digital banking services such as internet banking, mobile banking, and automated teller machines (ATMs) has further transformed customer interaction with banks. While these services have increased convenience and operational efficiency, they have also introduced challenges related to usability, security, and customer trust. Therefore, understanding customer perception towards these services becomes essential for improving overall service quality. In this context, the present study focuses on analyzing customer service in private banks

operating in Mehkar Taluka. The study aims to evaluate customer satisfaction, identify key factors influencing service quality, and assess the role of digital banking in shaping customer experience.

2. Literature Review

Service quality in banking has been widely examined through various theoretical frameworks, among which the SERVQUAL model developed by Parasuraman, Zeithaml, and Berry is the most prominent. This model identifies five key dimensions of service quality: reliability, responsiveness, assurance, empathy, and tangibles, which collectively influence customer perception. Reliability refers to the ability of banks to deliver services accurately and consistently. Responsiveness indicates the willingness of employees to assist customers promptly. Assurance relates to the knowledge and courtesy of staff, which build customer trust and confidence. Empathy reflects the level of personalized attention provided to customers, while tangibles include physical facilities, infrastructure, and technological resources.

Previous studies have consistently shown that service quality has a significant impact on customer satisfaction and loyalty. Private banks are often found to perform better in terms of responsiveness, technological advancement, and service efficiency, whereas public sector banks are perceived as more reliable and trustworthy. Customer satisfaction theory suggests that satisfaction is determined by comparing expected service with perceived service performance. If the perceived performance exceeds expectations, customers experience satisfaction; otherwise, dissatisfaction occurs. This theory highlights the importance of managing customer expectations in the banking sector. Furthermore, the increasing use of digital banking services has significantly influenced customer behaviour. While digital platforms enhance convenience and accessibility, issues such as lack of awareness, technical errors, and security concerns may negatively impact customer satisfaction.

3. Research Methodology

3.1 Research Design

The study adopts a descriptive research design to analyze customer service quality in private banks and to understand customer perceptions

regarding service delivery.

3.2 Data Collection

Primary data has been collected through a structured questionnaire administered to customers of private banks. Secondary data has been collected from research articles, journals, and banking reports to support the study.

3.3 Sampling Design

A convenience sampling method has been used for data collection. The sample consists of 100 respondents from Mehkar Taluka, representing different demographic backgrounds.

3.4 Variables of the Study

The study includes the following variables:

- Service Quality
- Customer Satisfaction
- Digital Banking Usage

3.5 Tools of Analysis

Descriptive statistical tools such as percentages and averages have been used to analyze the data and interpret the findings.

4. Objectives of the Study

1. To understand customer satisfaction and service quality in private banks of Mehkar Taluka.
2. To study the level of customer satisfaction in private banks of Mehkar Taluka.

5. Data Analysis and Interpretation

The above interpretation is made on the basis of primary data collected through a structured questionnaire from the selected respondents during the survey:

The comprehensive analysis of the questionnaire responses provides an in-depth understanding of customer perceptions toward private banks in Mehkar Taluka, particularly in terms of reliability and responsiveness. A significant proportion of respondents strongly agreed that banks deliver services at the promised time, reflecting consistency and dependability in operations. Customers also expressed confidence that their transactions are handled accurately and without errors, and that their account records are properly maintained and updated, which indicates strong internal systems and process efficiency.

In addition, bank employees are perceived as prompt in attending to customers and willing to assist them, contributing to a positive service experience. However, when it comes to resolving issues without repeated follow-ups, responses were comparatively mixed, indicating that customers sometimes need to revisit or remind the bank about their concerns. Similarly, the complaint-handling process is not uniformly seen as quick and effective, and waiting time within the bank premises is occasionally considered high, especially during peak periods. These findings suggest that while core services are strong, banks need to enhance their responsiveness by streamlining complaint resolution systems, improving queue management, and ensuring faster service delivery.

With respect to **assurance and empathy**, the findings demonstrate that private banks have successfully built a strong sense of trust and confidence among their customers. A majority of respondents agreed that employees are knowledgeable, confident, and capable of addressing customer queries and problems in a professional manner. Customers feel secure while conducting banking transactions, which is crucial in financial services where safety is a primary concern. The courteous and respectful behavior of staff further strengthens this trust and creates a positive emotional connection with customers. In terms of empathy, customers believe that bank employees do provide personal attention and make efforts to understand their specific needs. Bank timings are generally considered convenient, allowing customers flexibility in accessing services, and many respondents feel that banks genuinely care about customer welfare. However, the level of personalized service is not very high, as some customers feel that their individual preferences and expectations are not fully recognized. This highlights the need for banks to adopt a more customer-centric approach by offering tailored financial solutions, improving communication, and building deeper relationships with customers to enhance satisfaction and loyalty.

Furthermore, the evaluation of **tangibility and digital banking services** reveals a highly favorable perception among customers regarding both physical infrastructure and technological advancements. Most respondents agreed that bank branches are clean, well-organized, and well-maintained, providing a comfortable and professional

environment. The appearance and grooming of staff also contribute positively to the bank's image. Customers appreciate the use of modern technology and equipment, which improves efficiency and reduces manual errors. ATM facilities are widely available, functional, and convenient, allowing customers to perform transactions easily outside banking hours. In addition, digital banking services such as mobile banking apps and online platforms are highly valued by customers. These services are perceived as easy to use, reliable, fast, and secure, which reflects successful digital adoption by private banks. Customers also feel safe while using digital banking and appreciate the guidance and support provided by banks for digital transactions. Overall, the majority of respondents expressed high satisfaction with the overall service quality, confirmed that banks meet their expectations, and indicated their willingness to recommend their bank to others and continue using its services in the future. Nevertheless, to further strengthen customer satisfaction and competitive advantage, private banks should focus on improving complaint-handling efficiency, minimizing waiting time, and enhancing personalized and customer-focused services.

6. Findings

The study reveals that service quality significantly influences customer satisfaction in private banks. Among the various factors, responsiveness, assurance, and digital banking services play a major role in shaping customer perception. Private banks perform effectively in terms of speed, technology, and service efficiency. However, there is a need to improve customer interaction, staff responsiveness, and support services. Digital banking is widely accepted, but increasing awareness and providing user-friendly platforms can further enhance customer satisfaction.

7. Limitations of the Study

The study is limited to a sample size of 100 respondents and is confined to Mehkar Taluka, which may limit the generalizability of the findings. The data is based on customer responses, which may be influenced by personal bias and perception.

8.Scope for Future Research

Future research can be conducted with a larger sample size and across different geographical regions to improve the reliability of results. Additional variables such as financial literacy, service charges, and technological awareness can be included to provide a more comprehensive understanding of customer behaviour.

9.Conclusion

The study concludes that customer service quality is a key determinant of customer satisfaction in private banks. The adoption of modern technologies and customer-centric strategies has significantly improved service delivery in private banks.

However, continuous efforts are required to enhance service quality, improve staff behaviour, and strengthen digital banking support. By focusing on customer needs and expectations, banks can achieve higher levels of customer satisfaction and long-term loyalty.

10.Reference

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