

Customer Satisfaction- A Study of J&K Bank

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Abstract

'Customer is the king'. This statement bears pivotal significance to business organizations because of the embedded fact, that ultimately businesses flourish if and only if it has got customers to whom it can make sales. Customers buy company products when they perceive that the products and services can meet their demands. Business units which are able to meet the expectations of customers continue to be in the scene. A satisfied customer is an indicator of probable future sales. Customer satisfaction acquires a dominant place to ensure continuous sales. Customer satisfaction is not just playing/ performing upto the expectations of customers but it is something that has broader dimensions than just merely gaining acceptance from customers for its products. Most organizations around the globe make continuous efforts to bring novelty to products, work for post-sale satisfaction of customers because not performing upto the level of expectations of the customers jeopardize the prospects of business. The study highlights that Customer satisfaction is not a single time shot to lure customers; it demands to be incorporated into the core ideas of business. It essentially involves changing the perception of customers to the company products and services.

Keywords: Customer Delight, Customer Expectations, Customer Loyalty, Customer Satisfaction.

Introduction

Customer satisfaction a term oftenly used in marketing is a measure of how products and services that are being offered by an organization perform in affinity to meet or transcend a set of customer requirements and customer expectations. Customer satisfaction is the frame of mind that customers have about an organization when the products and services offered by the company meets their desired expectations or exceeds over the life time value of the product or service that has been offered.

In today's hyper competitive market place where businesses strive hard for customers, customer satisfaction is seen as a key business differentiator that helps to attract new customers and ensures that businesses stay on the cutting edges of the industry trends and innovations that shapes and governs business. Nowadays, companies are focusing on high satisfaction because highly satisfied customers are much less ready to switch over other products that are being offered by the competitors. Mere satisfied customers can switch over because they find it easy to switch when a better offer in the form of product or service comes along. High satisfaction provides so much insight into customers and results in customer delight thus creates an emotional bond of the customer with the product.

Customer satisfaction plays a significant role in creating customer loyalty because when the expectations of the customers are continuously being met customers feel delighted and this results into customer loyalty, henceforth, increases the sales, growth, profitability, revenue and reputation of the business and distinguishes it from the competitors.

Review of literature

Modern management science's philosophy considers customer satisfaction as a baseline standard of performance and a possible standard of excellence for any business organization.

(Gerson, 1993) ^[2], to reinforce customer orientation on a day-today basis, a growing number of companies choose customer satisfaction as their main performance indicator (Mihelis *et al.*, 2001) ^[6]. Business management and marketing are concerned with ways of satisfying and retaining customers for the purpose of generating profits, improving companies' competitiveness and securing market share. Some of the major themes in the business management domain include studies of customer relationship marketing, which analyses how customer satisfaction relates to competitiveness and profits, methods for measuring customer satisfaction. (Thomson, 1995) ^[9]. After all, the underpinning of the marketing concept is that identification and satisfaction of customer needs leads to improved customer retention (Day, 1994) ^[11]

There is growing managerial interest in customer satisfaction as a means of evaluating quality. High customer satisfaction ratings are widely believed to be the best indicator of company's future profit. Satisfaction can be broadly characterized as a post-purchase evaluation of product quality given pre-purchase expectation. (Kotler, 1991) ^[4]. Customer satisfaction is the degree to which a customer perceives that an individual, firm or organization has effectively provided a product or service that meets the customer's needs in the context in which the customer is aware of and / or using the product or service. Satisfaction is not inherent in the individual or the product but is a socially constructed response to the relationship between a customer, the product and the product provider /maker. To the extent that a provider / maker can influence the various dimensions of the relationship, the provider can influence customer satisfaction (Reed *et al.*, 1997) ^[8]. Customer satisfaction is typically defined as a post consumption evaluative judgement concerning a specific product or service (Gundersen, *et al.*, 1996) ^[3]. It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after

the consumption experience (Oliver, 1980) [7]. Luo and Homburg (2007) [5] concluded that customer satisfaction positively affects business profitability. Customer satisfaction can be used as a strategic weapon to increase the sales, financial growth, revenue, profitability and securing market share of the business. Customer satisfaction can play a vital role for businesses in providing and maintaining a competitive advantage. The businesses that perform as per the customer expectations receive customer loyalty in return and reduces customer churn, besides that it helps the businesses to maintain a competitive edge over rivals. Henceforth, to achieve long term success and sustainability in the market, businesses should continuously monitor the customer satisfaction signals, regarding products and services that are being offered and the relationship that is being maintained with the customers.

Objective of the study

The objective of the present study has been to ascertain the level of satisfaction of the customers of J&K bank.

Research methodology

The research began with examining the secondary data followed by the collection of primary data. The secondary sources used to collect data included various magazines, journals, books, annual reports, etc. Primary data was collected from the customers of J&K Bank. It comprised of interview and questionnaire. The questionnaire was designed and developed on the basis of the objective of the study. 200 respondents were selected on the basis of Simple Random Sampling Method (SRS). Subsequent discussions were also held to fill the information gaps.

Results and Discussions

Analyzing the response of 200 customers in Figure 1, 60% of the customers are satisfied with the product and the service quality of the bank, however, 27% of customers are partially satisfied and rest 13% of customers are not satisfied with the products offered.

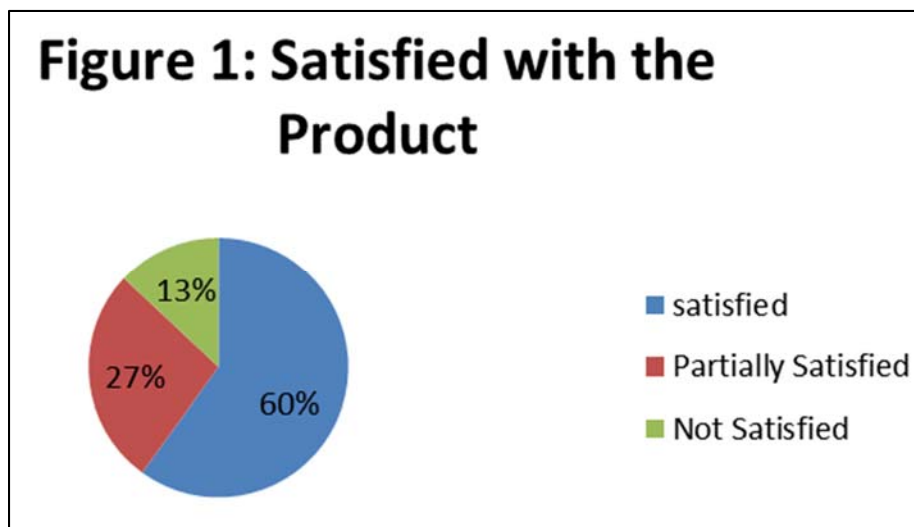


Figure 2. Reveals that 47% of the customers are satisfied, 27% are partially satisfied and rest 26% not satisfied with the document delivery of the bank at expected/committed time.

customers are partially satisfied and rest 20% are not satisfied with the timely information on dispatch of documents e.g. Account statement, credit cards etc.

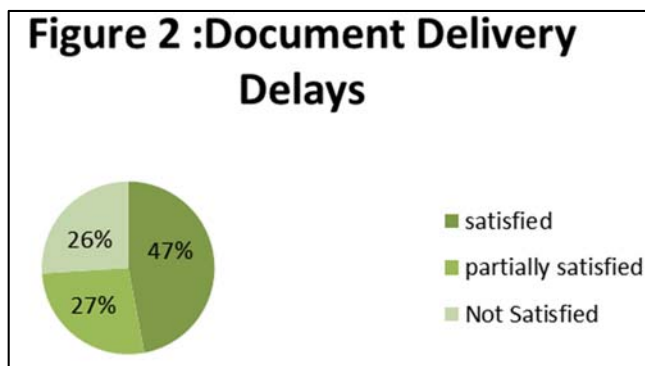
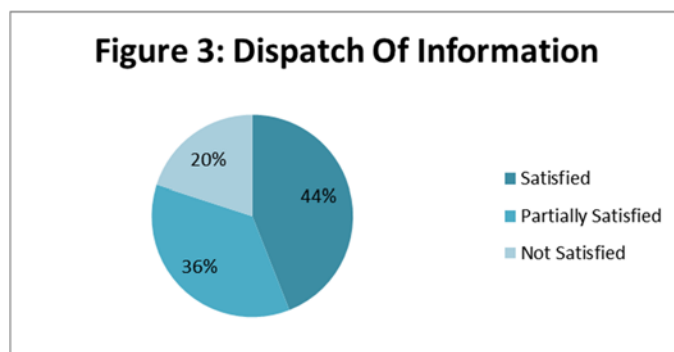
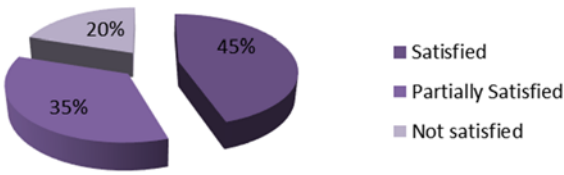


Figure 3. represents that 44% of customers are satisfied with the timely information on dispatches of document, 36% of



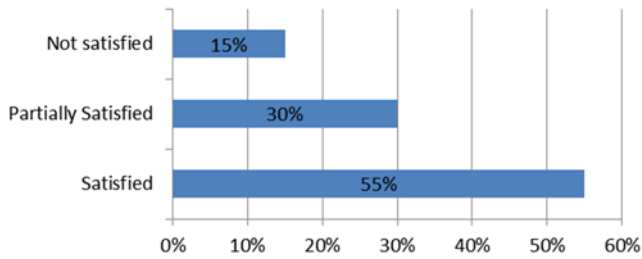
Promptness in responding the enquiries that are being made by the customers, it was found that 45% of the customers are satisfied, 35% are partially satisfied and 20% of the customers are not satisfied as depicted in Figure 4

Figure 4: Promptness In Responding to enquiries



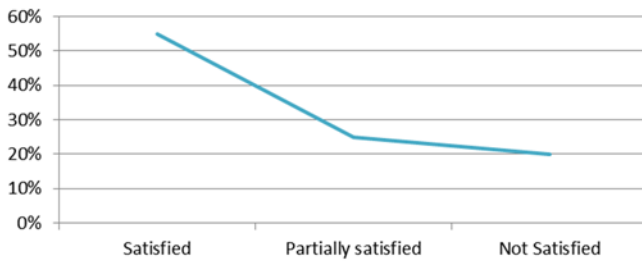
55% of the respondents were satisfied with the ethics and code of conduct and agreed that bank maintains transparency with the records of the customers as shown in However, 30% of the customers were partially satisfied and 15% of the customers were totally discontented. Figure 5

Figure 5: Ethics And Code Of Conduct



It was revealed that 55% of the customers are satisfied, 25% of the customers are partially satisfied and the rest of 20% customers are not satisfied with the documentation pertaining to banking services as shown in Figure 6.

Figure 6: Documentation



It is said that responding to the queries made by the customers at an earliest makes the customers feel delighted. In J&K bank it has been observed that 40% of the customers are satisfied, 30% of the customers are partially satisfied and 30% of the customers are not satisfied with the prompt disposal of the queries that are being made by the customers as depicted in Figure 7.

Figure 7: Response To Complaints



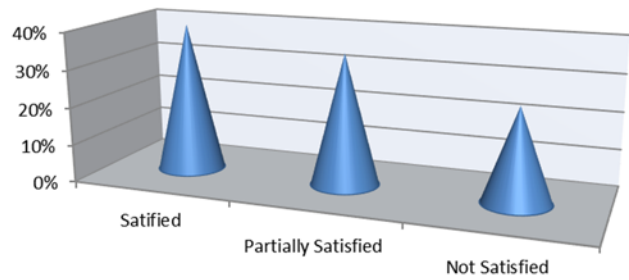
From the survey it was found that, 45% of the customers are satisfied, 33% of the customers are partially satisfied and the rest of 32% customers dis satisfied with the knowledge, regularity and effectiveness of relationship executives as shown in Figure 8.

Figure 8: Knowledge, Regularity And Effectiveness

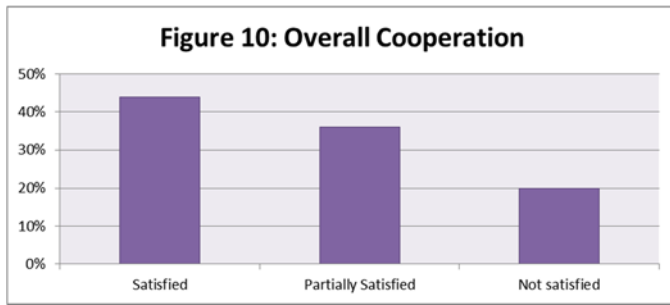


Regarding the timely intimation about the new product development information, it was found that 40% of the customers are satisfied, partially satisfied customers are 35% and the rest of 25% customers are not satisfied with the timely intimation as shown in Figure 9.

Figure 9: New Product Development Information



In terms of overall cooperation, it was found that 44% of the customers are satisfied, 36% are partially satisfied and 20% of the customers are not satisfied with the cooperative behaviour of the employees towards their customers as shown in Figure 10.



Conclusions

Customer satisfaction plays a key role for every organization. In this contemporary global and highly competitive economy, measuring customer satisfaction is a must. Today's winning companies are continually focusing on customer retention. Customer retention is only possible when customer expectations are being met resulting in customer satisfaction. When customer expectations exceed they feel delighted. This paper aimed to illustrate the importance of customer satisfaction and its measurement in J&K bank. The main findings of the study are:

- Customers that have long been associated with the bank were found to be more satisfied as compared to those with shorter time period of being associated with the company.
- Satisfaction level of the customers is little lower pertaining to document delivery reaching at expected/committed time.
- Majority of the customers said that they are hardly getting any timely information on dispatches of documents e.g. account statements, credit cards, ATM cards, PIN etc. The bank officials should adopt such measures which can provide timely information to the customers.
- Customers showed resentment with the fact that the employees in the bank are lacking a good knowledge by themselves, so customers are not provided the complete information if they have any query. It is suggested to the bank to provide timely and satisfied responses to the queries that are being made by the customers.
- The bank should maintain transparency and should adopt a good ethical code of conduct while dealing with the customers. Further a friendly approach should be used towards the customers with polite words.
- The bank follows a time consuming complex procedure of documentation. The documentation pertaining to the banking services should be minimized because the customers feel it a burden. The documentation process should be made easy and understandable to the customers and should not be time consuming as well.
- Response to complaints is the major issue which the customers are facing. Majority of the customers were of the view that the bank officials are not taking any immediate action on complaints, as the executives are not ready to lend a patient ear to the grievances of customers. Therefore, quick and immediate response should be given to the complaints made by the customers.
- Most of the customers were of the view that the ATM's are not working effectively and efficiently, especially in rural areas, which are creating a nuisance for them and in

turn affects their daily activities. Hence hassle-free services should be provided to the customers. Further, ATMs should be made available in rural and remote areas, so that the customers of far flung areas would not face problems related to their day to day activities.

- The information pertaining to new products and services should be intimated well on time. The bank officials should adopt various forms of advertisement in order to give timely information about the new product/ services to the customers.
- J&K bank is facing a stiff competition with other banks so customer retention is mandatory and prerequisite for the ultimate growth of the bank. Hence the bank should develop a cordial relation with the customers and should adopt the customer loyalty approach because the growth and success of any business is wholly dependent on how a company will retain its customers, otherwise there is a threat of customer churn.

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