



A Study on Customer Satisfaction on Commercial Banks in Theni District



G. Pooranam^a
K. Nandhini^b

Article history:

Received: 1 August 2017

Revised: 20 January 2018

Approved: 28 January 2018

Published: 6 February 2018

Keywords:

Questionnaire survey;
Customer satisfaction;

Abstract

Banks play a very important role in the economic development of every modern state and country. Banks operate at the heart of the modern economy. Today's Business is continually looking for ways to achieve a competitive advantage. Banks essentially are a social organization which rendering financial services to subserve socio-economic objective of the society. Banking system occupies an important place in nation's economy. In this study, find out the customer satisfaction level of the Commercial banks in Theni District.

2395-7492© Copyright 2018. The Author.

This is an open-access article under the CC BY-SA license
(<https://creativecommons.org/licenses/by-sa/4.0/>)

All rights reserved.

Author correspondence:

G. Pooranam,
Nadar Saraswathi College of Arts & Science, Theni
Email address: nandhini13021995@gmail.com

1. Introduction

Banking is a customer-oriented services industry. Therefore, the customer is the focus, and customer service is the differentiating factors. The growth of deposit in a bank is turned with the efficiency of customer service. Realizing the importance of customer service in the bank. To make their recommendations to improve the same. In the changed environment creating new customers and retaining the existing ones have become difficult tasks for banks. To meet the competition, creating satisfaction of customers has become the primary objective of each bank. "A good bank is not only the financial heart of the community but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people."

History of commercial banks

Modern commercial banking made its beginning in India with the setting up of the first Presidency Bank, the Bank of Bengal, in Calcutta in 1806. Two other Presidency Banks were set up in Bombay and Madras in 1840 and 1843 respectively. They were private shareholders' banks, though the East India Company also contributed to the share capital of each of them. The bulk of the share capital had come from private shareholders, mostly Europeans.

^a Nadar Saraswathi College of Arts & Science, Theni

^b Nadar Saraswathi College of Arts & Science, Theni

These banks were given monopoly of government banking. After 1823, they were also given the right of note issue. This right was, however, taken over by the government in 1862. They were amalgamated into the Imperial Bank of India in 1921, which was nationalized into the State Bank of India in 1955. The banking facilities were heavily concentrated in metropolitan centers, cities, and port towns, with a very high proportion of total advances going to trade.

Review of literature

Prabha, Divya et al. (2006), in their study analyzed the service quality perceptions of the corporate customers in Coimbatore regarding the services provided by their banks. For the study, they considered both product and service based sectors and SERVQUAL scale based questionnaire for the survey. By this study, it has been revealed that even though customers are more satisfied with the competence and customer orientedness dimensions of service quality, still banks need to focus upon the aspects of communication, modernization, and quickness of service.

Bhat, Mushtaq A. (2005) conducted a study to examine service quality in banks and its variation across demographic variables. The data required for the study has been collected from 800 customers of five different banks, viz., State Bank of India, Punjab National Bank, Jammu & Kashmir Bank, City Bank and SCGB, scattered over four northern states of India. The study revealed that service quality of foreign banks is comparatively much better than that of Indian Banks and there are service quality variations across demographic variables like age, income, occupation, geographic location of banks, etc.

Statement of the Problem

The present study “Customer satisfaction on commercial banks in Theni district” seeks to address some factors and unexplained occurrences present in commercial banks. The main objective of this research is to analyze and assess the satisfaction level from the customer. In this research, the researcher focuses on the customer satisfaction level. Due to demonetization, the need for the bank is raised. Banks are in a position to satisfy this need. Now a day the banks are customer oriented. The changed environment creating new customers and retaining the existing ones have become difficult tasks for banks. To meet the competition, creating satisfaction of customers has become the primary objective of each bank.

Scope of the study

The study is based on the interview method. This study covers” A Study on customer satisfaction on commercial banks in Theni district.”

Objectives of the study

The following are the objectives for this study.

- a) To analyze the customer satisfaction on commercial banks in Theni District.
- b) To study the perception of different age groups towards bank customer avenues.
- c) To study the customer satisfaction level of commercial bank by assessing and interviewing customers from different establishments.
- d) To provide a set of empirical data that can link relationships for customer level of satisfaction.

2. Research Methods

Data Collection

Both primary and secondary data used in in the present study.

- a) Primary data collected through a personal interview in the form of questionnaire form 80 respondents.
- b) Secondary data collected from various journals, books, magazines.

Tools for Analysis

The collected data has been analyzed by using following statistical tools:

- a) Percentage Analysis
- b) Garrett Ranking
- c) Likert Scaling
- d) Chi-square

Limitation of the study

- The study is limited to respondents from Theni district.
- This project concentrates on the services given to the customer in general. Therefore, it is difficult to study the view of the customers towards one particular service.
- It was difficult to study what happens to customer satisfaction when we initially perceive a service provider as being less than general than overtime, that service provide warms up unexpectedly.

3. Results and Analysis

Socio-Economic status of the respondents

Table 1
Socio-Economic status of the respondents

Gender			
Variables	Categories	No of respondents	Percentage
Sex	Male	27	34
	Female	53	66
Age of the respondents			
Age	18-30years	49	61
	30-40 years	19	24
	40-50 years	11	14
	above 50 years	1	1
Educational Qualification of the respondents			
Educational Qualification	Up to school level	3	14
	Diploma/Technical	11	24
	Under graduate	13	21
	Professional	33	41
Occupation of the respondents			
Occupation	Business	17	21
	Government employee	25	31
	Private employee	26	33
	House wife	12	15
Monthly income of the respondents			
Monthly income	Below Rs.7000	10	12
	Rs7001-Rs15000	15	19
	Rs15001-Rs20000	27	34
	Above Rs 25000	28	35

From the above Table 1 interpret that majority of the respondents (66%) is under Female category, (61%) respondents are under age group of 18-30years; Under education qualification of the respondents, most of the respondents are (24%) having the qualification of Diploma/Technical, (33%) of the respondents are doing the private employee, (35%) of the respondents having monthly Income above 25000.

Satisfaction Factors Analysis

Likert Scaling Techniques

Rensis Linker's was instruments in developing summated rating scale based on item analysis. Likert scale is by for the most popular of all measurement scales. It is meant for measuring original attributes like attitudes. It is designed to measure the intensity with which an attitude is expressed. This scale consists of a number of statements which express either a favorable or unfavorable attribute towards the object of the study. The respondents are asked to respond to each statement in terms of 5 degrees of satisfaction.

As 5 point Likert's scaling technique is used to find out the most satisfied factor, points were given as below.

Highly Satisfied – 5 Points

Satisfied – 4 Points

Moderate – 3 Points

Dissatisfied – 2 Points

Highly dissatisfied – 1 Point

Satisfaction Level of present practices in commercial banks

The following table 2.1 indicates that ranks of level of satisfaction of the respondents. The process of account opening main factor for satisfaction; ATM facility is the second factor for satisfaction; Charges is the third reason for satisfaction in commercial banks; Location & Mobile banking is fourth reason for satisfaction; Process of loan are the sixth reason for satisfaction; Online banking is the seventh reason for satisfaction in commercial banks.

Table 2
Customer Satisfaction on Commercial Banks

S. No	Factors	Highly satisfied (5)	Satisfied (4)	Moderate (3)	Dissatisfied (2)	Highly Dissatisfied (1)	Total	Rank
1.	Process of account opening	61	16	2	1	0	377	I
		305	64	6	2	0		
2.	Working hours	19	36	21	2	2	308	VI
		95	144	63	4	2		
3.	Location	32	19	24	5	0	318	IV
		160	76	72	10	0		
4.	Process of loan	31	24	10	12	3	308	VI
		155	96	30	24	3		
5.	Charges	30	30	11	5	4	321	III
		150	120	33	10	8		
6.	ATM facility	32	28	16	3	1	327	II
		160	112	48	6	1		
7.	Mobile banking	34	23	13	7	3	318	IV
		170	92	39	14	3		
8.	Online banking	26	24	18	10	2	302	VII
		130	96	54	20	2		

(Source: Computed data)

Ranking method it is used to analyze the main functions of commercial banks.

Table 3
Factors influence the respondents to functional services in commercial banks

Factors	Score	78	65	57	50	42	34	21	Total	Arithmetic Mean	Rank
Traveller cheque	F	13	9	13	8	12	11	14	80	48.9%	IV
	Fx	1014	585	741	400	504	374	294	3912		
Insurance premium	F	12	12	10	12	13	12	9	80	50.36%	III
	Fx	936	780	570	600	546	408	189	4029		
Payment of Electricity bill	F	8	15	12	11	11	10	13	80	48.86%	V
	Fx	624	976	684	550	462	340	273	3909		
Collection of bills	F	15	13	11	14	7	10	10	80	52.32%	I
	Fx	1170	845	627	700	294	340	210	4186		
Locker facility	F	8	8	11	10	15	14	14	80	45.81%	VII
	Fx	624	520	627	500	630	476	294	3665		
Fund transfer	F	15	14	9	7	16	12	7	80	52.12%	II
	Fx	1170	910	513	350	672	408	147	4170		
O/D facilities	F	9	9	14	18	6	11	13	80	48.55%	VI
	Fx	702	585	798	900	252	374	273	3884		

(Source: Computed data)

The above table 3.1 shows that the services available in banks. Collection of bills scores the highest percentage and also gets the 1st rank (4186). The Fund transfer scores the second percentage and also got 2nd rank (4170). Insurance premium scores the third percentage and also got 3rd rank (4029). Traveller cheque scores the fourth percentage and also got 4th rank (3912). Payment of Electricity bill scores the 5th percentage and also got 5th rank (3909). O/D facilities scores 6th percentage and also got 6th rank (3884). And Locker facility scores the 7th percentage and also got 7th rank (3665).

Findings

By applying various statistical measures for analyzing the primary data collected from the 80 respondents regarding A Study on Customer Satisfaction on Commercial Banks in Theni District, the researcher's findings were:

- 1) Out of 80 respondents 66 % of the respondents are female.
- 2) Out of 80 respondents 61 % belongs to the age group between 18-30 years.
- 3) Majority of the respondents 55 % are unmarried.
- 4) 41 % of the customers are professional course.
- 5) Out of 80 respondents 35% of the respondents having earnings of above 25000.
- 6) Out of 80 respondents 33 % of the respondents are in private employee.

4. Conclusion

Banks play an active role in the economic development of a country. Customer satisfaction is the most motivated factor of the commercial bank. The study found that respondents of most people are happy with ATM facility. Commercial banks have faced better in many areas due to exposure of best banking practices. However, commercial banks have turned a new leaf in accepting change and responding to competition after two decades of globalization. Commercial banks have been taking care their customers in a much better way. Banking services are become the touch point of the quality of the customer services. This study shows that only few of the respondents made complaints to their respective banks. This study concluded that commercial banks need to improve their way of communication with their customers.

Suggestion

From the study, after analyzing the data, the researcher gives the following suggestions:

- 1) Most of the house wife peoples don't have awareness about services from the commercial bank so the commercial banks give awareness about their new services or schemes through advertisements.
- 2) Most of the respondents are having savings account only. They not even have a fixed deposit so the banker has taken steps to make the people to open a fixed deposit account.
- 3) Most of the banks offering online banking facility to account holders. But they don't prefer online banking services. So the banker has taken steps to make the people to prefer online banking services or facilities.

Acknowledgements

The authors would like thanking Prof. Dr. Riyaz Sheikh Abdullah and Prof. Dr. Augustina Sackle for their valuable time and advice.

References

- A Study on customer Services in banks with reference to Virudhunagar District - S.Selvi
- Bhuvana, M., & Vasantha, S. (2016). Dimensions for measuring financial inclusion in the rural areas of Tamil Nadu. *Indian Journal of Science and Technology*, 9(32).
- Essa, A., & Ali, O. (2010). *Studies in Islamic Civilization: The Muslim Contribution to the Renaissance*. International Institute of Islamic Thought (IIIT).
- Kline, R. T. (2013). The Pen and the Sword: The People's Republic of China's Effort to Redefine the Exclusive Economic Zone through Maritime Lawfare and Military Enforcement. *Mil. L. Rev.*, 216, 122.
- Maheswari, V. (2013). Customers perception and satisfaction of Banking services a study with reference to nationalised commercial banks In madurai district.
- Meza, A. K. T., Freyre, J. R. A., Cevallos, M. G. O., & Pico, M. J. M. (2018). Autonomy, Good Humor and Support Networks, Potential of Community Resilience Intervention in People Victims of the Earthquake in the Calderón Parish. *International Research Journal of Management, IT and Social Sciences (IRJMIS)*, 5(1), 1-8.
- Rajeshwari, T. R. (1992). Employee stress: A study with reference to bank employees. *Indian Journal of Industrial Relations*, 419-429.
- Reddy, D. H. (2014). Relationship Marketing Practices In Selected Public sector Banks in Chittooor District.
- Student, C. R., & Hisar, H. PROCESS SCHEDULING ALGORITHMS: A REVIEW.
- Suresh, R. (2015). Regional Rural Banks and Their Performance—An Empirical Study. *Journal of Rural Development*, 34(3), 285-303.