

CUSTOMER SATISFACTION AND PERCEPTION TOWARDS THE SERVICES OF CO-OPERATIVE BANKS: A CASE STUDY OF DISTRICT CENTRAL CO-OPERATIVE BANK, VIJAYAPUR, KARNATAKA

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ABSTRACT

A co-operative bank is an economic unit which belongs to its associate, similarly at the same time it belongs to the holder and the clients of their bank. These banks are normally shaped by personnel fit in to the same limited or qualified community or sharing a general interest. The co-operative banking sector in the Indian economy holds a distinct identity, as it is the only institution of micro credit dispersion. The extraordinary growth of co-operative enterprise in recent years is a positive evidence of the fact that among various financial institution agencies, they have been renowned as the best for supplying un-exploitative, cheap, sound and dynamic credit to small borrowers, professionals, artisans and the weaker sections of society. For the improvement of their performance or quality of services. The banks should measure how their products and services met or surpass customer expectations. This paper deals with the customer satisfaction and perception towards the services of Co-operative Banks with special reference to District Central Co-operative Bank, Vijayapur, Karnataka which are organized in financial services. Responses of 160 customers were randomly selected for knowing their familiarity with the bank. Responses of 160 customers were randomly selected for knowing their familiarity with the bank.

Keywords: Co-Operative Bank, Customer Satisfaction, Financial Services, Quality of Services.

Introduction

The co-operative banks are the important constituents of the Indian Financial System. These institutions were set up with an observation to provide credit to agriculturists at little rates of interest to free them from the control of the money lenders and to ensure that "credit" reaches the farmers, enabling them to meet their production needs so as to increase production and productivity in the rural areas. These objectives of the policy are still unchanged. Co-operative banks have taken part in an important role in the development of rural credit. These banks exist in each state of the country and have been functioning over a period of century.

Even if much smaller as match up to scheduled commercial banks, co-operative banks comprise a vital sector of the Indian banking structure. They have an wide division system and make out to public in a distant area. They have traditionally played an important role in creating banking and strengthening the rural credit delivery system.

Need for the Study

Due to certain changes in the banking sector and new economic policies, the co-operative sectors underwent a crisis. Similarly, the disappointment of some superior schedule banks and urban banks has also concerned the concentration of the public and raise the query of safety measures of their money. So that needs to find genuine fiscal constancy of the co-operative banks and guarantee depositor about the operational competency of the co-operative banks.

Unique features of the co-operative banks as compare to other banks have provoked the investigator to commence study on the satisfaction level of customer on the DCCB.

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Review Literature

Jain (2001) has accomplished a relative performance analysis of District Central Co-operative Banks (DCCBs) of Western India, namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have executed healthier in profitability and liquidity as compared to Gujarat and Maharashtra.

Shah Deepak (2007) investigated on a case study of Sangli and Buldana District Central Cooperative Banks on the subject of the financial health of credit cooperatives in Maharashtra and found NPA or over dues as major cause for declining in health of these banks. The study exposed that both these banks proved a turn down in their economic healthiness and economic feasibility throughout the late nineties as next to the early nineties era.

Mishra J.K. and Jain M. (2007) deliberated diverse dimensions of customer satisfaction in nationalized and private sector banks, the study accomplished that satisfaction of the customers is an very useful asset for the current organizations, provided that matchless cutthroat edge, it helps in creating long term connection as well as brand equity.

Chander and Chandel (2010) examined the financial competency and feasibility of HARCO Bank and created poor performance of the bank on capital adequacy, liquidity, making superiority and the management competency limit.

Statement of the Problem

The co-operative credit institutions have been facing innumerable prominent problems. Huge administrative expenses and lack of managerial skill of the employee are the major problems of the co-operative banks in India. Due to the lack of training and education to the staff. They are estimated to present improved services on par with the nationalized banks and yet better than them.

Competition is another force that makes the problem more acute. Coming out of the private banks as well as the overseas banks completed the accesses to banking services more simple than before particularly to the city people. On the other hand co-operative banks have had a boundary over others in terms of their closeness with the clients. It is essential for them to provide proficient services and also to succeed the self-confidence of the shareholders, depositors and the ordinary community by creating their financial position rewarding. But the existing circumstances expose a diverse situation. Poor performance in recovery of loans and sanction of loans without proper security and varying government strategies connecting to the approval and recovery of loans given to the people, approach of the debtors etc also create a main difficulty to the development and progress of co-operative banking organization in India.

Objectives of the Study

- To evaluate the satisfaction level of customers of DCCB.
- To study the various services provided by DCCB in Vijayapur District.

Scope of the Study

- The researcher has chosen District Central Co-operative Bank, Vijayapur for the study.
- The study is based on the primary data through questionnaire.
- The performance of the DCCB was measured through satisfaction level of customers.

Research Methodology

• Sources of Data

This study is based on primary and secondary data.

- The primary data collected over a well intended survey arranged and personal interview from the customer of the banks.
- Secondary data have been collected through published textbooks, journals, reports, published thesis and from online sources.

• Research Sampling

- Convenience random sampling method.

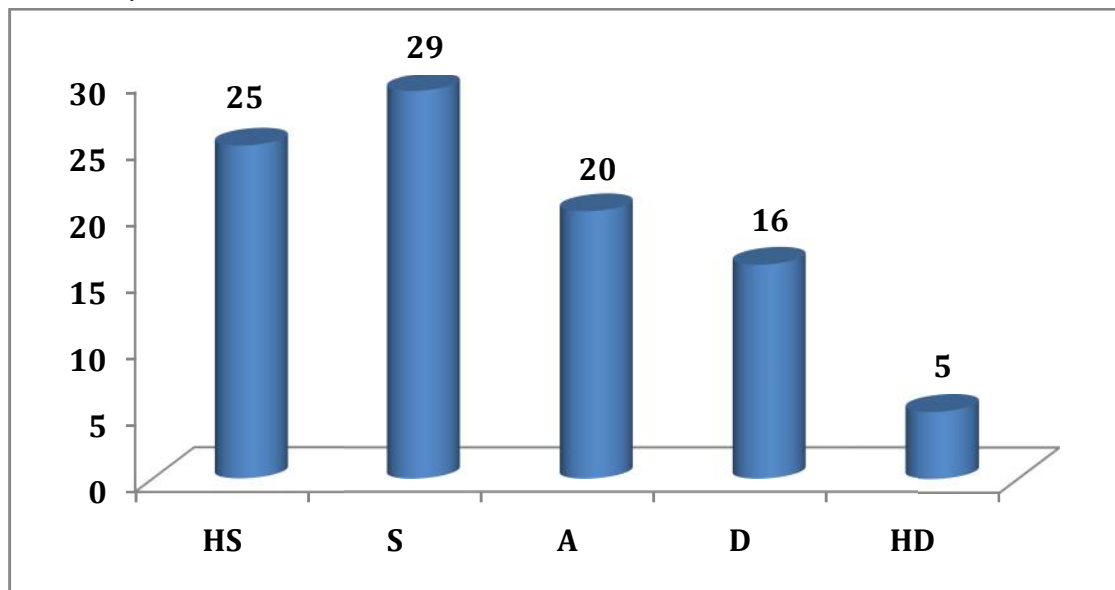
• Sample Size: 95 customers

Analysis and Interpretation

The view of the customers are revealed under difference heads which the information that, if the customers were satisfied with the services of District Central Co-operative Bank, Vijayapur or not. Customers' judgment about the services of the bank as reviewed as below:

Sl. No.	Factors	HS	S	A	D	HD
1	Physical infrastructure of the bank	29	50	4	7	5
2	Attitude and behavior of the employee	20	30	25	15	5
3	Modern equipment and technology used	15	25	20	15	20
4	Individual attention to customers	30	20	15	25	5
5	Convenience of working hours	26	30	18	19	2
6	Situated in a convenient place	20	20	38	16	1
7	E- payment services	15	20	30	24	6
8	Welcome complaints, criticism and respond positively	38	26	15	16	0
9	Customer friendly approach	23	38	16	14	4
10	Overall Service	32	30	15	12	6
	Average	25	29	20	16	5

Source: Primary data



The above table and graph depicts that the most of the customers of the bank are satisfied with the services of the District Co-operative Banks, Vijayapur. But some of the customers expressed some sort of highly dissatisfaction in modern equipment and technology used by the bank. The study proved that on an average the customers are highly satisfied with the overall services provided by the bank.

Limitations of the Study

- The present study is based on the District Central Co-operative Bank, Vijayapur only. As the size of the sample selected is very small, the limitations of a small sample applicable to this study.
- The study may have some unfair judgment as the respondents may have their own observation, notice, attitudes and like that is unavoidable in the learning.
- Satisfaction level may differ from individual to individual.
- The study of customers' satisfaction is stagnant in character; this may disclose some conflicting outcome.

Conclusion

The main aim of the study was to assess the service quality of banks and their impact on customer satisfaction. The study also tried to test the relationship that exists between customer satisfaction and loyalty. The study further depicts that the positive opinion towards the services of banks but the bank has to improve the modern equipment and technology. Gradually the co-operative banks should adopt more modern technologies for facing competition and make their services more qualitative one but the positive attitude towards the overall services from the services of the bank.

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