

**“CUSTOMERS PERCEPTION AND SATISFACTION ON SERVICE PROVIDED BY
COMMERCIAL BANKS IN SALEM CITY: AN EMPIRICAL STUDY”**

Dr .S. Mani M.Com (CA), M.Phil., PGDCA., PGDCCM., MBA., P.hD.,

Head and Assistant Professor of Commerce

JAIRAM ARTS AND SCIENCE COLLEGE

SALEM – 08

ABSTRACT

The Banking Industry is considered a service oriented Industry. It renders manifold services to the customers. Effective customer service is the center to all business operations and also plays an integral part in the growth strategy of the Banking Industry. Objectives of the study, To ascertain the level of satisfaction service provided by commercial banks in Salem City. **Methodology of the study**, Descriptive research design was chosen to find out various services provided by commercial banks. Study on Customer Services in the Select nationalised banks in Salem city only. In tune with the objectives of the study, the researcher had to depend on both primary and secondary data.. Samples of 175 individuals were selected on the basis of Convenience sampling technique. **Suggestions of the study**, Service is an invisible offering which is dependent on and inseparable from the person who extends it. Services in Indian Banks are mostly branch-based in the nationalised banks, are making strides into full scale technology enabled banking.

Key words: Branch location, Adequacy of space, satisfaction etc.,

1.1 INTRODUCTION

Bank now a day's plan to lay greater stress on consumer industry in the coming years, with a view to achieve higher market penetration and profitability. Banks driven by the ever growing competition have improvised on existing features and created new facilities that are more customers friendly. Growing Indian middle class people today has a disposable of surplus income and aspires for a better life style.

The busy business executive needs cash at anytime, at all places and is willing to pay extra for this service. New breed of financial services brand such as Convenience banking, Anywhere banking, Tele-banking, branch less banking, and online banking have appeared on the banking landscape. Most of the private and foreign banks have linked up their branches enabling a customer to operate his/her account even from different cities. Corporate are also deriving benefits from the increased variety of products and competition among the banks for its business.

1.2. REVIEW OF LITERATURE

Kathirvel and Karpagavalli (2014)¹ made a study on Customer Satisfaction with Internet Banking-An Analytical study with special reference to the selected customers in Tirupur District. The main objective is to study the customers' satisfaction and behavior on various Internet services offered by the bank in the study area. A sample of four hundred respondents was selected. Simple statistical tools like Percentage, Average, Two Way Tables and Multiple Regression Analysis were employed appropriately. The study found that Gender, Type of family and Awareness positively influences the level of satisfaction, whereas Monthly Income negatively influences the level of satisfaction.

Kathirvel and Karpagavalli (2014)² made a study on Customer Services of the Select Private Sector Banks in Tirupur District. The main objective of the study was to know customer services in the selected Private Sector Banks in the study area. A sample of four hundred respondents was selected. Simple statistical tools like Percentage and Garrett Ranking Technique were employed appropriately. The study found that most of the respondents have preferred to use ATM service, Demat service, financial advisor service, Electronic Fund Transfer service, and RTGS service in ICICI Bank. Tele-Banking, ECS, Mobile Banking, credit card and Anywhere Banking was preferred by the respondents in Karur Vysya Bank. Multi City cheque Facility was used more by the respondents in Dhanalakshmi Bank. International Debit Care was used more by the respondents in HDFC Bank.

1.3. STATEMENT OF THE PROBLEM

In recent years, banks have been subjected to vehement criticism at various forums for their bad service quality, inefficient, and poor banking service has been a hot topic of discussion in the media thereby considerably tarnishing the image of the banks as service organization. The number of customer complaints has zoomed to an alarming pace to make the bankers wary about continuing the tide of mounting customer dissatisfaction with the quality of banking services. The single most important complaint concerns the “delay” in receipt and payment of cash, updating the passbook and providing statements of account, purchase and payment of demand draft, delay in collection of local /outstation instruments, delay in sanctioning credit proposals etc.

1.4. SCOPE OF THE STUDY

The present study is confined to Bank customers of Salem District.

1.5. OBJECTIVES OF THE STUDY

- To ascertain the level of satisfaction service provided by commercial banks in Salem City..

1.6. HYPOTHESIS

The following hypothesis has been framed in the light of the above said objectives.

Null Hypothesis (H₀) The Branch location scores do not differ based on the low, medium and high groups overall satisfaction of respondents.

Null Hypothesis (H₀) The parking facility scores do not differ based on the low, medium and high groups overall satisfaction of respondents.

Null Hypothesis (H₀) The adequacy of space scores do not differ based on the low, medium and high groups overall satisfaction of respondents.

Null Hypothesis (H₀) The clearance system do not differ based on the low, medium and high groups overall satisfaction of respondents.

1.7 METHODOLOGY OF THE STUDY

“Research Design” is the arrangement of activities for the collection and analysis of the data in a manner that aims to combine relevance to the purpose with economy in procedure. Descriptive research design was chosen to find out various services provided by commercial banks. Study on Customer Services in the Select nationalised banks in Salem city only. In tune with the objectives of the study, the researcher had to depend on both primary and secondary data.. Samples of 175 individuals were selected on the basis of Convenience sampling technique, The study was conducted in Salme City. ANOVA and descriptive statistics used in this study.

1.8. ANALYSIS AND INTERPRETRATION

ANALYSIS OF VARIANCE

The analysis of variance is a powerful statistical tool for tests of significance. The test of significance based on t-distribution is an adequate procedure only for testing the significance of the difference between two sample means. In a situation when we have three or more samples to consider at a time, an alternative procedure is needed for testing the hypothesis that all the samples are drawn from the populations with the same mean. The basic purpose of the analysis of variance is to test the homogeneity of several means. The ANOVA used for studying the differences among the influence of various categories of one independent variable on a dependent variable is called one-way ANOVA. The ANOVA is designed to test whether a significant difference exists among the three or more sample means. In this analysis, the total variance in a set of data is divided into variation within groups and variation between groups. The analysis of variance technique is used when the independent variables are of nominal scales and the dependent variable is metric or least interval scaled.

TABLE 1
LEVEL OF PERCEPTION ON OVERALL SATISFACTION AT NATIONALISED
BANKS SERVICES – MEAN SCORE ANOVA

Descriptive Statistics

Descriptive Statistics						
	N	Minimum	Maximum	Sum	Mean	Std. Deviation
OVERALL OPINION ON LEVEL OF SATISFACTION	175	41.33	81.33	8887.95	58.8606	7.60052

(Based on the above table Low, Medium, High was arrived)

The above table shows that the shopping behaviour scores of respondents vary from a minimum of 30 to a maximum of 66.46. It is intended to group the respondents into 3 major type's namely low, medium and high level of satisfaction. For this purpose Mean and S.D are calculated. The respondents who have obtained scores of Mean – 0.5 S.D were classified into low satisfaction and the respondents who score more than Mean+0.5 S.D were classified into high satisfaction of banking services. The scores of the respondents falling between Mean-0.5 S.D and Mean+0.5 S.D are grouped as Medium level of satisfaction. The various satisfaction scores of various factors were compared across the Low, Medium and High overall satisfaction of respondents and the results are discussed below.

TABLE 2
VARIOUS ATTRIBUTES INFLUENCE THE LEVEL OF SATISFACTION TOWARDS
NATIONALISED BANKING SERVICES

Null Hypothesis (H0) The Branch location scores do not differ based on the low, medium and high groups overall satisfaction of respondents.

COMPARISON OF FACTOR SCORES BY LEVEL OF SATISFACTION TOWARDS
NATIONALISED BANKING SERVICES (Low, Medium, High

STATISFACTIO N		N	Mea n	Std. Deviatio n	F VALUE	P.VALU E	S/N S
Branch location	LOW<51	54	2.85	1.43	11.22	0.009**	S
	MODERATE 51 TO 65	51	2.91	1.52			
	HIGH>65	70	3.15	1.41			
Parking facility	LOW<51	54	2.83	1.36	8.21	0.007**	S
	MODERATE 51 TO 65	51	2.86	1.41			
	HIGH>65	70	3.00	1.48			
Adequacy of space	LOW<51	54	3.26	1.42	3.23	0.04**	S
	MODERATE 51 TO 65	51	2.99	1.38			
	HIGH>65	70	3.65	1.43			
Safety measures	LOW<51	54	2.85	1.38	8.47	0.02**	S
	MODERATE 51 TO 65	51	3.06	1.37			
	HIGH>65	70	3.10	1.45			
Provision of	LOW<51	54	2.81	1.49	7.742	0.007**	S

different forms	MODERATE 51 TO 65	51	2.76	1.41			
	HIGH>65	70	3.06	1.40			
	LOW<51	54	2.80	1.32			
Display of interest rate and other norms	MODERATE 51 TO 65	51	3.12	1.48	9.70	0.009**	S
	HIGH>65	70	2.89	1.47			
	LOW<51	54	3.00	1.46			
Maintenance of suggestion box	MODERATE 51 TO 65	51	3.02	1.47	8.67	0.001**	S
	HIGH>65	70	2.74	1.53			
	LOW<51	54	3.06	1.37			
Any time banking	MODERATE 51 TO 65	51	3.90	1.47	9.43	0.005**	S
	HIGH>65	70	2.81	1.47			
	LOW<51	54	2.76	1.26			
Electronic clearing system	MODERATE 51 TO 65	51	2.89	1.42	12.29	0.001**	S
	HIGH>65	70	3.31	1.47			
	LOW<51	54	2.80	1.35			
Phone banking	MODERATE 51 TO 65	51	3.22	1.43	12.49	0.008**	S
	HIGH>65	70	3.34	1.37			
	LOW<51	54	3.07	1.48			
Internet banking	MODERATE 51 TO 65	51	2.77	1.50	11.17	0.011*	S
	HIGH>65	70	3.16	1.46			
	LOW<51	54	2.80	1.46			
Mobile banking	MODERATE 51 TO 65	51	2.92	1.43	8.20	0.017*	S
	LOW<51	54	2.80	1.46			

	TO 65						
	HIGH>65	70	2.94	1.26			
Multi city cheque	LOW<51	54	3.08	1.53	9.455	0.034*	S
	MODERATE 51						
	TO 65	51	3.13	1.44			
	HIGH>65	70	3.31	1.39			
Availability of locker facilities	LOW<51	54	2.72	1.48	9.687486	0.004**	S
	MODERATE 51						
	TO 65	51	2.96	1.40			
	HIGH>65	70	3.00	1.15			

** 1 % SIGNIFICANT LEVEL * 5% SIGNIFICANT LEVEL

Among the respondents the group belonging to high overall satisfaction constitutes the highest mean of 3.15 and the low group of overall satisfaction have scored lowest mean of 2.85 on branch location. This shows that respondents with high overall satisfaction scores have higher attitude towards baranch location of nationalised banks in Salem city also. Among the respondents the group belonging to high overall satisfaction constitutes the highest mean of 1.48 and the low group of overall satisfaction have scored lowest mean of 1.36 on parking facilities. This shows that respondents with high overall satisfaction scores have higher attitude towards parking facilities of nationalised banks in Salem city also. Among the respondents the group belonging to high overall satisfaction constitutes the highest mean of 3.65 and the low group of overall satisfaction have scored lowest mean of 3.26 on adeuqcy facilities. This shows that respondents with high overall satisfaction scores have higher attitude towards adeuqcy facilities of nationalised banks in Salem city also.

It is clear that, One- way ANOVA was applied to find whether significant difference exists between Low, Medium and High groups of overall satisfaction score with respect to attributes influence level of satisfaction. All the F-test value is greater than the table value at 1% level of significance. Since the calculated F-test value is greater than the table value, it inferred that there is significant difference among the Low, Medium and High groups of overall satisfaction with respect to branch location service. Hence the null hypothesis is rejected and alternative hypothesis is accepted.

1.9. SUGGESTIONS OF THE STUDY

COST BENEFIT – INCREASED PROFITABILITY

Certain on line banking services like e banking / i-banking must be provided free of cost or at a cost less than the amount involved in regular banking transactions. Certain E- Services can also be provided free, if the customer has availed another service. This will facilitate customers to use more on line banking services provided and not to visit the bank physically. Higher electronic transaction volumes will boost profits. Banks can also utilize their time for better purposes.

. The significant place of banks is commendable in the development of customers. However, banks should focus their attention on rural reas to make their role more dynamic in the context of rural development. There is significant development of financial infrastructure, the banks in the public and private sector should expand the infrastructure facilities to the nook and corner of the country.

The utility of banking system depends on Banker-Customer relationship. Therefore, banks need to provide qualitative services to its customers

Customers appreciate not only consistencies in services, but also hassle free interface with technology. The level of frustration and dissatisfaction escalates when customer encounters problems due to technology either while transacting business on site or off site. When customers file complaint, it must be resolved immediately. If not, a proper feedback must be provided to the customer regarding the status of the problem. Nowadays customers can directly approach the grievances cell, Banking Ombudsman, Consumer Forum for redressal of their complaints.

1.10. CONCLUSION

Today's customers are not satisfied with care and courtesy alone, they expect concern and commitment. Therefore, customer centric approach is the need of the hour. In this competitive environment not the oldest, not the strongest and not the first can survive, but only the "Best" can survive. Therefore, usage of Modern Technology for better service is imperative. Educational level of respondents influences the use of quality of banking facility and highly satisfied with Equipment Satisfaction, Service Cost and Facilities followed by easy access while using the banking services. The success of banking not only depends on the technology, but also on to the large extent the

attitude, commitment, and involvement of the operating at all levels and how far the customers reap the benefits from banking services. The customers, now days, are not only exposed to what type of service is being provided by Banks in India but in the world as a whole. They expect much more than what is actually being provided. So in the coming days Public and Private Sector Banks have to provide and cater to all the needs of the customers. Otherwise, it is difficult to survive in the competition coming up.

REFERENCES

1. Kathirvel, N. and K.Karpagavalli, 2014.Customer Satisfaction with Internet Banking-An Analytical Study with special reference to the Selected Customers In Tirupur District. Global journal for Research Analysis, 3(1): 163-165.
2. Kathirvel, N. and K.Karpagavalli, 2014.A study on Customer Services of the select Private Sector Banks in Tirupur District. Global journal for Research Analysis, 3 (12): 78-80.
- 3.Dr. Ammannaya, K.K., 2004. Indian Banking 2010, IBA Bulletin, Special Issue, P.156.
- 4.Dr. Swain, B.K., 2004. Indian banks in 2010-Emerging scenario- IBA Bulletin, Special Issue, P.116.
- 5.Gupta, Sc., 2004.Scheduled Banking Structure in India-IBA Bulletin, Special Issue, P.19.
- 6.Rao, N.V., 2002.Changing Indian banking Scenario-A paradigm Shift, Indian Banking Association Bulletin.12-13.
- 7.Vikas Saraf., 2003. Understanding and implementing CRM- A key component for tomorrow bank Leaders, Indian Journal of Marketing, 33(1):3-7.
- 8.Balwinder Singh and Pooja Malhotra, 2004.Adoption of Internet Banking-an empirical investigation of Indian banking sector. Ph.D., Thesis, Gurunanak Dev University, Amritsar.