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The Impact of Internet on Service Quality and Customer Satisfaction: A Comparative Study of Public Sector and Private Sector Banks in Pune City

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Abstract : Service industries are mostly customer driven and their existence in competitive environment largely depends on quality of the services provided by them. In this context, quality of service rendered by banking sector is very important and profitability of their business is closely connected to the quality of service they render. Banks seeking to improve profitability are, thus, advised to monitor and make improvements to their service quality continuously. Technology plays a vital role in improving the quality of services provided by the business units. Providing i-banking is increasingly becoming a „need to have“ than a „nice to have“ service.

Present study focuses on the impact of internet on service quality and customer satisfaction of public sector banks (Bank of India and Bank of Maharashtra) and private sector banks (ICICI Bank and HDFC Bank) operating in Pune city. The research model has been developed on the basis of service quality dimensions such as Reliability, responsiveness, access, efficiency and safety/security. The data has been collected through structured questionnaire from the bank customers who use/avail e-banking services. Convenient sampling method has been used to collect the data. Total sample size is 300 respondents (75 respondents of each bank). Statistical tools such as an Independent Sample T Test and Chi-Square Tests have been used to test the hypotheses.

The study reveals that private sector banks provide better services to their customers as compared to public sector banks. Customers of private sector banks are more satisfied with the e-banking services provided by their banks as compared to public sector banks. Public sector banks are advised to improve e-banking service quality to meet the expectations of the customers to maintain the present customer base and to increase the same in future.