

A STUDY ON CUSTOMERS SATISFACTION
TOWARDS SELECT PUBLIC SECTOR BANKS IN
COIMBATORE CITY

S.Pradeep*

Dr.D.Anusuya**

Abstract

Banking services are regarded as one of the important services. Banks provide financial services to the customers. Due to the rising competition and liberalization, the banking industry has become the buyer's market. Banks need to create and develop the services which can satisfy the consumer needs. Customer satisfaction is a very important construct in today's market and it is directly influenced by services rendered to the customers. Therefore, the research study has been carried out to analyze the customer satisfaction of selected public sector banks in the Coimbatore city. For this study, Bank of baroda, Bank of India, Canara bank, Punjab national bank and State bank of India has been selected, the questionnaire was framed to find the customers satisfaction and their preference towards the banks and the kinds of facilities they have been used. This study also analyse the customers satisfaction and problems faced by them. Based on the result of the study recommendation where are also given to the respective banks for their betterment .

Keywords: Banks, Banking Facilities and Customer Satisfaction

* Full time Research scholar, Department of Commerce, PSG Collage of Arts and Science, Coimbatore- 641 014

** Associate professor, Department of Commerce, PSG Collage of Arts and Science, Coimbatore- 641 014

Introduction

The business of banking is as old as the civilization itself. The mere fact that the Babylonians, in 200 BC, lent money at higher rates of interest against gold and silver under the temple's safe custody stands proof for banking history. In ancient days, the main function of banks was granting loans to individuals or the state in times of crisis. Banking in India originated in the last decades of the 18th century. The first banks were the General Bank of India, which started in 1786 and the Bank of Hindustan. The oldest bank in existence in India is the State Bank of India, a government owned bank that traces its origin back to June 1806 and that is the largest commercial bank in the country. The passing of the Joint Stock Company act in 1850 greatly helped in the establishment of many commercial banks. Later in 1921, the Imperial Bank of India and in 1935 the Reserve Bank of India were also established. After independence in 1947, the RBI was nationalized enabling it with broader power. The government of India nationalized 14 large commercial banks in 1969 and six more banks were added to the list in 1980. Today customers are now becoming increasingly conscious of their rights and are demanding ever more than before. In this context, prioritization of performance and close monitoring of the customer satisfaction are indispensable.

Review of literature

Kotovalas and Siomkos (2006) conducted studies on customers' satisfaction in Greek banks. It revealed that there was a direct and positive correlation between perceiving service quality and customers' loyalty in the case of both private and public sector banks. The significant relationship has recorded demographic characteristics and perceived qualities of both types of banks. Customers of both banks were willing to express their complaints to the bank employees. The result revealed that bank's promotional efforts, aimed at providing relevant information to the public might increase loyalty level.

Naveen Kumar and V.K. Gangal (2011) examined customer satisfaction in new generation banks showing customers' expectations increasing rapidly in the banking industry of India. New customers looked the best services at a reasonable price. The result revealed that, the majority of Indian banks were not very diversified in terms of the product and services they offer. Further, it suggests that, in the competitive banking industry, banks have to implement strategic focus customer satisfying aspects for retaining as many customers as possible.

Edwin M. & Fathima S. (2011) conducted a study on the impact of service quality and customer satisfaction in commercial banks. This study shows that there is close link between the customers' perception on the service quality factor and customer satisfaction. It further showed that the impact of the service quality factor on customer satisfaction is unique. It brought the suggestion that bank managers have to formulate appropriate marketing strategies to satisfy their customers.

Objectives of the study

- To study the kinds of facilities and the factors that influence the customers in selecting the bank for operating account and availing services.
- To study the customers satisfaction towards banking services provided by public sector banks.
- To study the problems faced by the customers towards the services availed by them.

Research Methodology

The area of study is confined to the Coimbatore city. Both primary and secondary data are used in this study. For this purpose of the study, a convenient sample of 50 respondents are chosen and the data have been collected by using questionnaire as a tool. Simple percentage analysis, chi-square analysis, weighted average rank analysis are the statistical tools used in the study.

Results

- Majority (52%) of the respondent are male.
- Most (44%) of the respondent belong to the age group of 25-40 years.
- Majority (54%) of the respondent are married.
- Most (34%) of the respondent are educated at Post graduate level.
- Most (26%) of the respondent are employed.
- Majority (50%) of the respondents annual income group between Rs.1,00,000-Rs. 2,50,000.
- Majority (52%) of the respondents have their bank account in State bank of India.
- Majority (61%) of the respondents have savings bank account in the bank.
- Majority (67%) respondents availed loan facilities provided by the bank.

- Of which respondents who availed loan facilities, most (40%) of them availed vehicle loan.
- Majority (90%) of the respondents expressed that they have Very high satisfaction towards accounts and deposits in banking products and services.
- Majority (78%) of the respondents expressed that they have Very high satisfaction towards mobile banking services in online services.
- Majority (60%) of the respondent's have faced problem in using the banking facility.
- Of which, maximum (47%) of the respondents have faced problem in using ATM facility.
- The respondents irrespective of their personal classification have given top priority to vehicle loan as the type of loan they availed.
- All the personal factors except marital status and family size have significant influence on type of loans they availed.
- All the personal factors except gender, age group and marital status have significant influence on problems in using banking facilities.
- Majority (63%) of the respondent's have ranked 1 for ATM facility of which they used.
- Majority (53%) of the respondents gave 1st rank to interest rate as the reason for availing vehicle loan.

Conclusion

This research articles highlights the satisfaction level of customers towards the select public sector banks in Coimbatore city. Having considered the demographic factors of age, gender , marital status, educational qualifications, occupational status, annual income level, family size of 50 respondents, a final data has been arrived and it point out that there is a high level of satisfaction on the customers' side. With factors like kinds of facilities, banking products and services, online services and banking performance affecting the level of customer satisfaction, the public sector banks has to implement prompt customer friendly schemes / portfolios as an initiative go. These would thereby go a long way to enhance the level of customers' satisfaction thereby rectifying customer worries and alleviate the number of customers as well. Perhaps this would definitely lead to a flourishing economy, since customer satisfaction is the pivot of a successful banking structure.

References

- Aurora, S., Malhotra, M.(1997). "Customer Satisfaction: A Comparative Analysis of Public and Private Sector Banks." *Decision* 24 (1-4), January- December, IIM Calcutta, pp. 109-130.
- Dutta, K. & Dutta, A. (2009). "Customer Expectation and Perception across the Indian Banking Industry and Resultant Financial Implications." *Journal of Service Research*, (9) 1, Sage Publications, pp. 31-49.
- Edwin, M.G. & Fathima, S. (2011). "Impact of Service Quality in Commercial Banks and Customer Satisfaction: An Empirical Study." *International Journal of Multidisciplinary Study*, vol.1 (6), pp. 19-37.
- Hallowell, Roger (1996). "The Relationship of Customer Satisfaction, Customer Loyalty and Profitability: An Empirical Study." *The International of Service Industry Management*, 7 (4), Emerald, pp. 27-42.
- Kotovalas, K. & Siomkos, G.J. (2006). "An Examination of Relationship between Service Quality Perception and Customer Loyalty in Public & private Greek Banks." *International Journal of Financial Service Management*, vol. 14, pp. 208-271.
- Naveen, K. & Gangal, V.K. (2011). "Customer Satisfaction in New Generation Banks: A Case Study of HDFC Bank." *International Referred Research Journal*, vol.11 (4), pp. 177-186.
- Nirmaljeet, V. & Prabhjot, K.M. (2012). "Customer Satisfaction: A Comparative Analysis of Public & Private Banks in India." *Information and Knowledge Management*, vol. 2 (3), pp.1-7.
- Mahalakshmi, V. & Sarvanaraj, M. (2011). "An Empirical Study on Customers' Satisfaction towards Banking Services in Trichy." *Interdisciplinary Journal of Contemporary Research in Business*, vol.3 (4), pp. 237-253.
- Tyler, K. & Stanley, E (2001). "Corporate banking: The Strategic Impact of Boundary." *International Journal of Bank Marketing*, 19 (6), pp. 246-252.
- Uppal, R.K. (2010). "Customer Complaints in Banks: Nature, Extent & Strategies to Mitigation." *Journal of Economics & International Finance*, vol. 2 (10), pp. 212-220