



## Performance Evaluation of Cooperative Banks: A Comparative Study with Commercial Banks at Anekal Taluk

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### ABSTRACT

This study evaluates the performance of cooperative banks in comparison with commercial banks at Anekal Taluk, Bengaluru District, Karnataka. A sample of 120 respondents (60 cooperative bank customers and 60 commercial bank customers) was surveyed using structured questionnaires. Descriptive statistics, independent sample t-tests, Chi-square tests, one-way ANOVA, and regression analysis were used to analyze the data. The findings reveal that cooperative banks perform better in terms of accessibility and personalized services, while commercial banks excel in digital banking, loan processing, and overall customer satisfaction. Significant differences were found in customer satisfaction levels between cooperative and commercial banks, as well as variations across occupations. Regression analysis showed that service quality, accessibility, loan processing, digital banking, and bank type significantly predict overall satisfaction. The study concludes that cooperative banks must enhance their technological capabilities to remain competitive, while commercial banks should adopt more community-driven approaches to strengthen financial inclusion.

### 1. Introduction

The Indian banking sector has undergone remarkable transformation over the past decades. Cooperative banks, rooted in principles of mutual aid and local community support, have long served rural and semi-



urban populations. In contrast, commercial banks focus on profit maximization, rapid technological innovation, and large-scale financial intermediation.

In Anekal Taluk, where both cooperative and commercial banks operate actively, the competition between these institutions shapes customer preferences and service delivery. Understanding how cooperative banks fare against commercial banks in terms of service quality, accessibility, customer satisfaction, and financial performance is crucial for policymakers, regulators, and stakeholders.

## 2. Review of Literature

1. Rao (2018) found cooperative banks played a stronger role in agricultural credit delivery compared to commercial banks in rural Karnataka.
2. Sharma & Gupta (2019) identified governance and NPA issues as critical challenges for cooperative banks, while commercial banks demonstrated higher stability.
3. Patil (2020) reported that customers of cooperative banks were more satisfied with personal relationships, but commercial bank customers valued efficiency more.
4. Kumar (2020) highlighted that commercial banks significantly outpaced cooperative banks in digital adoption.
5. Singh & Reddy (2021) concluded cooperative banks contributed significantly to rural credit, but struggled with capital adequacy.
6. Nair (2021) emphasized the need for training and capacity building to sustain cooperative banking institutions.
7. Joseph & Thomas (2022) observed that commercial banks provided faster grievance redressal mechanisms than cooperative banks.
8. Gowda (2022) showed cooperative banks empowered rural women through SHG financing more effectively than commercial banks.
9. Mishra (2023) highlighted the higher NPA ratios of cooperative banks compared to commercial banks.
10. Karthik & Meena (2023) stressed the role of cooperative banks in bridging rural-urban financial gaps, though urged modernization for sustainability.



### 3. Scope of the Study

- Focus on Anekal Taluk in Bengaluru District.
- Comparative performance analysis of cooperative and commercial banks.
- Covers customer satisfaction, accessibility, loan processing, and digital banking.

### 4. Need of the Study

The expansion of commercial banks into rural and semi-urban areas has intensified competition. Cooperative banks, though socially inclusive, face challenges in modernization. A systematic comparative study provides insights into how these banks can complement each other in promoting financial inclusion.

### 5. Objectives of the Study

1. To compare the performance of cooperative and commercial banks in Anekal Taluk.
2. To analyze customer satisfaction with respect to various service dimensions.
3. To identify the significant predictors of overall satisfaction.
4. To recommend strategies for improving cooperative banking performance.

### 6. Limitations of the Study

- Restricted to Anekal Taluk.
- Limited sample size (120 respondents).
- Relies on self-reported responses.
- Focuses only on cooperative and commercial banks (not RRBs or MFIs).

### 7. Methodology

- Sample Size: 120 (60 cooperative, 60 commercial).
- Sampling: Stratified random sampling.
- Data Sources:  
Primary – Questionnaire survey.  
Secondary – RBI, NABARD, journals, reports.
- Tools: Mean, Standard Deviation, Regression, t-Test, Chi-Square Test, ANOVA.

### 8. Hypotheses

H<sub>01</sub>: No significant difference exists in customer satisfaction between cooperative and commercial banks.

H<sub>02</sub>: No significant association exists between bank type and customer preference.

H<sub>03</sub>: No significant variation exists in satisfaction across occupation groups.



H<sub>04</sub>: Service factors do not significantly predict overall satisfaction.

## 9. Data Analysis & Interpretation

### 9.1 Descriptive Statistics:

Bank Type	Service Quality	Accessibility	Loan Processing	Digital Banking	Overall Satisfaction	No.of Respondent
Cooperative	3.86 ± 0.55	4.01 ± 0.56	3.62 ± 0.52	3.24 ± 0.56	3.84 ± 0.49	60
Commercial	4.10 ± 0.53	3.91 ± 0.55	4.00 ± 0.53	4.31 ± 0.52	4.22 ± 0.47	60

**Interpretation:** Cooperative banks score higher on accessibility, while commercial banks outperform in digital banking, loan processing, and satisfaction.

### 9.2 t-Test (Overall Satisfaction)

Commercial Mean	Cooperative Mean	Difference	t-Value	df	p-value	Cohen's d
4.22	3.84	0.38	4.234	114.67	0.00004	0.773

**Interpretation:** Significant difference exists; commercial bank customers are more satisfied.

### 9.3 Chi-square Test (Bank Type × Preference)

Bank Type	Prefer Cooperative	Prefer Commercial	Total
Cooperative	41	19	60
Commercial	15	45	60
Total	56	64	120

Chi-square = 19.58, df=1, p=0.00001, Cramer's V=0.404

**Interpretation:** Strong association found; customers tend to prefer the bank type they already use.

### 9.3 ANOVA (Satisfaction by Occupation)

Source	SS	df	MS	F	p-value	η <sup>2</sup>
Between Groups	2.734	2	1.367	6.142	0.003	0.097
Within Groups	25.914	117	0.222			
Total	28.648	119				



**Interpretation:** Occupation significantly influences satisfaction; salaried respondents report higher satisfaction than students/self-employed.

### 9.5 Regression Analysis

Variable	Coefficient	t	p-value
Service Quality	0.308	5.310	0.000
Accessibility	0.272	4.820	0.000
Loan Processing	0.194	3.660	0.000
Digital Processing	0.237	4.158	0.000
Bank Type(Comm)	0.182	2.563	0.012

Model Summary:  $R^2=0.691$ , Adj.  $R^2=0.678$ ,  $F=53.12$ ,  $p<0.001$

**Interpretation:** All service factors significantly improve satisfaction. Commercial banks provide an added advantage beyond service variables.

### 10. Findings & Recommendations

- Cooperative banks excel in accessibility and personalized service.
- Commercial banks are stronger in digitalization, efficiency, and satisfaction.
- Occupation plays a role; salaried customers are most satisfied.
- Cooperative banks must adopt digital services and strengthen governance.
- Commercial banks should embrace community-driven approaches to build trust.

### 11. Conclusion

The study demonstrates clear contrasts: cooperative banks remain vital for financial inclusion due to accessibility and community orientation, while commercial banks dominate in efficiency and technology. Both institutions complement each other. For sustainable growth, cooperative banks must modernize, and commercial banks must deepen their grassroots engagement.

### 12. References

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