

**A STUDY ON CUSTOMER SATISFACTION TOWARDS SERVICES RENDERED  
BY SBI IN ERODE TOWN**

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**ABSTRACT**

The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviours such as return and recommend rate. The main objectives of the study is to analyse the level of satisfaction of customers towards service provided by SBI. For this purpose a sample of 13 SBI branches situated at Erode town. Judgement sampling technique was applied to select the customers from 13 branches of SBI situated at different locations in Erode town. In order to finalise the sample design, the customer who visited the bank were met personally and distributed the well structured questionnaire. The customers in SBI are with varying backgrounds based on the gender, age, marital status, education, annual income, occupation, etc., were selected. The questionnaires were able to distribute about 750 respondents from 13 SBI branches situated in Erode town. Out of 750, fully filled questionnaire received were only 700 and that was considered as sample. The conclusion is that now a days, Banks play a significant role in day to day requirement of individual. The ability of the firm to remain in the business is necessary to win customers over competition since the customer is the foundation of the business. The advancements in technology have brought the mobile and internet banking services to the core.

**Key words**

Customer Satisfaction, Customer and socio economic profile

## **INTRODUCTION**

Today the customers were more educated and well informed. They will not be diverted from their expectation. Customer Satisfaction (CS) is the individual's perfection of the performance of the product or service in relation to his or her expectations. The concept of customer satisfaction is a function of customer expectations. A customer whose experience falls below expectations will be dissatisfied. Customer whose experience matches expectation will be satisfied. The term customer refers to the individuals who have dealings with the banks either by way of having an account in the form of deposit or by way of availing of a loan facility or both. In this study, customers are account holders of State Bank of India.

## **REVIEW OF LITERATURE**

Thirumagal Vijaya (2006) viewed that unlike in the past, the customers compare the services of public sector banks with the services of private sector banks. It necessitated the introduction of various new products and execution of services in a professional way to maintain Customer Satisfaction. The study concluded that the success of marketing of service lies on how the bank is perceived by the customers and the level of their expectations.

Nirmaljeet Virk and Prabhjot Kaur Mahal (2012) found that private bank managers maintain better personal relationship with customers than the public bank managers and this factor determines the customers' satisfaction to a large extent.

Nagarajan, Asif Ali, Sathyanarayan and Gowhar Jan (2013) suggested that the banks had to conduct awareness programs / loan melas to educate the customers about loan products and services. It must provide customer support services to create awareness about EMI & Tax benefits.

## **STATEMENT OF THE PROBLEM**

- What are the services provided by banks?
- What are the problems faced by the customers?

## **OBJECTIVES OF THE STUDY**

1. To study socio-economic profile of the customers.
2. To analyse the level of satisfaction of customers towards service provided by the bank.
3. To suggest the better ways to enhance the Banking services to satisfy the customer.

## **SCOPE OF THE STUDY**

Now-a-days customers are being provided with multiple modes of accessing banking transactions including Tele-banking, Mobile banking, Internet banking, ATMs etc. The busy schedule of people requires a greater importance for time management. This can be done by a customer through a single window like paying of his bills, investment of funds or regular transactions at the banks. By taking into account that services are available to all sectors and all types of customers, how far these services are utilized by them in their day to day life needs to be analyzed. The services provided by various service providers like Communication sector - phone bill payments, Corporate sector - dividend payments or subscriptions, Government sector - Tax collection, etc., are linked with services provided by banks.

## **HYPOTHESIS OF THE STUDY**

- There is no significant relationship between Demographic factors such as age, gender, marital status, education, annual income, occupation of the sample customers and their level of satisfaction towards services of SBI.
- There is no significant relationship between factors such as number of years of account operation, frequency of visit to bank, types of accounts, sources of knowledge about deposits and schemes and level of satisfaction towards SBI.

## **SAMPLING DESIGN**

The present study was carried out in all 13 SBI branches at Erode town. Judgement sampling technique was applied to select the customers from 13 branches of SBI situated at different locations in Erode town. In order to finalise the sample design, the customer who visited the bank were met personally and distributed the well structured questionnaire. The customers in SBI are with varying backgrounds based on the gender, age, marital status, education, annual income, occupation, etc., were selected. The questionnaires were able to distribute about 750 respondents from 13 SBI branches situated in Erode town. Out of 750, fully filled questionnaire received were only 700 and that was considered as sample.

### **Sampling Type**

Statistical tools like percentage, mean, standard deviation, ANOVA and chi-square test were used to find the degree of level of satisfaction and to test their relationship among the selected variables.

## **FINDINGS OF THE STUDY**

### **FINDINGS OF AVERAGE, RANGE AND STANDARD DEVIATION**

- Gender-wise analysis reveals that the male respondents have the maximum level of satisfaction than the female respondents towards SBI.
- Age wise analysis reveals that the old age respondents (above 50 years) have the maximum level of satisfaction and the middle age respondents (35-50 years) have the minimum level of satisfaction towards SBI.
- Marital status analyses show that the married respondents have the maximum level of satisfaction than unmarried respondents towards SBI.
- Regarding Educational qualification of the respondents, school level education have the maximum level of satisfaction towards SBI than the higher secondary and college education
- From the Annual income group, it is inferred that the respondents earning Rs.1,00,000 to Rs.2,00,000 income per annum have the maximum level of satisfaction and the respondents earning above Rs.2,00,000 income per annum have the minimum level of satisfaction towards SBI
- From the analysis of occupation, it is showed that the business sector have the maximum level of satisfaction and the agriculture sector have the minimum level of satisfaction towards SBI
- From the account with other bank analysis, it is inferred that the respondents who do not have an account with other bank have the maximum level of satisfaction towards SBI.
- Number of years of account operation in SBI is studied and it is found that the respondents upto 3 years of account operation have the maximum level of satisfaction and 3 to 5 years of account operation have the minimum level of satisfaction with SBI.
- Frequency of visit to SBI of the respondents is studied and it is found that the respondents who visit once or twice in a month have the maximum level of satisfaction and 6 times and above in a month have the minimum level of satisfaction towards SBI.
- Type of account of the customers with SBI directly influence their level of satisfaction. From this analysis, it was found that the respondents who have savings bank account with SBI are more satisfied than other account holders in SBI.

- Sources of known about deposit and scheme, it was found that the respondents, who had relatives/friends have the maximum level of satisfaction towards SBI than the other sources.

### **Chi-Square Test**

Under the chi-square test, the factors such as Annual income, Types of account and Level of satisfaction towards SBI are significant at 1% level. Whereas the factors like Gender, Age, Marital status, Educational Qualification, Occupation, Account with other bank, Number of years of Account operation, Frequency of visit to bank, Sources of known about deposit and scheme and Experience of respondents are not significant at 1% level.

### **Suggestions**

- Female respondents have the low level of satisfaction than male respondents. Hence it is good to concentrate on female segment by offering different attractive benefits.
- It is highlighted that only the business sector have the maximum level of satisfaction. So it was suggested that new incentive scheme may be introduced for the other sectors also.

### **Conclusion**

Today the concept of banking is not merely the function of accepting deposits, lending loans and money transaction. They have now diversified financial activities. In order to survive in the present world of competition, the bank will have to formulate marketing strategies to woo the customers towards them. The greatest challenges before the SBI today is to make significant improvement in the quality of services extended to the customers. The main aim of the study was to examine the perception of customers regarding the quality of banking services rendered by SBI. Now a days, Banks play a significant role in day to day requirement of individual. The advancements in technology have brought the mobile and internet banking services to the core. The banking sector must lay greater emphasis on providing improved services to the clients and also upgrading their technology infrastructure in order to enhance the customer overall experience as well as gain a banks competitive edge.

## References

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**Table 1**

Factors		No. of Respondents	Percentage	Mean	Min	Max	S.D
Gender	Male	511	73	76.2	35	116	20.246
	Female	189	27	80.96	41	114	20.563
Age Group	Young (Below 35 years)	282	40.3	78.8	35	112	19.833
	Middle (35-50 years)	321	45.9	75.44	39	116	20.73
	Old (Above 50 years)	97	13.9	80.46	43	110	20.645
Marital status	Married	481	68.7	78.72	35	116	20.979
	Unmarried	219	31.3	74.79	44	114	18.926
Educational Qualification	School education	133	19	84.24	47	116	19.512
	Higher secondary education	159	22.7	78.79	39	110	20.517
	College education	408	58.3	74.78	35	114	20.169
Monthly Salary	Upto Rs. 100000	33	4.7	76.55	43	103	18.228
	Rs.100000-Rs.200000	422	60.3	78.25	35	116	20.05
	Above Rs.200000	245	35	76.29	39	114	21.344
Occupation	Business	157	22.4	80.5	41	114	21.034
	Agriculture	198	28.3	70.88	39	112	19.091
	Service	345	49.3	79.91	35	116	20.083
Account with other bank	Yes	204	29.1	76.41	40	114	20.25
	No	496	70.9	77.93	35	116	20.503
No of years of Account operation	Upto 3 years	76	10.9	81.58	39	109	19.925
	3 years to 5 years	227	32.4	75.92	41	114	19.381
	Above 5 years	397	56.7	77.6	35	116	21.031
Frequency of visit to bank	Once/twice in a month	404	57.7	78.9	35	116	20.16
	3-5 times in a month	241	34.4	76.87	39	114	20.508

	6 times and above	55	7.9	69.84	41	114	20.56
Types of Account	Savings bank account	266	38	80.63	39	114	19.496
	Current account	286	40.9	76.33	35	114	20.568
	Fixed deposit account	92	13.1	74.78	39	110	20.245
	Other account	56	8	72.95	41	116	22.658
Source	Newspaper	107	15.3	72.12	39	112	20.699
	T.V/Radio/cable network	99	14.1	77.87	41	112	20.191
	Relatives/friends	194	27.7	79.14	35	114	20.119
	Bank staff/display at branch	300	42.9	78.2	40	116	20.397

Table 2

Factor	Calculated $c^2$ Value	Table Value	D.F	Remarks
Gender	15.73	52.65	2	Not significant at 1% Level
Age	23.454	27.02	4	Not Significant at 1% Level
Marital status	13.386	61.01	2	Not Significant at 1% Level
Educational qualification	18.747	37.05	4	Not Significant at 1% Level
Annual income	17.426	9.19	4	Significant at 1% Level
Occupation	22.207	43.74	4	Not Significant at 1% Level
Account with other bank	1.147	56.83	2	Not Significant at 1% Level
No of years of account operation	20.713	21.17	4	Not Significant at 1% Level
Frequency of visit to bank	11.039	15.32	4	Not Significant at 1% Level
Types of account	22.912	15.6	6	Significant at 1% & 5%
Sources	19.808	27.58	6	Not significant at 1% Level