



A study on customer satisfaction towards private sector banks in Coimbatore city

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Abstract

Now a day's banking is consider as good financial servicing industry and also responsible for development in economic level of countries economy. In Coimbatore city private sector banks are rendering financial services to the public. The policy of private sector banks are different to leads the variation of customer satisfaction level. The research tries to measure the satisfaction level of customer in private sector banks in Coimbatore city. The research is based on primary information obtain from the customers of private sector banks. Over all the customer of these banks are satisfied by tangibles and behavioral factors of the banks and its employees due to their policies and satisfaction of some tangible and inefficiency of the employees. This study analysis the small step to understand the multi dimensional construct and service quality and also its implication in today's competitive world.

Keywords: customer satisfaction, customer perception, banking services

Introduction

The satisfaction of the customer is very important factor in all services industries to enhance and improve the profitability of the concern. Banking sector is purely financial service industry and the customer's satisfaction is much more important to run banking business successfully. The satisfaction level of the customer is varying due to different kinds of banking services and their benefit to the customers. There are so many factors that are responsible in the discrimination of the services for different types of banking customers and lead to uneven satisfaction level in Coimbatore city. Private sector banks are providing financial service to the different types of customers in rural and urban areas. Increasing offices of the private sector banks is continuously.

This is absolute growth of private sector banks directing towards enhancement of the customer satisfaction levels and retains the existing customer as well as attracting the new customers also.

Technology made big impact introducing "anywhere banking" and "anytime banking". However private sector banks need to focus on their loans and insurance services. Satisfaction is very necessary in the banking sector to provide better services to the customers then only attain the profitability. There is need to get opinion of customers about service quality and customer satisfaction in private sector banks and identifies the areas where improvements are necessary to make customers more satisfied with the banking sector.

Objectives

- To know the level of customer satisfaction and preference towards in private sector banks.
- To find out the expectations and perceptions of the customer from the services offered by private sector banks.
- To study the problems faced by the customers in private

sector banks.

Statement of the problem

Banking sectors play a vital role for developing the business and economy. Banks are the heart of the business sector of any economy and supply the necessary money to all business organizations and simultaneously support the weaker sector or the organizations. Customer satisfaction is the elemental factor that decides the success of any bank. Now a day's private sector banks are expanding their branches in urban as well as in rural areas to get more and more customers. Branch size, services, infrastructure, facilities, staff, working hours etc.

Limitations of the study

- The study is based on selected schemes therefore limiting the area of research.
- The study considers data of only limited period of time.
- In this study only interim reports of the concern.
- It is based only monetary information not non monetary factors.

Scope of the study

The scope of this research is to identify the service quality and customer satisfaction in private sectors banks. This research based on primary data and secondary data. It aims to understand the skill of the banking in the area of service quality that are performing well and shows those areas which require improvements. The study was done taking private sector banking to consideration.

Review of literature

A study on private sector banks and their study show that quality gap between the expectations and consumer perceptions of service delivered is highest level of private sector banks. Some worth studies relating to the present topics are reviewed here
N.S. Varghese (2013) ^[1] - It is the opinions of new

generation private sector banks with their latest technology are able to implement e-banking and highly preferred investor in the stock market. Some banks are point out the new generation of private sector banks like HDFC and ICICI.

Mini Joseph's (2014) [2] - In this view the new generation banks have created a spirit of competition in the banking industry by fully utilize the facilities available from technology and accepting the customer satisfaction as the main aspects. they are providing quality service now in a competitive spirit

Jamal and Naser (2015) [3] - customer response to questionnaire shows the customer expectations from the banking service quality provided by the banks are major parts of the customer satisfaction.

Bikram de (2016) [4] -The effects of ownership on banking performance. He compared old private sector banks and new generation banks in the terms of profitability, liquidity, efficiency.

Amit and anwarin (2017) - Most of the Indian banks are providing retail banking services like mobile banking, internet banking, multi city cheque facility, any branch banking and bill pay services and technology based services, banking are concentrating on business intelligence for providing better customer service.

Research methodology

The study is an empirical research based on the survey method. Primary data has been collected for the study. Primary data are collected from the customer of private

sector banks.

Primary data

In order to fulfill the objectives set, a sample study was undertaken by using well-framed questionnaire that was duly fulfilled by the respondents. The respondents with varying backgrounds were selected based on aspects such as their occupation, education, age.

Secondary data

The primary data was supplemented by secondary data. The secondary data pertaining to the study was gathered from the records of banking sectors, secondary data was collected from leading journals such as industrial researcher and economic survey report, the Indian journal of marketing.

- **Sampling**

The sample of 130 has been chosen randomly from different parts and different age range.

- **Sample size**

The sample size has been selected 130 randomly. It will allow study the in-depth on the survey for the customer satisfaction and preference to the banking sector. Increase in sample size will result in better understanding of customer satisfaction level. This sample size will bring actual result.

- **Tools**

Data analyzing tools are simple percentage and chi square.

Analysis and interpretation

Table 1: Demographic profile of the respondent

Demographic	No. of respondents	Percentage (%)	
Age	Below 20 years	24	18.4%
	21-30- years	58	45%
	31-40 years	24	18.4%
	Above 41 years	24	18.4%
Gender	Male	58	45%
	Female	72	55.3%
Marital status	Married	72	55.3%
	Unmarried	58	45%
Types of family	Joint family	68	52.3%
	Nuclear family	62	48%
Number of family members	2 members	44	34%
	3-4 members	42	32.3%
	5-6 members	22	17%
	Above 6	22	17%
Monthly income	Below 20000	48	37%
	20001-30000	28	21.5%
	30001-40000	22	17%
	Above 50001	32	25%
Educational qualification	Schooling	24	18.4%
	Professional	20	15.3%
	Under graduation	34	26.1%
	Post graduation	28	21.5%
	Diploma	24	18.4%
Occupational status	Student	20	15.3%
	Employee	36	28%
	Business	36	28%
	Other profession	38	29.2%
Area of residence	Rural	44	34%
	Urban	48	37%
	Semi-urban	38	29.2%

Source: Primary data

Table 1: It is clearly observed from the above table, 45% of the respondents belong to the age group of 21-30 years are choosing the private sector bank. It reveals that female is higher than the male respondents choosing the private sector banks. 37% of the respondent’s monthly income is below 20000.

Null Hypothesis 1

- There is significance association between age and satisfaction level of ATM services in private sector banks.

Chi-square value =38.06
 Table value = 30.1
 Significant level = 5% or 0.05

Result: Thus the X² value is higher than table value we reject the hypothesis. Therefore there is significant relationship between Age and satisfaction level of private sector banks.

Null Hypothesis 2

There is significance association between monthly income and bank account in private sector banks.

Chi-square value =28.68
 Table value = 25.0
 Significant level = 5% or 0.05

Result: Thus the X² value is higher than table value we reject the hypothesis. Therefore there is significant relationship between monthly income and bank accounts.

Table 2: Level of satisfaction

S.NO	Particular	Highly Satisfied	Satisfied	Neutral	Dis Satisfied	Highly Dis satisfied
1.	Infrastructure facility	66	32	18	8	6
2.	Provides adequate parking facility	40	46	22	16	6
3.	Image of bank	34	52	24	20	2
4.	Money transfer operation	38	30	32	22	8
5.	Promptness of services	32	28	30	22	18
6.	Operation of various scheme	28	28	30	34	10
7.	ATM services	24	42	26	24	14
8.	Security services	22	40	20	24	24
9.	Location of ATM	28	30	34	20	18
10.	Granting loans	16	34	50	22	10
11.	Technology services	10	44	28	32	16
12.	Low rate of interest for loan	42	22	14	14	38
13.	Overall satisfaction	32	36	27.3	21.5	14.1

Source: Primary data

Table 2: The above table state that the satisfaction level of the respondents. In which 25% of the respondents are highly satisfied, 28% of the respondents are satisfied, 21% of the

respondents are neutral 16.5% of the respondents are dis satisfied, 11% of the respondents are highly dis-satisfied.

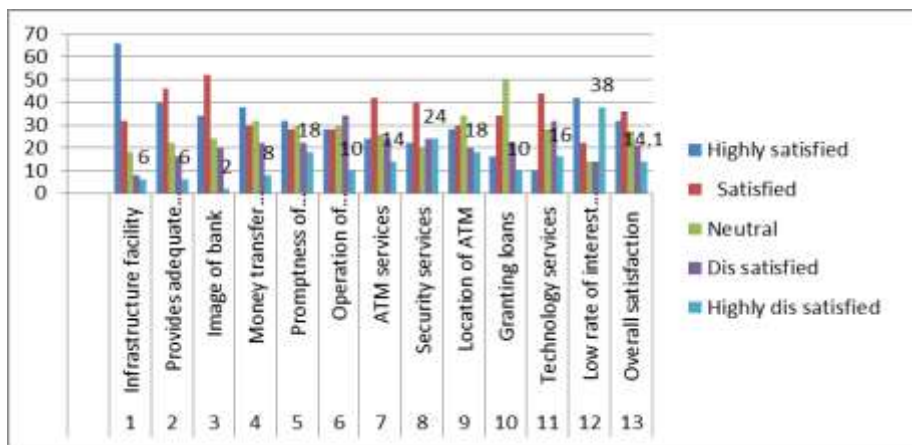


Fig 1

Table 3: Perception level in the private sector banks

S. No	particular	Strongly Agree	Agree	Neutral	Dis agree	Strongly dis agree
1.	You should feel secure in all your transaction	50	46	22	5	1
2.	Location of the bank	24	30	46	28	4
3.	Quick provision of services	44	16	28	16	26
4.	Indication of display board	76	20	24	8	4
5.	Neatness of entries in the passbook	32	14	40	34	10
6.	Promptly opening and closing of the branch as per time	12	32	42	36	8

Source: Primary data

Table 3: The above table state that the perception level of the respondents. In which 39% of the respondents are strongly agree, 26.3% of the respondents are agree, 34% of

the respondents are neutral, 21.1% of the respondents are dis agree, 9% of the respondents are strongly dis agree.

Table 4: Problems faced by the customer

S.NO	Particular	Strongly Agree	Agree	Neutral	Dis agree	Strongly dis agree
1.	Execution of standing instruction	72	34	14	10	2
2.	Delay of grant loan	40	26	32	28	4
3.	High rate of charges	26	36	50	14	4
4.	Malfunctioning of ATM	24	22	42	24	18
5.	Delayed transaction	22	38	22	30	18

Source: primary data

Table 4: The above table state that the problems faced by the respondents. In which 37% of the respondents are strongly agree , 31.2% of the respondents are agree, 32% of the respondents are neutral, 22.2% of the respondents are dis agree, 9.2% of the respondents are strongly dis agree.

Suggestions and conclusion

Suggestions

- Keep clear advertisement and notice display regarding the required documents requiring for applying for loan.
- The private banks should reduce their service charges.
- No limit on cash withdrawals on ATM cards.
- The branch should be promoted cooperation and coordination among employees which help them in efficient working.
- Internet banking facility must be made available in all the private banks.
- Each section of every private bank should be computerized even in rural areas also.

Conclusion

Customers are the most important assets of any concern. The success and failure of any business depends upon how far they are satisfied with their expectations banks are an important social organization rendering various financial service to its customers in the service sector, banking sector occupies key role both in the development of economy of the country and in the development of individual customers in their activities and their social life.

Private sector banks should concentrate on their weak areas in order to meet their customer expectations and this study provides few recommendations to private sector bank services and to take suitable decision to improve their services and to create satisfied customers. Private sector banks provide maximum service at their minimum cost in the day to day transaction.

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