PERCEPTION OF SELECT BANK CUSTOMERS ON VARIOUS SERVICES

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Abstract
Banks are the financial service firms, producing and selling professional management of the public's funds and performing many other roles in the economy. Earlier, the services offered by banks included currency exchange, savings deposits, discounting commercial notes and making business loans, supporting government activities with credit, safekeeping of valuables and certification of value, offering trust services, offering checking accounts (demand deposits) etc. The services banks have developed more recently are granting consumer loans, financial advising, offering equipment leasing, making venture capital loans, selling insurance services, selling retirement plans, offering security brokerage and security underwriting services. Customer satisfaction is one of the most important factors in business. When it comes to commercial banks, customer satisfaction level differentiates one bank from another, thus measuring customer satisfaction is exceedingly important. This is the reason why banks listen to customer requirements and complains. Profitable business cannot exist without satisfied customers, especially in service-oriented industries.

Keywords: Online Banking, Customer, Satisfaction.

Introduction
Banks are the most important financial institutions in the economy. They are the principal source of credit (loanable funds) for millions of families and for many units of government (school districts, cities, countries etc.). Banks play a major role in the economic development process. The country's economy depends upon the efficient functioning of the banking system.

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The Indian banking system had gone through a series of cries and consequent bank failures and thus its growth was quite slow during the first half of this century. But after Independence, the Indian banking 1 system has recorded rapid progress. This was due to planned economic growth, increase in money supply, growth of banking habit, control and guidance by the Reserve bank of India, and above all, nationalization of 14 banks in July 1969.

The bill introduced in the Legislative Assembly in 1933 resulted in creation of the Central Bank or Reserve Bank of India, which commenced its operations from 1st April 1935. The RBI performs almost all traditional central banking functions and also undertakes some developmental and promotional functions. In 1949, two major developments took place. First, the enactment of the

Research Paper
Impact Factor: 6.462
Peer Reviewed & Indexed Journal
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IJMSRR
E- ISSN - 2349-6746
ISSN -2349-6738

Banking Regulation Act, which gave extensive regulatory powers to the Reserve Bank of India over the commercial banks. Second, the nationalization of Reserve Bank, mainly to have close integration between the policies of the Reserve Bank and those of the Government. In terms of the Reserve Bank (Transfer to Public Ownership) Act, 1948, the entire share capital of the Bank was acquired by the Central Government. From 1 st January 1949, the Reserve Bank began functioning as a State-owned and State controlled Central Bank.2 These two major developments immediately after the attainment of independence period proved to be the turning points in India's Commercial Banking.

The Banking Regulation Act, 1949 defines Banking as "accepting, for the purpose of lending or investment of deposits of money from the 2 public, repayable on demand or otherwise and withdraw able by cheques, draft, and order or otherwise."

Commercial banks are organized on a joint stock company system, primarily for the purpose of earning a profit. The Indian joint-stock banks form an important constituent of the Indian Money market. A joint-stock bank may be defined as any company which accepts for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise. The joint-stock banks are classified by the Reserve Bank of India as scheduled banks and non-scheduled banks. Banks with a paid-up capital and reserves of over Rs.5 Lakhs and which are included in the second schedule of the Reserve Bank of India Act are known as scheduled banks while banks which do not fall under this category are known as non-scheduled banks. Indian joint-stock banks are only those scheduled banks registered under the Indian Companies Act.

Interlocking directorates (same person appointed as director for more than one bank) paved way of mismanagement.

A number of bank failures were also due to the negligence on the part of the bankers to maintain the liquidity of their assets in their greed to earn more profits.

The Indian joint-stock banks didn't do well from their inception till about the middle of the twentieth century. There were different long periods of slow growth and short periods of rapid growth of bank formations. Banking crisis and failures led to liquidation for many banks. The main reasons were insufficient paid-up capital and reserves and poor liquidity of assets, combination of trading with banking, reckless and injudicious lending, speculative investments, incompetent and dishonest management, absence of a central bank to supervise, guide and help other banks, and lack of suitable banking laws to regulate banking. The periodic failures of banks hampered greatly the growth of commercial banking in the country by hurting the public confidence in it. When India became independent in 1947, it inherited an extremely weak banking structure, with 640 banks out of which only 96 were scheduled banks and the rest were small non-scheduled banks. The banking facilities were heavily concentrated in metropolitan centers, cities and port towns, with a very high proportion of total advances growing to trade. However, the Banking Regulation Act, 1949 has been instrumental to foster a sound and healthy banking system in India by taking measures in past to reform the banking system.

Commercial banks and customer satisfaction
Customer satisfaction is one of the most important factors in business. When it comes to commercial banks, customer satisfaction level differentiates one bank from another, thus measuring customer

satisfaction is exceedingly important. (Zopounidis, 2012, 37.) This is the reason why banks listen to customer requirements and complains. Profitable business cannot exist without satisfied customers, especially in service-oriented industries.

"Customer satisfaction is measured at the individual level, but it is almost always reported at an aggregate level. It can be, and often is, measured along various dimensions. A hotel, for example, might ask customers to rate their experience with its front desk and check-in service, with the room, with the amenities in the room, with the restaurants, and so on.

Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses.

"Customer satisfaction provides a leading indicator of consumer purchase intentions and loyalty.‖ "Customer satisfaction data are among the most frequently collected indicators of market perceptions. Customer service is the provision of service to customers before, during and after a purchase. According to Turban et al. (2002), "Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation." Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's services.

Profile of Union Bank
Union Bank (BSE: 532418, NSE: ANDHRABANK) is a medium-sized public sector bank (PSB) of India, with a network of 2900 branches, 4 extension counters, 38 satellite offices and 3636 automated teller machines (ATMs) as of 31 sep 2018.[7] During 2011–12, the bank entered the states of Tripura and Himachal Pradesh. The bank now operates in 25 states and three Union Territories. Union Bank has its headquarters in Hyderabad, Telangana, India.

The Government of India owns 63.97% of its share capital as on 31 Dec 2015. The state owned Life Insurance Corporation of India holds 7.66% of the shares. The bank has done a total business of ₹3,106 billion (US$43 billion) and has earned a net profit of ₹5.40 billion (US$75 million) for the Financial Year 2015-16.

History
Bhogaraju Pattabhi Sitaramayya founded Union Bank in 1923 in Machilipatnam, Andhra Pradesh. The bank was registered on 20 November 1923 and commenced business on 28 November 1923 with a paid up capital of ₹100,000(US$1,400) and an authorised capital of ₹1 million (US$14,000) In 1956, linguistic division of States was promulgated and Hyderabad was made the capital of Andhra Pradesh. The registered office of the bank was subsequently shifted to Union Bank Buildings, Sultan Bazar, Hyderabad. In the second phase of nationalisation of commercial banks commenced in April 1980, the

bank became a wholly owned Government bank. In 1964, the bank merged with Bharat Lakshmi Bank and further consolidated its position in Andhra Pradesh.

India First Life Insurance Company is a life insurance company in India. It is a joint venture between two of India's public sector banks – Bank of Baroda (44%) and Union Bank (30%), and UK's financial and investment company Legal & General (26%). It was incorporated in November 2009. It has its headquarters in Mumbai. India First Life made more than ₹2 billion (US$28 million) in turnover in just four and half months since the insurance company became operational. India First Life insurance company is headquartered in Mumbai. India First is the first life insurance company to be recommended for ISO certification within 7 months of inception.

Product and Service
Union Bank introduced Internet Banking Facility (AB INFI-net) to all customers of cluster linked branches. Rail Ticket Booking Facility is made available to all debit card holders as well as to internet banking customers through IRCTC Website through a separate gateway. Corporate Website is available in English, Hindi and Telugu Languages communicating Bank's image and information. Bank has been given 'BEST BANK AWARD' a banking technology award by IDRBT, Hyderabad for extensive use of IT in Semi Urban and Rural Areas on 2 September 2006.[8] IBA Jointly with TFCI has conferred the Joint Runner-up Award to the Bank in the *Best Payments initiative* category in recognition of outstanding achievement of the Bank in promoting ATM Channel.

State Bank of India
The **State Bank of India** (**SBI**) is an Indian multinational, public Sector banking and financial services statutory body. It is a government corporation statutory body headquartered in Mumbai, Maharashtra. SBI is ranked as 216th in the *Fortune Global 500* list of the world's biggest corporations of 2018. It is the largest bank in India with a 23% market share in assets, besides a share of one-fourth of the total loan and deposits market.

The bank descends from the Bank of Calcutta, founded in 1806, via the Imperial Bank of India, making it the oldest commercial bank in the Indian subcontinent. The Bank of Madras merged into the other two "presidency banks" in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955. The Government of India took control of the Imperial Bank of India in 1955, with Reserve Bank of India (India's central bank) taking a 60% stake, renaming it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India.

The roots of the State Bank of India lie in the first decade of the 19th century when the Bank of Calcutta later renamed the Bank of Bengal, was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of royal charters. These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and the re-organised banking entity took as its name Imperial Bank of India. The Imperial Bank of India remained a joint stock company but without Government participation.

Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the Government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority.

In 1959, the government passed the State Bank of India (Subsidiary Banks) Act. This made eight banks that had belonged to princely states into subsidiaries of SBI. This was at the time of the first Five Year Plan, which prioritized the development of rural India. The government integrated these banks into the State Bank of India system to expand its rural outreach. In 1963 SBI merged State Bank of Jaipur (est. 1943) and State Bank of Bikaner (est.1944).

SBI has acquired local banks in rescues. The first was the Bank of Bihar (est. 1911), which SBI acquired in 1969, together with its 28 branches. The next year SBI acquired National Bank of Lahore (est. 1942), which had 24 branches. Five years later, in 1975, SBI acquired Krishnaram Baldeo Bank, which had been established in 1916 in Gwalior State, under the patronage of Maharaja Madho Rao Scindia. The bank had been the *Dukan Pichadi*, a small moneylender, owned by the Maharaja. The new bank's first manager was Jall N. Broacha, a Parsi. In 1985, SBI acquired the Bank of Cochin in Kerala, which had 120 branches. SBI was the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala.

There has been a proposal to merge all the associate banks into SBI to create a single very large bank and streamline operations.

The first step towards unification occurred on 13 August 2008 when State Bank of Saurashtra merged with SBI, reducing the number of associate state banks from seven to six. On 19 June 2009, the SBI board approved the absorption of State Bank of Indore. SBI holds 98.3% in State Bank of Indore. (Individuals who held the shares prior to its takeover by the government hold the balance of 1.7%.)

The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets will approach ₹10 trillion. The total assets of SBI and the State Bank of Indore were ₹9,981,190 million as of March 2009. The process of merging of State Bank of Indore was completed by April 2010, and the SBI Indore branches started functioning as SBI branches on 26 August 2010.

On 7 October 2013, Arundhati Bhattacharya became the first woman to be appointed Chairperson of the bank. Mrs. Bhattacharya received an extension of two years of service to merge into SBI the five remaining associated banks.

Objectives and Methodology
Measure Customer Satisfaction
Satisfied customers are central to optimal performance and financial returns. In many places of the world, business organizations have been elevating the role of the customer to that of a key stakeholder over the past twenty years. Customers are viewed as a group whose satisfaction with the enterprise must be incorporated in strategic planning efforts. Forward-looking companies are finding value in directly measuring and tracking customer satisfaction as an important strategic success indicator. Evidence is mounting that placing a high priority on customer satisfaction is critical to improved

organizational performance in a global market place. With better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. They can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out the path of future progress and improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company. When buyers are powerful, the health and strength of the company's relationship with its customers – its most critical economic asset – is its best predictor of the future. Assets on the balance sheet – basically assets of production – are good predictors only when buyers are weak. So it is no wonder that the relationship between those assets and future income is becoming more and more tenuous. As buyers become empowered, sellers have no choice but to adapt. Focusing on competition has its place, but with buyer power on the rise, it is more important to pay attention to the customer. Customer satisfaction is quite a complex issue and there is a lot of debate and confusion about what exactly is required and how to go about it. This article is an attempt to review the necessary requirements, and discuss the steps that need to be taken in order to measure and track customer satisfaction.

Objectives
1. To know the theoretical background of customer satisfaction
2. To Analyse the satisfaction level of customer in both Union Bank and State Bank of India
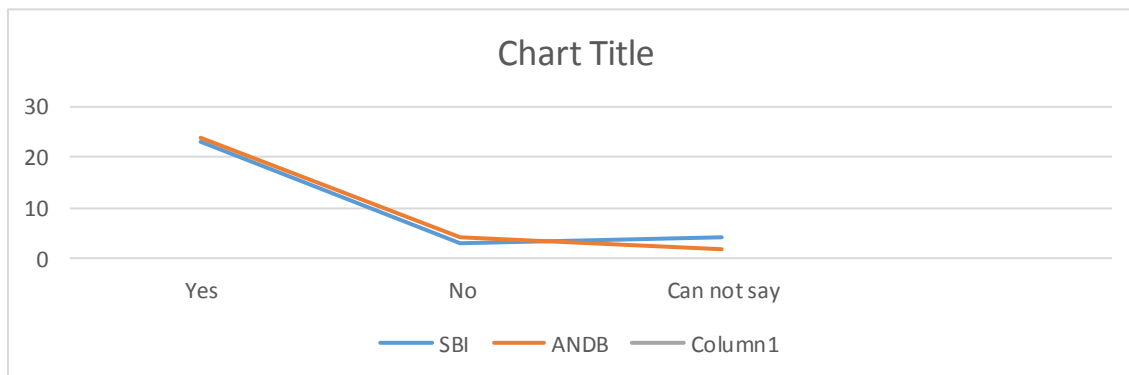
Methodology
Sample size
The present study is micro study. It only confined two banks like Union Bank, SV Puram, SK University, and another one is SBI, SK University. The sample size is 60, 30 from each bank.

Data collection
The study is based on the both primary and secondary. Primary data were collected from customer who are account holder in the two banks. The primary data were collected through interview schedule. The secondary data were collected from dailies, books, journals, and various reports.

Table 1, Are you satisfied with current service offering by the selected banks

S. No	Service	SBI	ANDB
1	Yes	23(77%)	24(80%)
2	No	3(10%)	4(13%)
3	Cannot say	4(13%)	2(7%)
	Total	30(100%)	30(100%)

Research Paper
Impact Factor: 6.462
Peer Reviewed & Indexed Journal
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IJMSRR
*E- ISSN - 2349-6746*
ISSN -2349-6738

The table discloses that opinion of the selected banks customer in the study area. It can be found that both customers are satisfied in current services rendering by the both SBI and Union Bank of India and it is noticed that 77 per cent and 24 per cent respectively.

Table 2 How many problems were faced by you last five years

S. No	Service	SBI	Union Bank (ANDB)
1	Once	2(7%)	3(10%)
2	1-5 times	13(43%)	12(40%)
3	5-10 times	7(23%)	5(17%)
4	More than ten times	8(27%)	10(33%)
5	Never	0	0
	Total	30(100%)	30(100%)
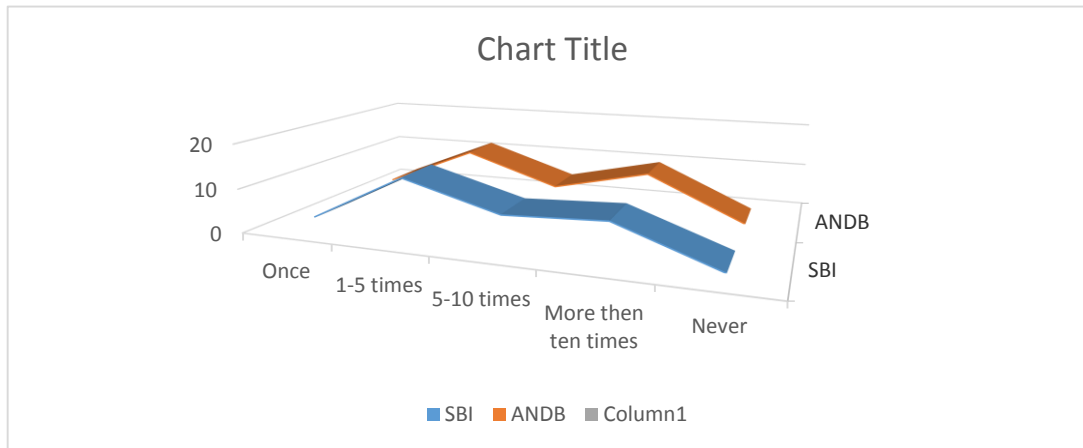
The above table demonstrated that the how many times were faced by the both customers and same is analysed and presented hereunder. It can be found that number of problems were found in high in Union Bank of India and indicated that 33 per cent while State Bank of India is 27 per cent in the study area.

Table 3 Opinion of the respondents on immediate addressed by the bank while any problems arsing

S. No	Service	SBI	Union Bank (ANDB)
1	Immediately	8(27%)	7(23%)
2	Within 24 hours	5(17%)	6(20%)
3	Within 48 hours	10(33%)	9(30%)
4	Within 3-5 days	5(17%)	6(20%)
5	More then a week	2(7%)	2(7%)
	Total	30(100%)	30(100%)

The researcher has collected data from the SBI and UBI customers on immediate addressed by the bank while any problem arising in the study area. It can be found that 27 per cent of the SBI customers and 23 per cent of the Union Bank of India customer were solved immediately of any problems of

Research Paper
Impact Factor: 6.462
Peer Reviewed & Indexed Journal
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IJMSRR
E- ISSN - 2349-6746
ISSN -2349-6738

their banks, 33 per cent of SBI customers, and 30 per cent of the Union Bank of India were stated that they have redressal of their problems within 48 hours accordingly.
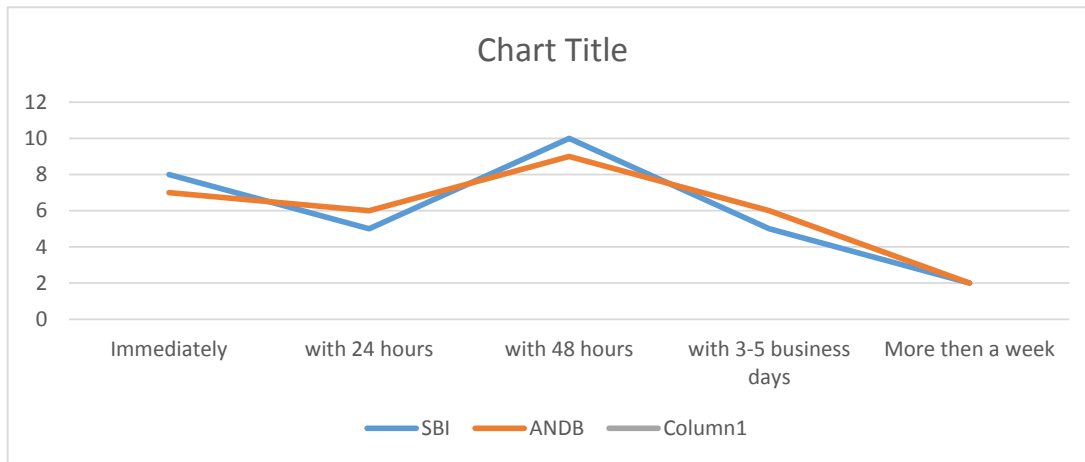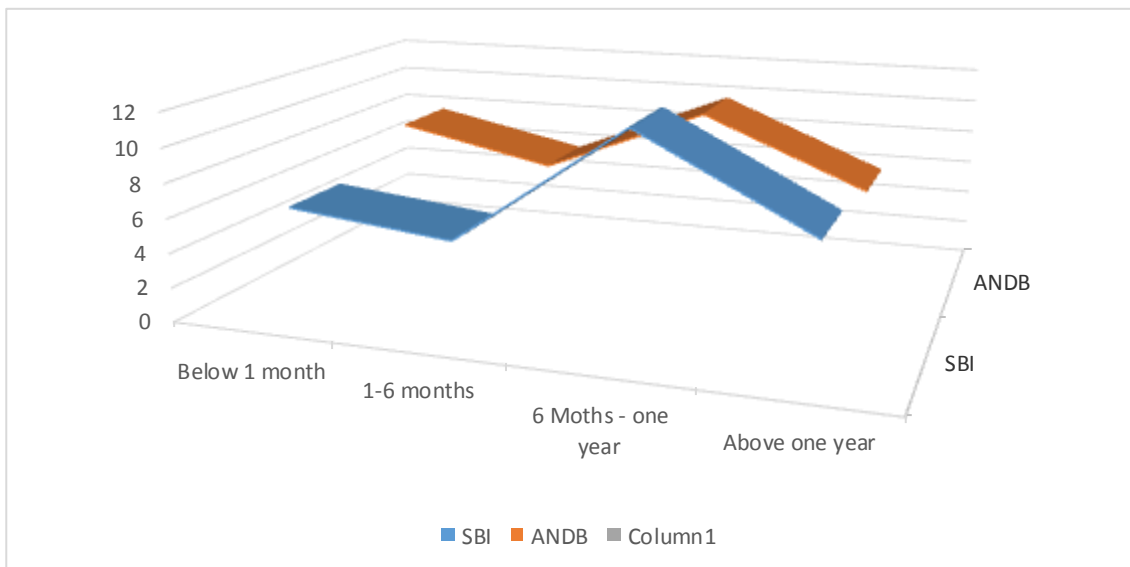

Table 4 how long using online banking with your bank

S. No	Service	SBI	Union Bank (ANDB)
1	Below 1 month	6(20%)	8(27%)
2	1-6 months	5(17%)	6(20%)
3	6months – 1 year	12(40%)	10(33%)
4	Above year	7(23%)	6(20%)
	Total	30(100%)	30(100%)

The researcher has collected the opinion online payments from the selected customers, analysed and presented hereunder. It can be found that forty per cent of the SBI customers have been using online payment ranges form six months to one year, folloed by above one year, below one month, and one to six months. While Union Bank customers were noticed that 33 per cent of them have been using six to

one year, and below one month by 27 per cent of the customer, and twenty per cent of them reported that between one to six month and above one years respectively.

Table 5 purpose of using online banking

S. No	Service	SBI	Union Bank (ANDB)
1	Online ticket booking	7(23%)	12(40%)
2	Online Bill Payment	18(60%)	10(33%)
3	Balance check	3(10%)	4(13%)
4	Request for a Cheque book	0	2(7%)
5	Others	2(7%)	2(7%)
	Total	30(100%)	30(100%)

The researcher has collected primary information regarding the purpose of using online banking from the selected two banks customers in the study area. It can be noticed that more than half of the percentage of respondents in SBI were used online bill payment purpose, 23 per cent of them have been using online ticket booking respectively. In case of the UBI customers point of view, 40 per cent of them have been using online banking for ticket booking and rest of them bill payment, balance check, cheque book and other purposes.
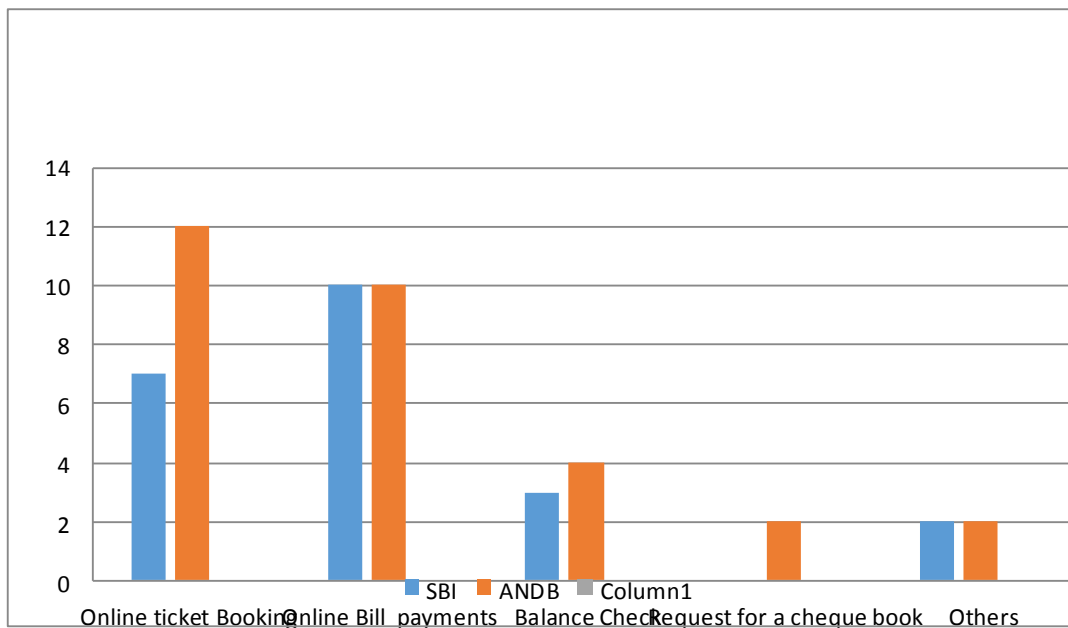

Table 6, Are you satisfied with online banking

S. No	Service	SBI	Union Bank (ANDB)
1	Yes	20(70%)	25(83%)
2	No	4(10%	3(10%)
3	Cannot say	6(20%)	2(7%)
	Total	30(100%)	30(100%)

The study found that the respondents have given their satisfaction on the online services in both selected banks in the study area. It is noticed that seventy per cent of the SBI customers were stated

that they are satisfied on online banking system, while 83 per cent of the Union bank were stated that they are satisfied on online banking.
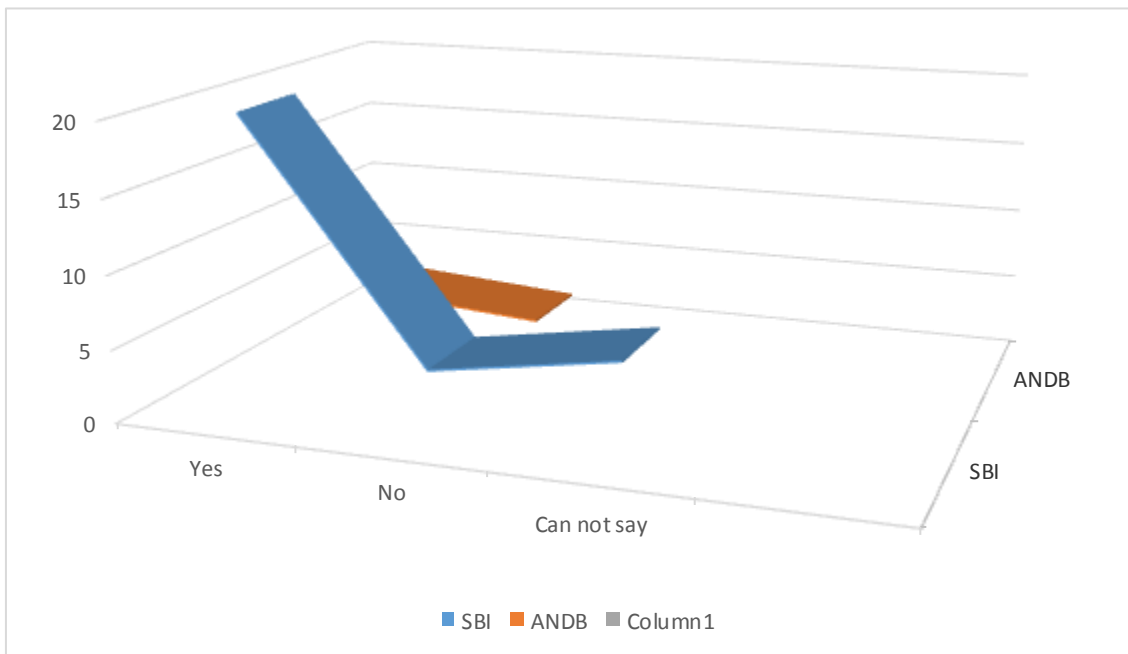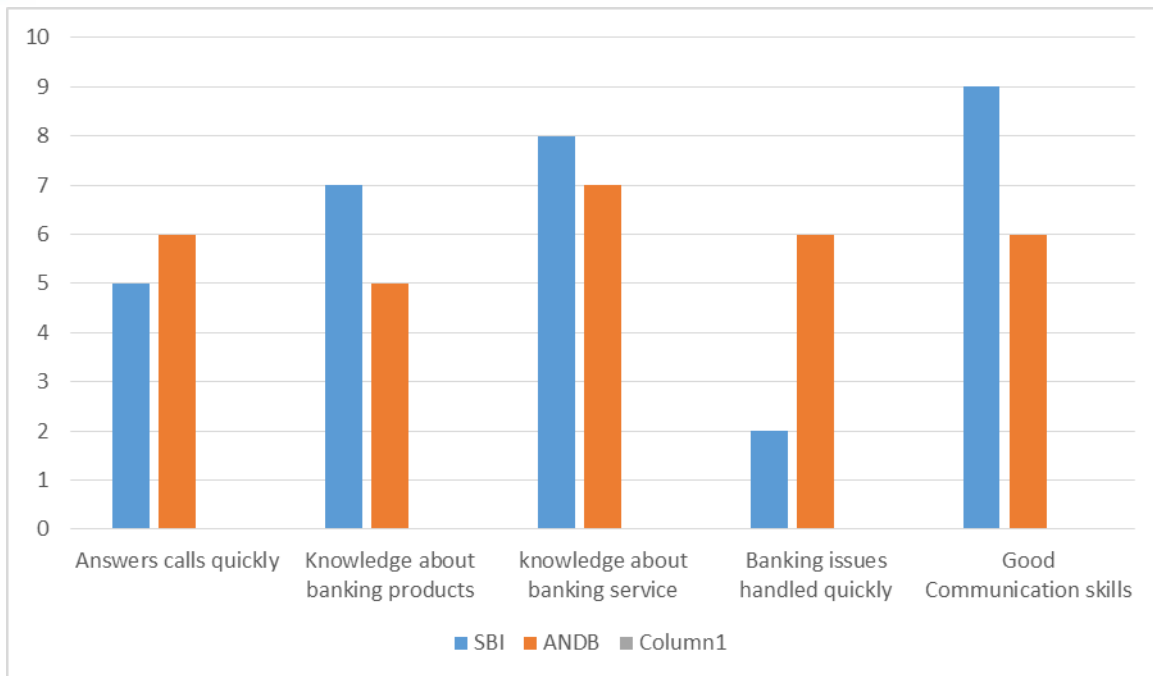

Table 7 are you receiving feedback from bank customer service representatives

S. No	Service	SBI	Union Bank (ANDB)
1	Answers calls Quickly	5(17%)	6(20%)
2	Knowledge about banking products	7(23%)	5(7%)
3	Knowledge about banking service	8(27%)	7(23%)
4	Banking issues handled quickly	2(7%)	6(20%)
5	Good Consumer Skills	9(30%)	6(20%)
	Total	30(100%)	30(100%)

The study found that the feedback has received by the customer from their respective banks after doing any transactions in the study area. It can be found that 17 per cent of the SBI officers have response immediately, 23 per cent of the respondents were stated that they provide necessary information regarding various policies and schemes, 27 per cent of them stated that problems handled quickly and 30 per cent of them says that their customer relations are very nice. While Union Bank of India customers, 23 per cent of them were stated that the bank were provide necessary information, answer quickly, issues were redressed quickly, and have good customer skills respectively.

Research Paper
Impact Factor: 6.462
Peer Reviewed & Indexed Journal
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IJMSRR
E- ISSN - 2349-6746
ISSN -2349-6738

Conclusions

The emerging competition and information technology has enhanced the expectations of bank's customers. Many banks are unable to meet the expectations of the customers and gap between the available facilities and expectations is widened. It is the utmost important to fulfill this widening gap. The new competition has raised many issues like, awareness regarding new technology, high cost in e-banks, customer's confidence in e-channels, capturing rural and semi-urban population, marketing with e-channels, changing customer profile, proper location of ATMs, lack of IT experts and IT related infrastructure for the Indian banking industry. These issues must be tackled very carefully and wisely to compete in the global market.

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