



A STUDY OF CUSTOMER PERCEPTIONS OF SERVICE RENDERED BY THE COMMERCIAL BANK IN THENI DISTRICT

K.Mathankumar* **Dr. S.Balamurugan****

**Assistant Professor, PG and Research Department of Commerce, C.P.A College, Bodinayakanur.*

***Vice-Principal and Head, Associate Professor, PG and Research Department of Commerce, C.P.A College, Bodinayakanur.*

Abstract

This research paper is based on the customers' satisfaction in Commercial Bank Theni District. The objective is the level of satisfaction of customers towards Commercial Bank. The study was conducted among all the branches in Theni District. The present study is an earnest and sincere effort to survey, analyze and evaluate the level of satisfaction of customers towards the services provided by Commercial Bank in an area like Theni which is essentially a place gaining economic importance in the state of Tamil Nadu in recent times. Chi-square test is used to find out the level of satisfaction. This study surveyed 180 customers opinions to determine the satisfaction level regarding Commercial Bank in Theni District. Finally conclusions are drawn and suggestions are offered.

Keywords: Commercial Bank, Chi-Square, Customer Satisfaction.

Introduction

Indian banking industry has undergone tremendous changes ever since its origin in Indian soil. "Money makes money" is the basic idea of banking business. Banking sector as a whole takes a different form and structure over a period of its growth keeping its core business of "accepting deposits from public for the purpose of lending" intact. Inevitably this basic business function itself has to adopt more sophistication in order to achieve the twin objectives of conceptualization the whole lot of banking function so as to make it more affordable to common man and to achieve the maximum return on investment (ROI) under the present competitive environment.

Originally the commercial banks in India were established under the private sector, Infact, they were intended to serve a few selected groups of people. Over the period of time, the scope of banking business has widened to serve thousands and thousands of people but still there is a large scope for extension. Interestingly, the size and volume of banking companies were increasing on the one hand and the number of banking failures was also increasing on the other. Only in 1969 and shortly there after, major banking companies in India were nationalised in order to accumulate national resources and to channelize them towards more productive activities. This radical change facilitates to extend the banking function to all knooks and corners of the country to cater to the needs of both "haves and have nots" equitably and judicially. All barriers in opening new branches have been removed and India becomes one of the countries having best banking system all over the world.

The banking activities have been undergone tremendous changes all over the world due to information technological revolution. More changes become inevitable to face the change reposed by new developments triggered by the entry of private and foreign banks in to India. The liberalization process initiated by the government of India has also brought about technological up gradation in financial sector as a whole. As a result, state-of- art technology is bound to be adopted in addition to the automating antiquated process. Speed and accuracy with which the financial data are processed due to the application of information technology offers the banking sector an opportunity to cope with



information explosion. Recent development in the Indian political scenario also which altered the edifice of financial structure through the introduction of a new way of taxation (GST) replacing the conventional one and de-monetization has also made great impact. No need to say print all these developments involved heavy capital investments in the form of sophisticated infrastructure facility as well as well-trained man power forces. Apart from these, the potential threat that may be encountered due to the inherent features in the form of cybercrime coupled with ignorance of customers, being vast majority of banking customers are still lagging behind the technical the usages of technical peripherals for their banking uses.

Statement of the Problem

In all business, the customer should be recognized and treated in the way they like to be treated. The resources invested in customer service activities can be reliably and substantially a higher return than resources invested in promotion and other development activities. Further, the success of a banker largely depends upon his ability to render the service to satisfy their customer. This becomes possible to evaluate this aspect from five cardinal principles that are speed, timeliness, accuracy, courtesy and concern. Since customers are right on their part to demand efficient services from the banking institutions, Banks have universally been emphasizing the need for corrective steps like observance of time discipline in matter of cheques, collection of outstanding cheques, appraisal of credit proposals and the like. The endeavors however appear to be principally restricted over the counter services and time dominated activates. Beyond the pale of doubt, these services are important and they hit the customers immediately and adversely if those service are not upto their satisfaction. Nowadays the greatest challenge for the bank is to generate a high degree of customer satisfaction and to sustain it. To achieve this, a focus must shift from internal operations and their business to customers and external environments. To bring about such a transformation, a massive effort is called for. With this view, it was felt that collecting the views of customers of Commercial Bank which is considered as one of the 'third generation'. Therefore, the present study is an earnest and sincere effort to survey, analyze and evaluate the level of satisfaction of customers towards the services provided by the Commercial Bank in an area like Theni which is essentially a place gaining economic importance in the state of Tamil Nadu in recent times.

Review of literature

Chavda, Sandip. R (2015) In the analysis of the Level of customer satisfaction about branch location of public and private sector banks customers are good in public sector banks and customers are more satisfied compared to the private sector bank.¹

Amutha D (2016), In her article deals the consumers perception towards e-banking system related to consumer awareness towards e-banking system with special reference to Tuticorin District of Tamilnadu. It is found that 36.67% of the respondents income levels are up to Rs. 1,00,000, 52.22% of the respondents are Rs. 1,00,001 to Rs. 3,00,000 and 11.11% respondents are belonging to above Rs. 3,00,000 and the average income is 167222. The study reveals that, the opinion of customers on future expectations. Out of the total respondents, Majority (i.e.) 58.89% of the sample respondents have mentioned that they would like operate their banking transactions in a core banking environment which is free from neither technical intervention such as computer connecting nor 23.33% of the samples respondents expect the bank will provide security. 17.78% of the sample respondents have stated reasonable charges have to be imposed on their banking transaction. The main difficulty for using the E-banking facility is less knowledge about the operations of banking facility (50%).²



May Wang , Stella Cho , Trey Denton, (2017) The results indicated that personalization leads to increased performance expectancy and decreased effort expectancy, which in turn lead to increasing intention to continue to use e-banking services. In addition, compatibility with previous e-banking experience and personalization produces an interaction effect on both performance expectancy and effort expectancy.³

Gupta Vijay Prakash (2018) It is found that the customer's satisfaction level is highly and positively influenced by customer's perceptions regarding the adequacy of services rendered by the banks.⁴

Dipa Mulia , Hardius Usman, Novia Budi Parwanto, (2020), the study deals with Customer intimacy not only encourages the emergence of customer loyalty directly, but also affects the factors that determine customer loyalty itself, such as perceived usefulness, perceived ease of use, perceived risk, trust, sharia compliance and satisfaction. In other words, customer intimacy has a direct and indirect influence on loyalty.⁵

Scope of the study

The study is designed to throw light on the various aspects of customer services rendered by the Commercial Bank in Theni and to know to what extent the branch has respected customer's preferences. This study covers the transaction made by customers that are directly related with the bank such as depositing cash, encashing cheques and receiving of loans. Effort has been taken to find out the level of customer satisfaction in the following transactions involved by the customers in the branch in opening of an account, Depositing money, Withdrawing cash, Encashing cheques, Collecting of Cheque and Raising Loan. Also efforts were made to extend the scope to cover the experiences of the customers including all categories in order to derive inference on the results with regards to the efficiency of the customer services.

Objectives

To determine the level of satisfaction of customers towards Commercial Bank.

Methodology

The present study is an empirical case study primarily based on survey method. Data were collected from the customers and executives of the bank selected for the study and based on the both primary and secondary data. Data were collected with the help of a well-constructed interview schedule. Due care was taken to include representation of businessmen, professional people, private and government employees. Also some information about the customer of the bank has been collected from the second level officers of the Commercial Bank in Theni. The secondary data for the study was collected from sources like Journals, Newspaper, Magazine and Websites.

Tools of Analysis

Chi-square test is used to find out the level of satisfaction and percentage analysis to find out the Demographic Consideration of Commercial Banks in the study area

Period of the Study

As far as the primary data are concerned, the fieldwork was carried out during the month of August 2023 – December 2023.



Sampling Design

Since the study was concerned with the customers satisfaction in the commercial banks at Theni district. The sample size taken up for the limited to one eighty (180) customers of State Bank of India and ICICI bank the researcher used convenient sampling technique. However an accurate data relating to active account holders could not be gathered. The present study includes a sample size of 180 respondents of the bank. All these respondents were selected in a random and convenient manner form the overall list of customers of the bank.

Hypotheses of the study

There is no significant relationship between gender, age, literacy level, occupation, income and marital status of the respondents and their level of satisfaction towards the Commercial Bank’s customer services.

Limitations

This study has the following limitations

The study is taken from the limited sample and not from the whole population.

Due to a limited period, the samples are also found to be a limited one.

Result and Discussions

Table1: Demographic Consideration of the Respondents

Variables/Classification	No.of Respondents	Percentage
Gender		
Male	113	62.78
Female	67	37.22
Age		
20-30	59	32.78
30-40	67	37.22
40-50	32	17.78
Above 50	22	12.22
Marital Status		
Married	111	61.67
Unmarried	69	38.33
Occupational Level		
Business	28	15.56
Agriculture	11	6.11
Professional	37	20.56
Government Employee	65	36.11
Private Employee	39	21.67
Educational		
School	27	15
Diploma	29	16.11
Under graduate	56	31.11
Post graduate	37	20.56
Professional	31	17.22
Income Group		



Less than 20000	25	13.89
20000-30000	53	29.44
30000-40000	67	37.22
40000-50000	23	12.78
Above - 50000	12	6.67

Source: Primary Data

Table 1 that out of 180 respondents, 113 (62.78 %) respondents are male and 67 (37.22%) are female. 59 (32.78 %) respondents belong to the age group of 20-30 years, 67 (37.22 %) respondents come under the age group of 30-40 years, 32 (17.78 %) belong to the age group of 40-50 years and only 22 (12.22 %) respondents are above 50 years. Among 180 respondents 111 (61.67 %) respondents are married and remaining 69 (38.33 %) respondents are unmarried. Out of 180 respondents 28 (15.56 %) respondents are business people, followed by 65 (36.11 %) government Employee, 37 (20.56%), Professional, 39 (21.67 %) Private Employee and 11 (6.11%), Agriculture. 56(31.11%) respondents are under graduates, 37 (20.56%) are post graduate, 31 (17.22 %) are Professional, 27 (15 %) respondents are educated upto school level as well as Diploma Level is 29 (16.11%). The 67 (35%) of the respondents are in the income group of Rs.30,000-40,000, 53 (29.44 %) respondents come under the group of Rs.20,000 – 30,000 level, 25 (13.99 %) respondents have got below Rs.20,000, 23 (12.78%) respondents come under the group of Rs.40,000 – 50,000 and only 12 (6.67%) are in the income group of above Rs.50,000.

Analysis of Customer Satisfaction

For the purpose of analysing various characteristics of the sample respondents, percentage analysis was used. In order to analyse the level of satisfaction of Commercial Bank, Chi-square test was used. The level of satisfaction is determined by using three point scale. On the basis of scores obtained by each respondent, the respondents are grouped into high, medium and low level of stress by finding their average scores and standard deviation. Arithmetic Mean (\bar{x}) and Standard Deviation (σ) of the total score of 180 respondents were computed. Scores above or equal to $\bar{x} + \sigma$ are considered to be of 'high level' stress, score less than or equal to $\bar{x} - \sigma$ are treated as the low level stress and the score in between ($\bar{x} + \sigma$) and ($\bar{x} - \sigma$) are considered as medium level.

The Table 2 Chi-Square Analysis

Hypothesis	Chi-Square Value		Degrees of Freedom	Hypothesis Rejected/Accepted
	Calculated Value	Table value		
Gender and their level of Satisfaction	3.253	5.99	2	Accepted
Age and the customer satisfaction	10.45	12.6	6	Accepted
Marital status and customer satisfaction	11.174	5.99	2	Rejected
Educational level and level of Satisfaction	5.47	15.5	8	Accepted
Occupation and level of satisfaction	33.19	15.5	8	Rejected
Income level and level of satisfaction	11.28	15.5	8	Accepted

Sources: Primary Data



It is inferred from table 2 that calculated the value of gender, age, educational level and income is less than the table value. Hence, the hypothesis is accepted. From the chi-square test, it is found out that there is no relationship between the gender, age, educational level, income and customer satisfaction. From the above analysis, it is found that the calculated value exceeds the table value, the null hypothesis is rejected. The occupation and level of satisfaction and marital status and customer satisfaction has a significant relationship.

Suggestions

Since the customer does not know all the services, it is suggested that the bank may bring out some suitable brochures and pamphlets highlighting each and every service rendered by the bank.

- The management may introduce a suggestion book to know the customers' ideas, opinions, dealers and requirement so as to take follow-up action on the specific suggestion.
- “Service delayed is service denied”. So, the banker is expected to serve the customers without any delay and it is advisable to follow the ‘Time Management Principles’ consistently.
- The formalities regarding opening an account and availing loans should clearly be informed to the customer, which will reduce the unnecessary wastage of time.
- Proper training should be given to the staff at the operational level for giving efficient service to the customers.
- There is a significant relationship between occupation, marital status and level of satisfaction towards the customer services, due to huge service charges levied by the bank and followed complex procedures for getting loans and advances.
- Communication is the key to the success of the banking services. The bank should lay more emphasis on communication with the customers on regular basis by means of customer meet, appraising them with latest schemes, advising them in investment and so on, through circulars and news articles in the newspapers.
- The concept of ‘Customer Relationship’ may also be introduced at each level in the bank. This can be very effectively achieved by going for customer surveys periodically at regular intervals. If there are certain complaints, those must be redressed at regular intervals to the satisfaction of the customers. More propaganda must be made through various media while introducing various new loan facilities and scheme to their customers.
- To overcome the problem of misuse of funds by some of the borrowers (if any), it is suggested that the bank shall enforce a strict control over the borrowers.
- Analyzing individual customer behavior and needs are other aspects which provide a reasonably good customer service.
- Along with the bank staff, there is a need for educating bank customers. Several customers are not aware of banking practices and hardly a few areas are aware of their rights. All India Depositor's Association is trying to educate the banking public.
- Sending greeting on birthdays, festive occasions, calling on customers at frequent intervals, wishing them success or congratulating them, etc are some techniques in cementing the relationship with customers.
- Customer service must match with marketing efforts otherwise the customer would remain a dissatisfied soul and all marketing efforts will go down in vain.



Conclusion

For the banking industry, prompt, accurate, quick and convenient delivery of service and schemes are very important. In order to complete the competitive situations, the bank should aim at customer's satisfaction. Commercial Bank mainly depends upon some elements viz, creation and delivery at of the service, creation of wide range of services, making them which all suitable to customer needs, making the services more convenient. These all are achieved by the Commercial Bank through implementation of latest technology and introduction of creating and new schemes. Commercial Bank has received immense freedom to dynamically scale up resources with the underlying platform and clustering solution, the bank has also been able to increase its productivity. Also Commercial Bank has been turned into an open source deliver after the success of call center facility. The conclusion derived by the study is that Commercial Bank can further improve its better customer service by giving importance to Customize Customer Relationship Management (CRM) to a high degree and by handling rapidly scaling call workload without any disruption in service. The findings of the study are expected to help the Commercial Bank towards maintaining its quality track and also in expanding its market.

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