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A Study on Satisfaction of Customers Towards Private Sector Banks in Tuticorin District

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ABSTRACT

Nowadays, private sector banks are highly concentrating on satisfaction of customers and generating and maintaining better relations with them that lead to loyalty of customers. Customers of private sector banks are satisfied with degree of privacy, safety of transactions, speed of services, accuracy of transactions, behaviour of employees, infrastructure facilities and expertise of employees. Significant difference is there in satisfaction towards private sector banks among demographics of customers. Satisfaction of customers towards private sector banks is moderately, positively and significantly related with their loyalty. In order to enhance satisfaction of customers, private sector bans should be located in places convenient to customers and they must charge rationally for their services.

Keywords: Customers, Private Sector Bank, Satisfaction

1. INTRODUCTION

In the last few decades, Indian banking sector attains remarkable heights in banking operations and banks are very significant component of Indian financial system. The enlargement of banking sector in India is highly fast and the penetration is larger from its nationalization (Manikyam, 2014). At present, more than 40000 branches are available for banking operations in India with a larger network of branches. Traditional banking operations are slowly changing in to modern banking for efficient delivery of services to customers (Amuthan, 2014). The advancement of information and communication technologies, privatization, changes in needs of customers and growing competition are placing problems to the present banking system in India.

The entrance of private banks is putting a threat to the domination of public sector banks and with growing level of competition, banking services are considered as very significant aspects for private sector banks and customers (Lohani and Shukla, 2011). Thus, in the current banking environment, internationalization of standards of private banks is highly important for delivering quality services for existence and also for satisfying customers (Ravichandran et al 2010). Nowadays, private sector banks are highly concentrating on satisfaction of customers and generating and maintaining better relations with them that lead to loyalty of customers. The dissatisfaction of customers on services is the major reason for customers to move to other competitive private sector banks. Thus, it is necessary to study satisfaction of customers towards private sector banks.

2. REVIEW OF LITERATURE

Khan (2010) found that level of privacy, convenience, security for transactions, responsiveness of employees and ATM services had positive relation with satisfaction of customers. Singh (2011) concluded that services of ATM, responses of employees, safety of transactions, quickness of services and promptness were positively and significantly influencing satisfaction of customers.

Shanka (2012) revealed that services and their qualities were significantly and positively related with satisfaction of customers and it had positive and significant relation with loyalty of customers for banks. Gupta et al (2013) indicated that customers of private sector banks were satisfied with good services, materials, infrastructure, modern technologies and response of employees and satisfaction of customers was positively related with their loyalty towards private sector banks.

ISSN:0971-1260
Vol-22-Issue-33-December-2019

Wafaa and Abderrezzak (2014) showed that various services and their qualities were positively relating with satisfaction of customers about banks. In addition, price, effectiveness and values were also related significantly with satisfaction of customers. Osman et al (2015) found that quality of service was positively influencing satisfaction of customers and satisfaction and image were significantly affecting loyalty of customers towards banks.

Akhtar et al (2016) concluded that quality of services, level of satisfaction, and loyalty programmes were positively impacting loyalty of customers. Saleh et al (2017) revealed that image, quality of services and kind of services were affecting satisfaction of customers.

Auniel and Mokaya (2018) indicated that response of employees, innovative products and accessibility to services, and quickness of services were influencing satisfaction of customers and feedback from customers was influencing retention of customers. Neupane (2019) showed that modern services and quality of services were positively and significantly influencing satisfaction of customers towards pubic sector banks.

3. OBJECTIVES OF THE STUDY

1. To examine satisfaction of customers towards private sector banks.
2. To find any difference in satisfaction towards private sector banks among demographics of customers.
3. To study relation among satisfaction of customers towards private sector banks and their loyalty.

4. METHODOLOGY

The present study is conducted in Tuticorin district and convenience sampling method is applied to select customers of private sector banks. Questionnaire method is used to gather data from 320 customers of private sector banks. Percentage analysis is used to examine demographics of customers and mean and standard deviation are computed to understand their satisfaction towards private sector banks. F-test and t-test are employed to find out difference in satisfaction towards private sector banks among demographics of customers. Correlation analysis is use to study relation among satisfaction of customers towards private sector banks and their loyalty.

5. RESULTS

5.1. DEMOGRAPHICS OF CUSTOMERS OF PRIVATE SECTOR BANKS

The demographics of customers of private sector banks are given in Table-1. Out total customers, most of them (60.31 per cent) are male and higher proportion of them (34.06 per cent) is in age category of 31 to 40 years. Larger proportion of them (32.81 per cent) are under graduates and majority of them (36.87 per cent) are earning monthly income of Rs.25,001 – Rs.35,00 and maximum portion of them (75.94 per cent) have marital statues of married.

Table-1: Demographics of Customers of Private Sector Banks

Demographics of Customers	Number	Percentage
Gender		
Male	193	60.31
Female	127	39.69
Age		
21 to 30 Years	71	22.19
31 to 40 Years	109	34.06
41 to 50 Years	87	27.19
51 to 60 Years	53	16.56
Education		
Secondary	57	17.81
Higher Secondary	86	26.88
Under Graduation	105	32.81
Post Graduation	72	22.50
Monthly Income		

ISSN:0971-1260

Vol-22-Issue-33-December-2019

Below Rs.25,000	64	20.00
Rs.25,001 – Rs.35,000	118	36.87
Rs.35,001 – Rs.45,000	82	25.63
Above Rs.45,000	56	17.50
Marital Status		
Married	243	75.94
Unmarried	77	24.06

5.2. SATISFACTION OF CUSTOMERS TOWARDS PRIVATE SECTOR BANKS

The satisfaction of customers towards private sector banks is given in Table-2.

Table-2: Satisfaction of Customers towards Private Sector Banks

Satisfaction	Mean	Standard Deviation
Location	3.35	1.13
Degree of privacy	3.77	1.06
Safety of transactions	3.73	1.08
Charges for services	3.38	1.11
Speed of services	3.90	0.97
Accuracy of transactions	3.92	0.94
Behaviour of employees	3.75	1.10
Infrastructure facilities	3.88	0.99
Expertise of employees	3.80	1.03
Grievance handing	3.33	1.16

The customers of private sector banks are satisfied with degree of privacy, safety of transactions, speed of services, accuracy of transactions, behaviour of employees, infrastructure facilities and expertise of employees, while, they are neutral with location, charges for services and grievance handing.

5.3. SATISFACTION TOWARDS PRIVATE SECTOR BANKS AND DEMOGRAPHICS OF CUSTOMERS

The relation between satisfaction towards private sector banks and demographics of customers is given below.

5.3.1. Gender and Satisfaction towards Private Sector Banks

The relation among gender of customers and satisfaction towards private sector banks is given in Table-3.

Table-3: Gender and Satisfaction towards Private Sector Banks

Gender	N	Mean	Standard Deviation	t-Value	Sig.
Male	193	38.23	5.31	4.742**	.000
Female	127	36.16	5.49		

** *Significant at 1% level*

Mean value of satisfaction towards private sector banks for male and female customers are 38.23 and 36.16 respectively which clarifies satisfaction towards private sector banks is higher for male in comparison with female customers.

The t-value of 4.742 is significant explicating significant difference exits between gender of customers and satisfaction towards private sector banks.

5.3.2. Age and Satisfaction towards Private Sector Banks

The relation among age of customers and satisfaction towards private sector banks is given in Table-4.

Table-4: Age and Satisfaction towards Private Sector Banks

Age	N	Mean	Standard Deviation	F-Value	Sig.
21 to 30 Years	71	35.94	4.99	6.090**	.000

ISSN:0971-1260
Vol-22-Issue-33-December-2019

31 to 40 Years	109	36.07	5.40		
41 to 50 Years	87	37.23	5.76		
51 to 60 Years	53	38.42	5.30		

** *Significant at 1% level*

Mean value of satisfaction towards private sector banks for customers in age of 21 to 30 years, 31 to 40 years, 41 to 50 years and 51 to 60 years are 35.94, 36.07, 37.23 and 38.42 respectively which clarifies satisfaction towards private sector banks is higher for customers in age of 51 to 60 year in comparison with other age groups.

The F-value of 6.090 is significant explicating significant difference exits between age of customers and satisfaction towards private sector banks.

5.3.3. Education and Satisfaction towards Private Sector Banks

The relation among education of customers and satisfaction towards private sector banks is given in Table-5.

Table-5: Education and Satisfaction towards Private Sector Banks

Education	N	Mean	Standard Deviation	F-Value	Sig.
Secondary	57	38.60	4.45	7.246**	.000
Higher Secondary	86	35.94	5.46		
Under Graduation	105	37.10	4.73		
Post Graduation	72	36.78	6.73		

** *Significant at 1% level*

Mean value of satisfaction towards private sector banks for customers with education of secondary, higher secondary, under graduation and post graduation are 38.60, 35.94, 37.10 and 36.78 respectively which clarifies satisfaction towards private sector banks is higher for customers with secondary education in comparison with other educational levels.

The F-value of 7.246 is significant explicating significant difference exits between education of customers and satisfaction towards private sector banks.

5.3.4. Monthly Income and Satisfaction towards Private Sector Banks

The relation among monthly income of customers and satisfaction towards private sector banks is given in Table-6.

Table-6: Monthly Income and Satisfaction towards Private Sector Banks

Monthly Income	N	Mean	Standard Deviation	F-Value	Sig.
Below Rs.25,000	64	35.05	4.49	7.400**	.000
Rs.25,001 – Rs.35,000	118	36.74	5.99		
Rs.35,001 – Rs.45,000	82	38.13	5.43		
Above Rs.45,000	56	36.19	5.06		

** *Significant at 1% level*

Mean value of satisfaction towards private sector banks for customers get monthly income of below Rs.25,000, Rs.25,001 – Rs.35,000, Rs.35,001 – Rs.45,000 and above Rs.45,000 are 35.05, 36.74, 38.13 and 36.19 respectively which clarifies satisfaction towards private sector banks is higher for customers get monthly income of Rs.35,001 – Rs.45,000 in comparison with other monthly income groups.

The F-value of 7.400 is significant explicating significant difference exits between monthly income of customers and satisfaction towards private sector banks.

5.3.5. Marital Status and Satisfaction towards Private Sector Banks

The relation among marital status of customers and satisfaction towards private sector banks is given in Table-7.

ISSN:0971-1260

Vol-22-Issue-33-December-2019

Table-7: Marital Status and Satisfaction towards Private Sector Banks

Marital Status	N	Mean	Standard Deviation	t-Value	Sig.
Married	243	38.94	5.34	3.820^{**}	.001
Unmarried	77	36.36	5.60		

** *Significant at 1% level*

Mean value of satisfaction towards private sector banks for customers of married and unmarried are 38.94 and 36.36 respectively which clarifies satisfaction towards private sector banks is higher for married in comparison with unmarried customers.

The t-value of 3.820 is significant explicating significant difference exits between marital status of customers and satisfaction towards private sector banks.

5.4. RELATION AMONG SATISFACTION OF CUSTOMERS TOWARDS PRIVATE SECTOR BANKS AND THEIR LOYALTY

The relation among satisfaction of customers towards private sector banks and their loyalty was studied by applying correlation analysis and the result is given in Table-8.

Table-8: Relation among Satisfaction of Customers towards Private Sector Banks and Their Loyalty

Particulars	Correlation Co-efficient
Satisfaction of Customers towards Private Sector Banks and Their Loyalty	0.58^{**}

** *Significance at 1% level*

The correlation coefficient among satisfaction of customers towards private sector banks and their loyalty is 0.58 and it is significant in one per cent level as it points out that both are positively and moderately interrelated.

6. CONCLUSION

The foregoing analysis reveals that customers of private sector banks are satisfied with degree of privacy, safety of transactions, speed of services, accuracy of transactions, behaviour of employees, infrastructure facilities and expertise of employees. Significant difference is there in satisfaction towards private sector banks among demographics of customers. Satisfaction of customers towards private sector banks is moderately, positively and significantly related with their loyalty. In order to enhance satisfaction of customers, private sector bans should be located in places convenient to customers and they must charge rationally for their services. Additionally, private sector banks should improve grievance handing mechanisms for their customers.

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ISSN:0971-1260

Vol-22-Issue-33-December-2019

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