

An Analysis On The Customer Satisfaction Of Banking Services With Special Reference To Pathanamthitta District

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Abstract- *In a service industry like banking, the quality of customer service hold primary significance particularly in the context of sustained business growth. In a deregulated environment, customer's expectations keeps rising as they look for more convenient and flexible option available to them at competitive rates from many players operating in this field. The main objective behind this study is to know the level of customer satisfaction, quality of banking services and the level of complaints regarding banking services.*

Keywords- Customer Satisfaction, Customer Expectation, Pathanamthitta, Customer Perception.

I. INTRODUCTION

Banking industry in India has undergone a series of changes in the modern liberalized world. Now banking in India is a major industry and it caters to the needs of all irrespective of caste, creed or religion. Banks play a vital role in the day to day activities of every human being. Banking is a key industry in the service sector and it is indeed the financial nerve centre of the economy. It plays a pivotal role in the development of the economy of any nation. The liberalization and economic reforms since 1991 generated increased competition among banks. Increased competition forced the banks to think of better ways and means of generating revenue from different sources other than conventional borrowing and lending activities. Due to IT adaption in banking, there is a market shift from conventional banking to convenience banking.

A customer is the core component in banking business. The business of banking cannot function without customers, nor is the business done by acquiring a certain number of customers. It is a continuing process of transactions culminating in a long-term banker-customer relationship. Now a days banks started giving importance to customer relationship and hence they used all source of technologically advanced services and facilitates their customers to avail

benefits like facility to pay electricity bill, telephone bill etc in order to retain them.

It has become a challenging and tough job for bankers in retaining the existing customer base and winning the new customers. Otherwise sustaining in the banking business is a tough phenomenon. Banks are in the people's business and it is the goal of the banks to make the customers happy to achieve their targets.

To achieve this challenging task of Customer Satisfaction, bankers are turning to technology for help. Competition, changing investment climate, technological revolution, changing investor preferences and emerging new business opportunities have forced banks to rethink and adopt to new practices.

Customer Service in banks is a continuous issue for discussion. In a deregulated environment, customers expectations keeps rising as they look for more convenient and flexible options available to them at competitive rates from many players operating in the field. This has made the acquisition of customer patronage a formidable task. Customer is now a new watchword in the Indian banking scene.

II. LITERATURE REVIEW

Archana Mathur (1988) in her article “**Customer Service in Public Sector Banks: A Comparative Study**” studied the problems faced by customers with regard to delayed service, lack of proper guidance and customer discrimination made by bank staff. She suggests that the banks could solve all such problems if they go in for automation, and the discrepancies made by bank staff could be reduced to a great extent.

Chitra (2013) examined the awareness level of various retail banking services offered by SBI; studied the effectiveness of advertisements for various retail services provided by SBI.; analyzed the customer attitude towards the retail services offered by SBI.; studied the various problems faced by

customers related to retail services offered by SBI and studied the satisfaction level of customers relating to retail services offered by SBI. Primary data were collected from 200 respondents by personal interview. The area of study is restricted to Tirupur city, Tamilnadu. The study found that customers are not satisfied with user friendliness, speed of service and quality of services at SBI. The study suggests that services should be made more accessible. In order to increase awareness, SBI should advertise its services more. Moreover, services can be made user-friendly. The speed and quality of service should be improved.

III. STATEMENT OF THE PROBLEM

In the competitive environment of the post liberalization era, financial sector reforms have significantly deregulated the markets. It has become imperative to harness the best customer oriented practices and perceptions and to internalize them for providing added satisfaction to the customer. Innovative and other banking services play a prominent role in the growth and prosperity of a nation.

In the early days the customers were not given due attention because they were at the mercy of the banks and bankers were quite choosy. In a service industry like banking the quality of customer services hold primary significance, particularly in the context of sustained business growth. Unlike the other industries engaged in the production of tangible goods, banks are unique in the sense that they produce and deliver the services instantaneously at the service delivery point, i.e., at the branches. This has an overwhelming impact on customer's behaviour which causes the customer to be hypersensitive to the quality of service. Recently the Indian banking industry is subjected to several competitions among banks by providing better service to the customers. Customer is now a new watchword in the Indian Banking Scene. How far the customers are satisfied with the various services need an in-depth study. It is against this background, the study "Customer Satisfaction of Banking Services in Pathanamthitta District" was carried out to find the level of customer satisfaction on various services provided by the banks. A study among bank customers will help to make an evaluation about the pros and cons of various banking services and also see whether the banks are successful in rendering services or not.

Objective

- To evaluate the quality of services offered by banks for their customers;;
- To examine the level of complaints regarding the banking services;

IV. METHODOLOGY

Data

The present study is based on primary as well as secondary data. In order to collect primary data, a sample survey has been conducted among the customers of various banks by using an Interview Schedule.

Area of Study

The present study is confined to the customers of Pathanamthitta District.

Sample Design

By adopting convenient sampling, 90 respondents have been selected.

Framework of Analysis

The collected data have been analyzed by making use of F-Test, Likert's Summated scaling technique.

V. LIMITATION

The scope of this study is limited to Pathanamthitta District only due to the non-availability of time. More information would have been drawn if the study extended to other districts. While collecting primary data respondents were reluctant to supply more information pertaining to them. Corporate and NRI customers were not considered with.

Table 1: Demographic Profile

Variables	Particulars	Frequency	%
Gender	Male	56	62.22
	Female	34	37.78
Age Group	Below 30	14	15.55
	30-40	41	45.55
	40-60	25	27.78
	Above 60	10	11.12
Occupation	Business/Profession	40	44.44
	Agriculture	33	36.67
	Service	17	18.89
Monthly Income	Below 5000	15	16.67
	5001-10000	25	27.78
	10001-40000	35	38.88
	Above 40000	15	16.67
Category of Banks	Public sector	39	43.33
	Private sector	19	21.11
	Co-operative bank	32	35.56
Computer at home	Yes	27	30

(Source: Data collected and computed through Questionnaire)

From the above table it is inferred that;

- Majority of the investors are Male,
- Majority are in the age group 30-40,
- 44.44% of the respondents are doing Business/Profession,
- Most of the investors are having Income between 10001-40000,
- Majority of the respondents are having their account in Public sector banks,
- 70% of the respondents do not have computer at their home,
- 68.89% of the respondents encountered complaint while using banking services,

Hypothesis 1

H₀: There is no significant correlation between the rank numbers assigned by the customers regarding the services provided by the banks.

H₁: There is significant correlation between the rank numbers assigned by the customers regarding the services provided by the banks.

Likert’s summated scaling technique is used for testing the above hypothesis.

Table 2: Rank assigned by Respondents

Sectors	1	2	3	4	5	6	7	8	Total
Business/Profession	99	124	85	136	147	150	175	164	1080
Agriculture	96	119	100	161	181	143	140	140	1080
Service	86	131	108	140	151	146	152	166	1080
Total	281	374	293	437	479	439	467	470	3240
Mean	405	405	405	405	405	405	405	405	---
Difference (D)	-124	-31	-112	32	74	34	62	65	---
Square of D	15376	961	12544	1024	5476	1156	3844	4225	44966

$F = S1^2 / S2^2$

D.O.F = (K-1), K (n- 1)

(8- 1), 8 (90- 1)

7712

Level of significance – 1%

Table Value – 2.63

Calculated value – 4.60

Since the table value is less than the calculated value, the null hypothesis (H₀) is rejected.

Hypothesis 2

H₀: The level of complaints regarding banking services is very high.

H₁: The level of complaints regarding banking services is not very high.

Table 3: Norms for measuring complaint levels

Score	Result
0-20	Very Low
21-40	Low
41-60	Medium
61-80	High
81-100	Very High

If the complaint level score lies between 81-100, then complaints are very high. If the score is in between 61-80, then the level of complaints are high. The level of complaints becomes medium, if the score is in the group 41-60. If the score is in the groups 21-60 and 0-20, the complaint levels are low and very low respectively.

Table 3.1: Attitude of respondents regarding the level of complaints

Level of Satisfaction	No. of Respondents	Weight	Weighted Score	% of weighted total score	Proportionate weighted score
Very Low	6	1	6	1.33	
Low	6	2	12	2.67	$\frac{367*100}{90*5}$
Medium	8	3	24	5.33	
High	25	4	100	22.22	= 81.55
Very High	45	5	225	50	
Total	90		367		

Since the calculated proportionate weighted score is 81.55%, it is within the accepted portion. Therefore the hypothesis is to be accepted. It is concluded that the level of complaints regarding banking services in Pathanamthitta District is very high.

VI. SUGGESTIONS

1. The banks should be customer friendly.
2. It is necessary to introduce new services in a manner to speed up the transactions so as to enable the customers to avoid unnecessary frictions.
3. Banks must take steps for activating the Complaint Redressal Mechanism. The complaints must be looked into immediately. And the mistakes should be rectified.

VII. CONCLUSION

Excelling and managing customer relationships is the future of any business or everybody’s business and also

customer focusing is not to be viewed as just a business strategy but should become a corporate mission.

Competition, changing investment climate, technological revolution, changing investor preferences and emerging new business opportunities have fixed banks to re-think and adopt new practices.

To conclude, the banking industry is active in Pathanamthitta District, due to technological revolution. Banks have to utilize this opportunity to become more and more strong organizations providing essential services.

The system followed in banks need a review for simplifying the various forms and proceedings for various services as Pathanamthitta District is an agriculture oriented area. The innovations and developments in banking sector indicate the overall growth of our economy. The research hopes customer satisfaction can be strengthened further by adopting the recommended suggestions.

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