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A Study on Customer's Satisfaction of Banking Services in Pudukkottai District

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ABSTRACT

This primary focused to test the inter relationships between the services encounter Customer's Satisfaction and Service Value and their instantaneous direct and indirect effects on customers objective outcomes in the form of Behavioural Intentions. The study is conducted through exploratory and descriptive method of research.The study makes significant contributions by developing and a measure of customer's satisfaction Service of banking services in Indian context, by contributing to the existing debate by establishing that services construct and that customized scales of satisfaction level need to be developed and validate depending on the service context.The study is conducted with existing customers of commercial banking services in Pudukkottai district.

The study also emphasizes the significance of Service Value in enhancing loyalty related Behavioural Intentions of Customers. The study points to the need for adopting an inclusive approach to managing and enhancing Behavioural Intentions for Customer loyalty and retention by emphasizing the effects of Customer Satisfaction and Service Value on Behavioural Intentions.

Keywords: Banking Industry, Satisfaction, Behavioural intention, Service Value, etc,.

1. INTRODUCTION

Banks serve as mediators in mobilizing public savings and channelizing the stream of funds for productive purposes, keeping on the process of the economic growth of the country. Realizing the important role of banks in economic development, Government of India/Reserve Bank of India takesnumerous major initiatives after independence to gear the banking system to serve the national objectives.Banks assisted the healing of sick industrial units and in the avoidance of unemployment, which would otherwise have resulted from the closure of industrial units for want of credit. These way thus mentioned, substantially contributed to the channelizing of bank credit to the various sectors of the economy which concerned inter alia, flow of credit to sectors, which were hitherto neglected or the so called 'priority sectors'. Are sourceful financial sector is an engine for economic growth. It converts the fuel of savings into kinetic energy for the economy. The banking industry which is at the core of the financial sector must take the guide. The reform process started in the 90's has given the industry a great opportunity (Das, 2010). Not only must the sector become more capable but it must also recognize sectors having growth opportunities and devise strategies to move savings into these sectors.

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2. OBJECTIVES OF THE STUDY

Objectives planned in the present investigation were-

- To study various aspects of services provided by the Commercial banks.
- To study the access of customers to the banking services with specialreference to both transactions based and enabled services.
- To analyze the constituent factors affecting customer satisfaction with the services provided by the Commercial banks in Pudukkottai district.

SAMPLE SELECTION

After identification of branches, the researcher visited banks under study and selected 50 customers randomly from each branch of the various Commercial banks in Pudukkottai district making a total of 500 customers as sample. The researcher herself visited the respective branches of banks and data was collected within the premises of the bank.

4. SCOPE OF THE STUDY

A study on Customer's Satisfaction of banking Services in Pudukkottai district confined nine taluks viz., 1.Pudukkottai 2.Alangudi 3.Thirumayam 4.Kulathur 5.Gandarvakottai 6.Illuppur. The study covers the following aspects.

- The circumstances leading to opening of an account in the bank.
- The factors influencing the customers while selecting the bank.
- The difficulties experienced by the customers who seek the loan.
- The circumstances, which make the customers, complain.
- The overall ratings of different types of customer service by the customers.
- The problems mainly faced by the customers.

It is felt that the quality of customer service rendered by the bank and customer satisfaction is correlated. The scope of the study is also extended to measure the impact of the quality of service on satisfaction level of customers.

5. REVIEW OF LITERATURE

In order to have better understanding about the present study in its proper perspective, the researcher has undertaken to present the corresponding studies through review of what has already been done in the field.

B. Ramachandra Reddy, S. Vijayalu Reddy and B. Shakunthalain their study did observe the dissimilarities and heterogeneous group differences among customers differing over time and place and the like.

A. Raghurama in his study has analyzed the circumstances that cause the hardship between a banker and the customer.

According to the findings of **Vidhyadar Vedak**, prompt service is a way to tell the customer that he or she is important, conversely, individuals feel slighted and unimportant when a

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telephone call is not received, or a loan proposal is turned down without an adequate explanation.

Harmeen K Soch and H.S. Sandhuhave suggested a multi directed approach with the introduction of Quality Circles, Customer Complaint Cell, obtaining ISO 9000, Priority Banking, Tele Banking, parking space, Brand Image, Customer Focus Meets etc. as the preferred empowerment pattern of the banks.

Nirakar Chand in his study emphasise that there could be no better way to enhance customer value than by cultivating and managing relationship with the customers.
To increase the diffusion of banking services, it was recommended that banks should ensure enhanced salience of customers' needs, greater compatibility customers banking norms and lifestyle, less complex and easy to use system and opportunity for adopters to experiment with the system before using banking services.

STATEMENT OF THE PROBLEMS

The dissatisfaction of every customer in his daily transactions with banks after nationalisation in 1969 is not with the rate of interest on deposit or the loan granted but it is towards the service rendered which is not to their satisfaction. The quality of service rendered by the banks and their orientation towards customers has been weakening. Indian banking industry has been criticised for its growing indifference towards the customers. Banks are not loved. They are losing droves of customers who are fed up with bad service and closing their accounts.

DATA COLLECTION AND METHODOLOGY

In order to examine the customer satisfaction and the factors influencing the choice of banking services, a survey was conducted. For this purpose a structured questionnaire was prepared which consists of several questions that dealt with various aspects of demographic variables, factors that influence the customers to choose the banking services and the parameters that signify the customer satisfaction. The sample unit consists of 500 samples each bank respondents.

There are so many banks providing banking services in Pudukkottai district. The researcher concentrates only on banks which have Selected Commercial banks in Pudukkottai district.

PROFILE OF THE CUSTOMERS

AGE	FREQUENCY	PERCENT	CUMULATIVE PERCENT
Less than25	71	14.2	14.2
26-30	95	19.0	33.2
31-35	131	26.2	59.4
36-40	67	13.4	72.8
41-45	58	11.6	84.4
more than 45	78	15.6	100.0
Total	500	100.0	

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Gender	Frequency	Percent	Cumulative Percent
male	254	50.8	50.8
Female	246	49.2	100.0
Total	500	100.0	
Educational Background	Frequency	Percent	Cumulative Percent
UG	82	16.4	16.4
PG	226	45.2	61.6
Professional	140	28.0	89.6
Others	52	10.4	100.0
Total	500	100.0	
Nature of Occupation	Frequency	Percent	Cumulative Percent
Government Employees	155	31.0	31.0
Private	97	19.4	50.4
Business and Trade	88	17.6	68.0
Students	56	11.2	79.2
Others	104	20.8	100.0
Total	500	100.0	
Monthly income	Frequency	Percent	Cumulative Percent
Less than 10,000	106	21.2	21.2
10,001 - 15,000	217	43.4	64.6
more than 15,001	155	31.0	95.6
Not applicable	22	4.4	100.0
Total	500	100.0	
Accounts in Number of Banks	Frequency	Percent	Cumulative Percent
One	169	33.8	33.8
More than one	331	66.2	100.0
Total	500	100.0	

Source: Primary data

Since the sex of the customers has its own impact on the level of estimation and perception on the services of banks, it is included as one of the profile variables. The nature of estimation and perception on the bank's services may completely differ from male to female.

The first two major age groups among the customers in the present study are less than 25 years and 25 —40 years, constitute 26.2 and 59.4 per cent to the total.

The level of education provides more awareness of banking to the customers and exposure on the present Banking experience in years. The educated customers may have more awareness and exposure on these aspects in general. Hence, the comparative analysis may have its impact on perception of the services offered by the banks. So, the level of education is included as one of the profile variables in the present study. It is confined to schooling, graduation and post graduation.

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The important level of education among the customers is graduation and post graduation, which constitute 45.2 and 61.6 percent to the total respectively.

A maximum of 17.6 percent of the customers, belong to business group. It is followed by private employee and Government employees, which constitute 31.00 respectively. Inthe first two important 17.6 occupations are Government employee and private employee who constitute 31 percent to its total respectively.

In the present study, the monthly income among the customers is confined to below Rs.10000, Rs.10000 - 20000, Rs.20000 - Rs.30000 and above Rs.30000. the distribution of customers on the basis of their monthly income is illustrated. In the present study, the nature of customers is confined to individual, businessman, corporate and Govt. office. The nature of the customers is given in table.

NATURE OF OF OCCUPATION – CHI-

Test Statistics		
S.No	Particulars	Gender
1	Chi-Square	53.495[a]
2	df	4

GENDER AND NATURE SQUARE TEST

PARTICULARS	Observed N	Expected N	Residual
Government Employees	152	99.8	52.2
Private	84	99.8	-15.8
Business and Trade	87	99.8	-12.8
Students	57	99.8	-42.8
Others	120	99.8	19.2
Total	500		

TABLE NO 1

It is noted from the above table that the 'p; value is less than 0.05 the result is significant at 5% level. From the analysis it is concluded that there is close relationship between Nature of Occupation of the respondents and Gender. So, eventually Null hypothesis rejected, alternative hypothesis accepted.

In order to find the relationship between the Type of bank of the respondents and Level of economic motivation, a chi-square test is used and result of the test is shown.

LEVEL OF MONTHLY INCOME AND ACCOUNTS IN NUMBER OF BANKS

		ACCOUNTS IN NUMBER OF BANKS		TOTAL
		ONE	MORE THAN ONE	
Monthly income	Less than 10,000	31	75	106
	10,001 - 15,000	69	148	217
	more than 15,001	67	88	155
	Not applicable	2	20	22
Total		169	331	500

TABLE NO 2

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CHI-SQUARE TESTS			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.529[a]	3	.004
Likelihood Ratio	14.762	3	.002
Linear-by-Linear Association	.987	1	.321
N of Valid Cases	500		

It is noted from the above table that the 'p; value is less than 0.05 the result is significant at 5% level. From the analysis it is concluded that there is close relationship between Monthly income of the respondents and Number of accounts in the banks. So, eventually Null hypothesis rejected, alternative hypothesis accepted.

RELATIONSHIP BETWEEN CUSTOMER'S SATISFACTION AND NATURE OF OCCUPATION– CHI-SQUARE TEST

	S.A	A	N	DA	SDA
Chi-Square	110.088[a]	110.830[a]	64.978[a]	182.513[a]	207.723[a]
df	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000	.000

TABLE NO 3

It is noted from the above table that the 'p; value is less than 0.05 the result is significant at 5% level. From the analysis it is concluded that there is close relationship between Monthly income of the respondents and level of satisfaction of customer's in the banks. So, eventually Null hypothesis rejected, alternative hypothesis accepted.

FINDINGS, CONCLUSIONS AND SUGGESTIONS

The main purpose of this part is to present a brief summary of findings and conclusions of this study and thereafter to provide certain suggestions for overcoming the problems, being identified in this study relating to customer satisfaction towards various services of the study banks. This Study is undertaken with a broad objective of assessing the customer satisfaction services in commercial banks in Pudukkottai district.

6. FINDINGS

- The nature of estimation and perception on the bank's services may completely differ from male to female.
- The first two major age groups among the customers in the present study are less than 25 years and 25 —40 years, constitute 26.2 and 59.4 per cent to the total.
- The educated customers may have more awareness and exposure on these aspects in general. Hence, the comparative analysis may have its impact on perception of the services offered by the banks.
- The important level of education among the customers is graduation and post graduation, which constitute 45.2 and 61.6 percent to the total respectively.
- A maximum of 17.6 percent of the customers, belong to business group. It is followed by private employee and Government employees, which constitute 31.00 respectively.

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- The monthly income among the customers is confined to below Rs.10000, Rs.10000 - 20000, Rs.20000 - Rs.30000 and above Rs.30000. the distribution of customers on the basis of their monthly income is illustrated.
- The analysis it is concluded that there is close relationship between Nature of Occupation of the respondents and Gender. So, eventually Null hypothesis rejected, alternative hypothesis accepted.
- The analysis it is concluded that there is close relationship between Monthly income of the respondents and Number of accounts in the banks. So, eventually Null hypothesis rejected, alternative hypothesis accepted.
- The analysis it is concluded that there is close relationship between Monthly income of the respondents and level of satisfaction of customer's in the banks. So, eventually Null hypothesis rejected, alternative hypothesis accepted.

7. SUGGESTIONS

The banks must play an effective role to satisfy the customers' demands while marketing their products and services. Banks must commit to provide the best possible services to their customers. Given below are some suggestions to improve the customer services.

- In the satisfaction level, the Commercial banks offered good technological innovations to their customers: Therefore the public sector banks like SBI must update the customer friendly innovative technologies to offer more level of satisfaction.
- The customers of both SBI and Commercial banks are not much aware of the availability and usage of certain products like Savings plus and Rent plus scheme. Mediplus scheme and Basic banking – no frills account. Hence it is suggested that the banks should develop new ways of working to improve efficiency in marketing. Banks must adopt customer segmentation, which will help in customizing their product portfolio well
- It is suggested that both SBI and Commercial banks should dramatically improve their ECS mechanism to increase the level of satisfaction of customers towards the services provided under settlement system and centralized funds management system.
- It is suggested that both SBI and ICICI banks should dramatically improve their ECS mechanism to increase the level of satisfaction of customers towards the services provided under settlement system and centralized funds management system.
- Both the banks must provide relevant facts about their information technology based products and services to create awareness among the customers.
- Research suggests that the financial services and the products offered over information technology by the banks should be simple and easy for the customers to understand. Those products and services should not be a challenge for those who have to choose among them.

8. CONCLUSION

Banks have also installed exclusive data communication network and they have become the members of the Society for World Wide Inter-Bank Financial Telecommunications (SWIFT) to establish connection with their own branches and with other bank computers net work, both

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nationally and internationally. In this context it is significant to say that the Commercial banks have to introduce a sound information technology based products and services or schemes with the help of professional excellence. It is further insisted that the banks have to be well aware of the changing needs and requirements of almost all the segments of customers while developing a package or while innovating a scheme to satisfy their interest.

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