

A STUDY ON CUSTOMER SATISFACTION TOWARDS PERSONAL BANKING SERVICES WITH SPECIAL REFERENCE TO PRIVATE SECTOR BANKS IN DURG DISTRICT

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ABSTRACT

The present study evaluates the Customer Satisfaction towards Banking Services in Private Banks in Durg District. Customers are the key factor that management considers before implementing policies and establishing institutional framework. Customer's response on the satisfaction they obtain from consuming the commodities will determine whether a company delivers better services or not, as better degree of service quality leads to higher degree of customer satisfaction. Since, the customers are so essential in the business activity, it is important to always perform customer research. By conducting the field survey the primary data has been collected from 100 respondents randomly. Chi-Square test has been used to test the hypothesis. It is found that 27% of the respondents of Private Banks are highly satisfied, 33% of the respondents are satisfied, 18% of the respondents are neither satisfied nor dissatisfied, 17% of the respondents are dissatisfied and 5% of the respondents of Private Banks are highly dissatisfied with the banking services provided by their bank.

KEYWORDS: *Customer Satisfaction, Banking Services, Chi-Square Test, Primary Data, Service Quality.*

Introduction

The Indian banking sector have observed several favorable development over the past 10 years. The banking industry places a strong emphasis on customer service. It is dealing with a rapidly changing business environment, technological innovations, economic uncertainty, fierce competition, and increasingly demanding consumers. These sudden changes in the banking industry have resulted in the creation of an extremely challenging and sophisticated market. These advancements are forcing banks to constantly improve their service providing procedure in order to deal with the current situation. As a result, banks have improved current services and developed new ones. The pervasive utilization of advance technologies raised aspirations of consumers, particularly in terms of delivery of services frequency and reliability. Therefore, banks are searching for innovative forms to entice and sustain consumers, as well as attain a lucrative privilege over their rivals. As a result, consumers are becoming the focus point for either business expansion or consistency.

Banks also have begun to recognize that their success is dependent on quality of service and consumer satisfaction, prompting them to enhance consumer experience and strengthen consumer relationships. Consumer desires and necessitates are modifying, and this is the major factor of

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transformation. Consumers belong to town and cities are no longer willing to stand in long lines or devote their precious hours on banking transactions. This shift in consumer's attitude has coincided with the progress of ATMs, internet and mobile banking, as well as the availability of banking service right at the consumer's door. With the advent of worldwide banking, these institutions seek to deliver all banking products and services at one place, with an emphasis on the consumer. With the rise of economic restructuring throughout the world, and particularly in India, today's banks have sprung up in a substantial manner, focusing primarily on technological and consumer oriented concerns. Banks must establish sustainable and close relations with their consumers, emphasizing the significance of satisfaction of consumers. It is necessary to assess consumer sense of fulfilment. The approach of consumer satisfaction understanding is critical to creating and sustaining long-term relationships with consumers as well as long-term competitive intensity. Consumer satisfaction has been shown to have a quantifiable influence over buying behavior, consumer retention, and a company's economic performance. Consumer's desires, necessitates, and perceptions evolve at a rapid pace. As a result, what pleased and astonished them a short time ago may no longer gratify them now. Banks might not be able to deliver excellent services to consumers if they are unaware of their expectations. Consumer expectations can be determined by understanding consumer satisfaction levels. The level of consumer satisfaction must be measured as a result of this. Consumer satisfaction can't be evaluated without first determining the factors that influence it. This requires a thorough investigation of the variables that influence satisfaction of consumers. Private Banks provide corporate and retail consumers with a massive scope of banking products and services via a wide range of distribution mediums and specialized subsidiary companies in the fields of investment banking, insurance, venture funding, and wealth management. It has been observed that private banks are dedicatedly investing their efforts in delivering the best quality service to their consumers to gain their faith and to retain them because, a loyal and satisfied consumer will always contribute somehow towards the revenue of the bank.

Number of Private Sector Banks in Durg District

Table 1: No. of Pvt. Sector Banks in Durg District

S.No.	Name of the Bank	No. of Branches
1.	Axis Bank Ltd.	11
2.	Bandhan Bank Ltd.	02
3.	City Union Bank Ltd.	01
4.	DCB Bank Ltd.	01
5.	HDFC Bank Ltd.	11
6.	ICICI Bank Ltd.	08
7.	Indusind Bank Ltd.	04
8.	IDFC First Bank Ltd.	02
9.	Karnataka Bank Ltd.	01
10.	Kotak Mahindra Bank Ltd.	02
11.	RBL Bank Ltd.	01
12.	South Indian Bank Ltd.	01
13.	Yes Bank Ltd.	02
14.	IDBI Bank Ltd.	05

Source: durg.gov.in

From the above table it can be seen that, there are total 14 private sector banks present in the durg district. Axis Bank and HDFC Bank has 11 branches in durg district. ICICI Bank, IDBI Bank and Indusind Bank has 8, 5 and 4 branches in durg district respectively. Bandhan Bank, IDFC First Bank, Kotak Mahindra Bank and Yes Bank has 2 branches in durg district whereas City Union Bank, DCB Bank, Karnataka Bank, RBL Bank and South Indian Bank has 1 branch in durg district.

Services Offered by Private Sector Banks in Durg District

Banks offer several services in the form of Account Opening Services such as Savings Account, Salary Account and Current Account. It offers Investment and Deposit Services such as Fixed Deposit Account, Recurring Deposit Account and investment in several government schemes such as National Pension Scheme, Senior Citizen Saving Scheme, Public Provident Fund Account. Now, banks are also providing platform to its customers, so that the customers can invest in stocks and securities. Banks also offer several forms of loan such as Home Loan, Personal Loan, Automobile Loan, Loans against

securities, Education Loan, Gold Loan etc. Banks also provide Debit Card, Credit Card and Prepaid Card to its customers, by using these cards customers can avail several benefits in the form of Reward Points, Cash Back etc. To make bank transactions much easier, banks are providing Digital Banking Services in the form of Net Banking, Mobile Banking, Pockets etc.

Review of Literature

Dr. C. Pushpalatha (2016), the majority of survey participants choose ICICI Bank because it provides quick and efficient service to consumers. Participants were pleased with the core banking services delivered by ICICI Bank, but not so much with the additional fees. Because the necessity of minimum balance was observed to be the least inspiring determinant.

Dr. Deepak Mishra & Aayasha Nawaz (2018), the researchers attempted to comprehend the concept of consumer satisfaction in Indian banking, as well as to investigate the factors that may influence consumer satisfaction. The research is intended to assist improve understanding of consumer satisfaction in Indian banking. The qualitative methodology used, which was primarily focused on the Grounded Theory Method, allowed to grasp the level of consumer satisfaction from its fundamentals.

Dr. T. Aswatha Narayana, Seema Joseph & Mohan Kumar M.S. (2016), the study discovered that the most common issue consumers have with ATMs is that the machines are temporary not working due to technical issues, shortage of cash, and that most of the survey participants are satisfied with the availability of sufficient number of ATMs in their locality. However, the majority of survey participants are dissatisfied with the transaction costs levied by various banks for ATM service, as well as their mechanisms for dealing with consumer complaints. As a result, banks must focus on resolving the complaints of ATM consumers through effective dispute settlement methods in order to improve consumer satisfaction.

Objectives of the Study

- To identify the number of Private Sector Banks in Durg District.
- To depict the services offered by the Private Sector Banks in Durg District.
- To assess the level of Consumer Satisfaction towards Banking Services offered by the Private Sector Banks in Durg District on the basis of Demographic Variables.

Limitations of the Study

The primary data has been acquired for the study via a structured questionnaire that may suffers from the fundamental drawback of the likelihood of discrepancy among what is reported and what is true, regardless of how thoroughly the survey is handled. The current study may endure from this problem as well, because respondents may not have intentionally stated their genuine opinions due to prejudice. As a result, the research may contain components of prejudice, making it impossible to get at the actual scenario.

Research Methodology

Area of the Study

The present study has been conducted in the Durg District of Chhattisgarh State. The data has been collected from 175 respondents of which 109 are male and 66 are female who are having accounts with Private Sector Banks for making day to day transactions.

Research Design

This study is both descriptive and analytical in nature. The primary goal of descriptive research is to explain the data and characteristics of the subject under investigation.

Data Collection Procedure

Primary and secondary data were gathered for this analysis. Primary data was gathered through a structured questionnaire, while secondary data was gathered through reports of the Reserve Bank of India, research articles, several private banks website etc.

Analysis and Interpretation

A standardized questionnaire has been designed to assess the level of satisfaction among the respondents. These questions were focused on the several banking services, which were asked from 175 respondents of private sector bank's customer to assess their level of satisfaction. There are total 20 questions asked and each question is worth the same number of points. Those who scored above 90%

are labeled as highly satisfied, those who scored between 70% and 90% are labeled as satisfied, those who scored between 50% and 70% are labeled as neither satisfied nor dissatisfied, those who scored between 30% and 50% are labeled as dissatisfied, and those who scored less than 30% are labeled as highly dissatisfied.

Table 2: Showing Satisfaction Level of the Respondents

Satisfaction Level	No. of Respondents	Percentage
Highly Satisfied	47	27%
Satisfied	58	33%
Neither Satisfied nor Dissatisfied	32	18%
Dissatisfied	29	17%
Highly Dissatisfied	9	5%
Total	175	100%

Source: Field Survey

From table 2, it can be concluded that, 27% of the respondents of Private Banks are highly satisfied with the banking services provided by their bank. 33% of the respondents of Private Banks are satisfied with the banking services provided by their bank. 18% of the respondents of Private Banks are neither satisfied nor dissatisfied with the banking services provided by their bank. 17% of the respondents of Private Banks are dissatisfied with the banking services provided by their bank and 5% of the respondents of Private Banks are highly dissatisfied with the banking services provided by their bank.

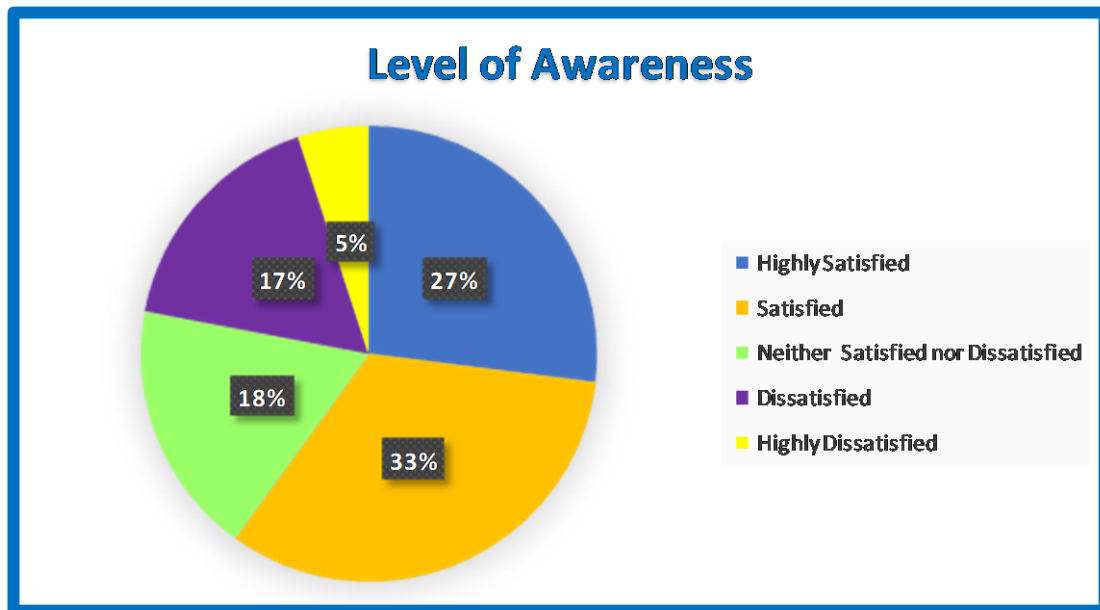


Figure 1: Showing Satisfaction Level of the Respondents

Hypothesis Testing

Based on the Objective *“to assess the level of customer satisfaction towards banking services offered by the Private Sector Banks in Durg District on the basis of Demographic Variables”* three demographic variables i.e. Gender, Age, and Level of Education are determined to analyze their significant association on level of satisfaction. Following hypothesis are formed to test the significant association:

Hypothesis

- H₀₁:** There is no significant association between Gender and Satisfaction level.
H₀₂: There is no significant association between Age and Satisfaction level.
H₀₃: There is no significant association between Level of education and Satisfaction level.

Chi-Square test has been used to test the hypothesis at the significance level of 5%.

Table 3: Showing Classification of Gender and its Significance on Satisfaction on the Respondents of Private Banks

Gender	Level of Satisfaction						Chi-square Value	Degree of Freedom	p-value	Result
	Highly Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Highly Dissatisfied	Total				
							5.45	4	0.244469	Accepted
Male	32	31	18	22	6	109				
Female	15	27	14	7	3	66				
Total	47	58	32	29	9	175				

Source: Field Survey

A test of independence was calculated comparing the Gender with Level of Satisfaction. Chi-Square Value = 5.45 (Degree of Freedom-4, N=175); p-value = 0.244469 which is greater than level of significance 0.05 i.e. $p > 0.05$. Hence, Null Hypothesis is accepted. So, there is no statistically significant association between Gender of the respondents of Private Banks and Satisfaction Level.

Table 4: Showing Classification of Age and its Significance on Satisfaction on the Respondents of Private Banks

Age	Level of Satisfaction						Chi-square Value	Degree of Freedom	p-value	Result
	Highly Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Highly Dissatisfied	Total				
							22.88	12	0.028760	Rejected
Below 25	9	16	14	8	2	49				
25-45	19	19	7	11	3	59				
45-60	16	6	5	6	3	36				
Above 60	3	17	6	4	1	31				
Total	47	58	32	29	9	175				

Source: Field Survey

A test of independence was calculated comparing the Age with Level of Satisfaction. Chi-Square Value = 22.88 (Degree of Freedom-12, N=175); p-value = 0.028760 which is smaller than level of significance 0.05 i.e. $p < 0.05$. Hence, Null Hypothesis is rejected. So, there is a statistically significant association between Age of the respondents of Private Banks and Satisfaction Level.

Table 4: Showing Classification of Level of Education and its Significance on Satisfaction on the Respondents of Private Banks

Level of Education	Level of Satisfaction						Chi-square Value	Degree of Freedom	p-value	Result
	Highly Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Highly Dissatisfied	Total				
							9.97	8	0.266990	Accepted
Up to 12	5	11	2	2	3	23				
Graduate	31	30	22	16	4	103				
P.G & Above	11	17	8	11	2	49				
Total	47	58	32	29	9	175				

Source: Field Survey

A test of independence was calculated comparing the Education with Level of Satisfaction. Chi-Square Value = 9.97 (Degree of Freedom-8, N=175); p-value = 0.266990 which is greater than level of significance 0.05 i.e. $p > 0.05$. Hence, Null Hypothesis is accepted. So, there is no statistically significant association between Level of Education of the respondents of Private Banks and Satisfaction Level.

Findings of the Study

- 27% of the respondents are highly satisfied towards Banking Services.
- 33% of the respondents are satisfied towards Banking Services.
- 18% of the respondents are neither satisfied nor dissatisfied towards Banking Services.
- 17% of the respondents are dissatisfied towards Banking Services.
- 5% of the respondents are highly dissatisfied towards Banking Services.
- There is no significant association among Gender, Level of Education of respondents and their Satisfaction Level.
- There is a significant association among Educational Level of respondents and their Satisfaction Level.

Conclusion

Banking is a client-oriented services industry; thus the customer is always at the forefront, and customer's satisfaction is the distinguishing element. Customer satisfaction is a business phrase that refers to how well a company's commodities and services fulfill or surpass the anticipations of its customers. The mindset of clients is influenced by the efficiency of services provided by a bank. A bank's bond with its customers isn't a one time or temporary one, but rather one that is generally persistent and ongoing. Customers want banks to treat them with respect in all of their interactions with them. Customer service that is both timely and efficient is critical to the banking industry's sustainability. Private Banks appear to have delighted their consumers with excellent service and have been efficient in maintaining their customers by offering effective amenities than public sector banks. Private Banks, on the other hand, still have a long way to go before being customers' first choice.

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