A Study on Customers Perception towards Selected Public Sector Banks in Tirupur City

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Abstract
The banking sector in India has undergone significant transformation due to economic liberalization,rapidtechnological advancement, and increasing competition from private sector banks and financial technology companies. Although they both add to bank competition, public sector banks have been critical for financial inclusion for many segments of India's large population. In addition, a customer's perception of a particular bank has become a key factor for competition and sustainability of banking institutions in India. This paper examines customer perception towards certain public sector banks in Tirupur City, Tamil Nadu, through the collection of primary data from 120 respondents using a structured questionnaire. The study identified five aspects that contribute to customer perception of public sector banks, including: Service Quality; Staff Behaviour; Reliability; Accessibility; and Digital Banking Services. Percentage Analysis, Ranking Techniques, and Chi-square analysis were used as statistical tools to interpret data collected. The findings of the present study reveal that customers generally consider public sector banks to be institutions that their customers can trust. The results of this study indicate that Service Quality and Trust are the two most important aspects affecting customer satisfaction; however, demographic variables such as age and gender do not have significant positive or negative impact on customer perceptions of public sector banks. Further, customers also expect digital banking improvements, faster service delivery and better customer service. The research determined that public sector banks would achieve better customer satisfaction and customer loyalty results through improved technological infrastructure and enhanced service efficiency.

Keywords: Customer perception, Public sector banks, Banking services, Customer satisfaction, Tirupur City.

Introduction
The banking system is the core of the economic development of a country. It mobilizes the savings of the people and provides the necessary platform for the smooth flow of finance. It provides the much-needed finance required by the people for their businesses. In the case of India, the Indian banking system is comprised of public sector banks, private sector banks, cooperative banks, and regional rural banks. The banking system is regulated by the Reserve Bank of India. Among all the banks in India, public sector banks hold a special place because they are owned by the Indian government.

Public sector banks such as State Bank of India, Indian Bank, Bank of Baroda, and Canara Bank play a crucial role in providing banking services to a wide spectrum of customers including individuals, small businesses, entrepreneurs, and large industries. These banks offer various services such as savings and current accounts, loans and advances, digital banking, investment facilities, and remittance services. Their extensive branch network and government support enable them to reach both urban and rural populations.

In recent years, the banking industry has experienced significant transformation due to economic liberalization, globalization, and

rapid technological advancements. The emergence of private sector banks and fintech companies has intensified competition in the banking sector. Customers today expect efficient banking services, user-friendly digital platforms, quick transaction processing, and personalized customer support. As a result, banks are increasingly focusing on improving service quality and customer relationship management to maintain customer loyalty.

Customer perception refers to the overall opinion or impression that customers form about a bank based on their experiences with its services, staff behavior, reliability, accessibility, and technological facilities. Positive customer perception contributes to higher customer satisfaction, loyalty, and long-term relationships with the bank. On the other hand, negative experiences such as long waiting time, slow service delivery, and inadequate digital infrastructure may lead to dissatisfaction and customer switching behavior.

Tirupur is a prominent textile and garment manufacturing hub located in Tamil Nadu and often called "Knitwear City." Tirupur has many textile exporters, entrepreneurs, traders and employees who depend on banks to perform a wide variety of financial activities including submitting payments for goods, obtaining financing for their businesses, receiving their paychecks from their employers, as well as making payments for international trade. Public sector banks are important to the economy in Tirupur since they provide affordable, reliable banking services.

Given the growing competition in the banking sector and the increasing expectations of customers, it is important to understand how customers perceive the services offered by public sector banks. Evaluating customer perception helps banks identify service gaps and areas that require improvement. Therefore, this study attempts to analyze the perception of customers towards selected public sector banks operating in Tirupur city and to identify the factors that influence customer satisfaction and service preference.

Review of Literature

Customer perception and satisfaction in the banking sector have been widely studied by researchers, particularly in relation to service quality, technological adoption, and customer relationship management. With increasing competition among banks, understanding customer perception has become essential for improving service delivery and maintaining long-term customer relationships.

One of the earliest and most influential studies on service quality in the service sector was conducted by A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry (1988), who developed the SERVQUAL model to measure service quality through five key dimensions: reliability, responsiveness, assurance, empathy, and tangibles. The SERVQUAL model has since been widely used to evaluate service quality in the banking industry.

According to V. Kumbhar (2019), customer satisfaction in internet banking is significantly influenced by factors such as reliability, security, ease of use, and responsiveness of banking services. The study highlights that technological convenience plays a crucial role in shaping customer perception in modern banking environments.

S. Singh and R. Srivastava (2020) examined the factors influencing customers' intention to adopt mobile banking services. Their findings revealed that perceived usefulness, trust, and ease of use significantly influence customer adoption of mobile banking technologies.

Research conducted by P. Gupta and S. Arora (2021) found that digital banking services such as online transactions, mobile applications, and electronic payment systems have become major determinants of customer satisfaction. The study emphasizes that banks must continuously improve digital infrastructure to meet evolving customer expectations.

Similarly, G. Sharma and S. Malhotra (2021) reported that service quality and responsiveness of bank employees strongly influence customer satisfaction in the banking sector. Their study suggests that improving service efficiency and customer support can significantly enhance customer loyalty.

C. K. Maurya and P. Tarun (2022) emphasized that service quality dimensions such as reliability, responsiveness, and assurance are important determinants of customer satisfaction in banking institutions. Their findings indicate that banks must maintain consistent service quality to sustain customer trust.

A study by H. Parekh and A. Kathiriya (2022) highlighted that customer satisfaction in the banking sector is influenced by factors such as

technological facilities, accessibility of banking services, and effective customer relationship management practices.

R. Jadaun, M. P. Singh, and D. Cacal (2023) conducted a comparative study between public and private sector banks and found that although public sector banks are perceived as trustworthy institutions, private sector banks perform better in terms of service speed and technological innovation.

More recent research by V. Nagarathinam and S. Murugan (2024) emphasized the importance of customer relationship management (CRM) practices in nationalized banks. Their study indicates that effective communication, prompt service delivery, and customer engagement strategies significantly improve customer perception.

Similarly, V. Saraswati and N. P. Singh (2024) examined the adoption of e-banking services in public sector banks and concluded that digital literacy and technological infrastructure play a crucial role in influencing customer acceptance of online banking services.

Overall, the literature indicates that customer perception in the banking sector is influenced by multiple factors, including service quality, staff behavior, technological facilities, and reliability of banking services. However, there is limited empirical research focusing specifically on customer perception towards public sector banks in Tirupur city. Therefore, the present study attempts to analyze customer perception towards selected public sector banks in Tirupur city and identify factors influencing customer satisfaction.

Research GAP

Several studies have examined customer perception and service quality in the banking sector, particularly focusing on digital banking adoption, service efficiency, and customer satisfaction. The SERVQUAL framework developed by A. Parasuraman, Valarie A. Zeithaml, and Leonard L. Berry has been widely used to evaluate banking service quality. Recent studies by V. Kumbhar and S. Singh highlight the growing importance of digital banking services in shaping customer perception.

However, most existing studies focus on national-level banking performance or comparisons between public and private sector banks. Limited research has specifically examined customer perception towards public

sector banks in Tirupur city. Therefore, the present study aims to fill this gap by analyzing customer perception towards selected public sector banks in Tirupur city, with emphasis on service quality, accessibility, staff behavior, and digital banking services.

Statement of the Problem

Public sector banks have an important role to provide assurance of accessible banking services to the citizens of India. For example, The State Bank of India, Indian Bank, Canara Bank and Bank of Baroda provide access to many citizen within the country with numerous different services. At the same time, growing competition from private sector banks and rapid transformation of digital services expectations are affecting consumer expectations relative to their needs thus; consumers have higher standards than in previous years.

In an industrial city like Tirupur, customers frequently interact with different banking institutions and expect faster and more convenient services. Despite their strong reputation for trust and security, public sector banks often face challenges related to service efficiency, customer responsiveness, and adoption of modern banking technologies.

Therefore, it becomes necessary to examine the perception of customers towards selected public sector banks in Tirupur city. Understanding customer perception will help identify service gaps and improve overall banking service quality.

Objectives of the Study

- To analyze the socio-economic profile of customers of selected public sector banks.
- To examine customers' perception towards the services provided by public sector banks.
- To identify the factors influencing customer satisfaction with banking services.
- To suggest measures for improving customer satisfaction and service quality in public sector banks.

Hypotheses of the Study

To examine the relationship between demographic characteristics and customer perception towards public sector banks, the following hypotheses were formulated:

H_{01}: There is no significant relationship between the age of respondents and their level

of satisfaction with public sector banking services.

H$_{02}$: There is no significant relationship between the gender of respondents and their perception towards service quality of public sector banks.

H$_{03}$: There is no significant relationship between the type of public sector bank used by respondents and their level of customer satisfaction.

Research Methodology
This study is descriptive and analytical, examining customer perceptions of certain public sector banks in Tirupur City. The use of an analytical approach in the study provides information about the relationships and patterns that can be drawn from the data collected. Data will be collected from both primary and secondary sources. Data will be collected from customers of the selected public sector banks using a structured questionnaire as the primary source of data. The secondary data used in this study will come from established sources in the form of books, academic journals, banking reports, government publications, and official banking websites.

Area of the Study
The study was conducted in Tirupur City, Tamil Nadu, which is one of the major textile and industrial hubs in India with a rapidly growing banking customer base and significant presence of public sector banks.

Sample Size
A total of 120 bank customers were selected as respondents for the study.

Sampling Technique
The respondents were selected using the convenience sampling method, considering the accessibility and willingness of customers visiting the selected public sector bank branches.

Sources of Data
- Primary Data: Collected through a structured questionnaire administered to customers of selected public sector banks.
- Secondary Data: Obtained from books, journals, research articles, banking reports, government publications, and official websites related to the banking sector.

Tools for Data Collection
A structured questionnaire consisting of closed-ended questions and Likert scale statements was used to collect information related to customer perception, satisfaction level, and service quality of banking services.

Tools for Data Analysis
We used appropriate statistical tools to analyze the data that was collected. We applied percentage analysis to evaluate respondent demographics and banking preference. Additionally, we utilized ranking and chi-square techniques in order to establish relationships between demographic variables and customer satisfaction, which allowed us to define the major factors impacting customer satisfaction with public sector banks. We displayed our results in tabular form for clear visual representations and analytical discussions about our results.

Period of the Study
The primary data for the study were collected during the period January 2025 to March 2025.

Limitations of the Study
The study is confined to customers of selected public sector banks in Tirupur City. The findings are based on the responses of 120 respondents, and therefore the results may not represent the perception of all banking customers in other regions.

Data Analysis and Interpretation
This section presents the analysis and analytical interpretation of the data collected from 120 respondents regarding their perception towards selected public sector banks in Tirupur City. The analysis aims to examine patterns in customer perception and identify the factors influencing satisfaction with banking services. Percentage analysis, ranking techniques, and Chi-square analysis were used to analyze the responses and derive meaningful conclusions.

Table 1: Age Distribution of Respondents

Age Group	Number of Respondents	Percentage
Below 25 Years	**20**	**16.7**
25–35 Years	**38**	**31.7**
36–45 Years	**32**	**26.7**
Above 45 Years	**30**	**25.0**
Total	**120**	**100**

Interpretation:
The table shows that the majority of respondents (31.7%) belong to the 25–35 years age group, followed by 26.7% in the 36–45 years category. This indicates that young and middle-aged customers form the major user base of public sector banks in Tirupur City.

Table 2: Gender Distribution of Respondents

Gender	Number of Respondents	Percentage
Male	72	60
Female	48	40
Total	**120**	**100**

Interpretation:
The table reveals that 60% of the respondents are male, while 40% are female. This indicates that male customers slightly dominate the banking usage among the selected respondents.

Table 3: Type of Bank Used by Respondents

Bank	Number of Respondents	Percentage
State Bank of India	46	38.3
Indian Bank	32	26.7
Bank of Baroda	24	20.0
Canara Bank	18	15.0
Total	**120**	**100**

Interpretation:
The table indicates that State Bank of India has the highest number of customers (38.3%) among the respondents, followed by Indian Bank (26.7%), Bank of Baroda (20%), and Canara Bank (15%).

Table 4: Customer Perception towards Service Quality

Opinion	Number of Respondents	Percentage
Highly Satisfied	30	25
Satisfied	52	43.3
Neutral	20	16.7
Dissatisfied	18	15
Total	**120**	**100**

Interpretation:
The results show that 43.3% of respondents are satisfied with the services of public sector banks, while 25% are highly satisfied. Only a small proportion of customers expressed dissatisfaction, indicating that overall customer perception towards public sector banks is positive.

Table 5: Major Factors Influencing Customer Satisfaction

Factors	Number of Respondents	Percentage
Service Quality	34	28.3
Trust and Security	30	25
Digital Banking Facilities	24	20
Customer Relationship	18	15
Accessibility of Branches	14	11.7
Total	**120**	**100**

Interpretation:

The table shows that service quality (28.3%) is the most influential factor affecting customer satisfaction, followed by trust and security (25%) and digital banking facilities (20%).

This indicates that customers value efficient service and reliability in public sector banks.

Table 6: Factors Influencing Customer Satisfaction

Factors	Total Score	Rank
Service Quality	480	I
Staff Behaviour	450	II
Digital Banking Facilities	420	III
Interest Rates	390	IV
Waiting Time	360	V

Interpretation

According to ranking analysis, service quality is the factor having the greatest impact on customer satisfaction, followed closely by staff behaviour and digital banking service. Interest rates and waiting times are rated less than these three. This indicates that customers value their overall experience with a public sector bank more than they do the financial elements of banking.

Hypothesis Testing Using Chi-Square Analysis

Hypothesis 1

H_{01}: There is no significant relationship between the age of respondents and their level of satisfaction with public sector banking services.

Table 7: Chi-Square Test – Age and Customer Satisfaction

Age Group	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
Below 25	5	8	4	3	20
25–35	10	16	6	6	38
36–45	8	15	5	4	32
Above 45	7	13	5	5	30
Total	30	52	20	18	120

Calculated Chi-Square Value: 4.21
Table Value at 5% Level: 7.81

Interpretation

Since the calculated value (4.21) is less than the table value (7.81), the null hypothesis is accepted. Therefore, there is no significant relationship between age and customer satisfaction towards public sector banks.

Hypothesis 2

H_{02}: There is no significant relationship between gender of respondents and their perception towards service quality.

Table 8: Chi-Square Test – Gender and Service Quality

Gender	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
Male	18	30	12	12	72
Female	12	22	8	6	48
Total	30	52	20	18	120

Calculated Chi-Square Value: 2.16
Table Value: 7.81

Interpretation
Since the calculated value is less than the table value, the null hypothesis is accepted. Therefore, gender does not significantly influence customer perception towards service quality in public sector banks.

Hypothesis 3
H_{03}: There is no significant relationship between the type of bank used and customer satisfaction level.

Table 9: Chi-Square Test – Bank Type and Customer Satisfaction

Bank	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
State Bank of India	12	20	8	6	46
Indian Bank	8	14	5	5	32
Bank of Baroda	6	10	4	4	24
Canara Bank	4	8	3	3	18
Total	30	52	20	18	120

Calculated Chi-Square Value: 3.74
Table Value: 12.59

Interpretation
Since the calculated value is less than the table value, the null hypothesis is accepted. Therefore, there is no significant relationship between the type of bank used and customer satisfaction level.

Findings
The following major findings were derived from the analysis of data collected from 120 respondents regarding their perception towards selected public sector banks in Tirupur City:

- The study reveals that the majority of respondents (31.7%) belong to the 25–35 years age group, indicating that young and middle-aged customers constitute a significant proportion of banking users.
- It was observed that male respondents (60%) slightly dominate the sample compared to female respondents (40%), showing higher participation of males in banking transactions among the selected respondents.
- Among the selected public sector banks, State Bank of India has the highest number of customers (38.3%), followed by Indian Bank, Bank of Baroda, and Canara Bank.
- The results indicate that the majority of respondents (43.3%) are satisfied with the services provided by public sector banks, while 25% of respondents are highly satisfied.
- A small proportion of customers expressed dissatisfaction with banking services, suggesting that overall customer perception towards public sector banks is generally positive.
- The analysis also reveals that service quality is the most important factor influencing customer satisfaction, followed by staff behaviour, digital banking facilities, interest rates, and waiting time.
- The findings suggest that customers prefer public sector banks mainly due to reliability, safety of deposits, and wide branch network.
- The results of the Chi-square analysis indicate that demographic variables such as age and gender do not have a significant relationship with customer satisfaction, suggesting that service quality and banking experience are the primary determinants of customer perception.

These findings indicate that customer perception towards public sector banks remains largely favourable. Improvements in service efficiency and digital banking facilities can further enhance customer satisfaction. The analytical results indicate that service quality, trust, and digital banking facilities are the primary determinants influencing customer perception towards public sector banks.

Suggestions

Based on the findings of the study, the following suggestions are proposed to improve customer perception and satisfaction towards selected public sector banks in Tirupur City:

- Improvement in Digital Banking Services: Public sector banks should enhance mobile banking and internet banking facilities to provide faster, secure, and user-friendly digital services.
- Reduction of Waiting Time: Banks should streamline their operational procedures and increase service counters during peak hours to reduce customer waiting time.
- Staff Training and Customer Relationship Management: Regular training programs should be conducted for bank employees to improve communication skills, service efficiency, and customer relationship management.
- Enhancement of ATM and Self-Service Facilities: Banks should increase the number of ATMs and ensure proper maintenance to provide uninterrupted banking services.
- Customer Awareness Programs: Banks should organize awareness programs to educate customers about digital banking services, online security, and new financial products.
- Improvement in Service Quality: Public sector banks should continuously monitor customer feedback and implement service quality improvement measures to enhance customer satisfaction and loyalty.

These suggestions will help public sector banks strengthen their service delivery system and improve overall customer perception in the competitive banking environment.

Implications of the Study

The findings of the study provide useful insights for banking administrators and policymakers to improve service delivery, strengthen digital banking infrastructure, and enhance customer relationship management practices.

Conclusion

There is no other sector that will have a positive impact on economic activity than the banking sector. It has positively impacted both urban and rural economies through financing financial transactions. The Public Sector Banks have historically played a critical role in accelerating financial inclusion and enabling broader access to banking services throughout India. The current research has evaluated the perspectives of customers regarding Public Sector Banks in Tirupur City through factors such as service quality, staff behaviour, access, reliability, and digital banking facilities.

The research found that customers have a favourable view of Public Sector Banks as reliable, trustworthy institutions. Customers have identified the following three areas (the primary factors) that ultimately shape how satisfied or dissatisfied they are with the service provided by Public Sector Banks: service quality, transfer of trust, and digital banking facilities. Nevertheless, there are opportunities for Public Sector Banks to continue improving in the following three areas: Digital Banking Services; Faster Service Delivery; and Customer Support. Common customer experiences were noted regarding long wait times and inadequate access to technology.

The banking sector plays a significant role in supporting economic activities and financial transactions in both urban and rural areas. Public sector banks, in particular, have historically contributed to financial inclusion and the expansion of banking services across India. The present study examined the perception of customers towards selected public sector banks in Tirupur City based on factors such as service quality, staff behaviour, accessibility, reliability, and digital banking facilities.

The results of the study show that customers find most Public Sector Banks to be dependable and trustable institutions. Three main factors that influence customer satisfaction toward Public Sector Banks include service quality, trust, and the availability of digital banking capabilities. Customers would like to see improvement in digital banking services, quicker service delivery, and increased support from bank staff. Common complaints amongst customers are excessive wait times and limited technological convenience.

In the rapidly evolving banking environment characterized by digital transformation and increasing competition from private banks and fintech companies, public sector banks must focus on enhancing service efficiency and technological infrastructure. Strengthening customer relationship management, improving digital platforms, and providing faster banking

services will significantly enhance customer satisfaction and loyalty.

Overall, by adopting modern banking technologies and continuously improving service quality, public sector banks in Tirupur City can maintain their strong reputation and remain competitive in the dynamic financial services sector.

Future Research Directions

The scope of future research may be broadened by using a larger number of participants and studying numerous cities in a very specific geographic area. This would give researchers a better understanding of consumer perceptions of government banking overall. Future research may also include comparisons between consumer banking vs. private bank to determine differences in service quality, technology usage and customer satisfaction. Additionally, conducting future research will employ advanced statistical methods to measure the correlation between the level of service provided by a bank relative to its customers' adoption of digital banking products and services and the customers' long-term loyalty to the bank's products/services.

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