

## **CUSTOMER ATTITUDE TOWARDS BANKING SERVICES– A STUDY**

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### **ABSTRACT**

In this modern era every business organization are facing a tough competition especially in the banking industries.The attitude of bank customers towards public sector banks are discussed together with the perceived level of services of public sector banks by their customers and the importance of selected patronage factors in choosing public sector banks. Bank customers are profit motivated and the evidence generated in the study did not find an important consideration of the new branches role in increasing the utilization of services provided by public sector banks. It plays a important role in selecting banks as depository institutions and there is a high degree of awareness on the part of bank customers on the advantage of profit- loss sharing modes of investment and of the economic and social development role of the public sector banking system.

**Key Words:** Customer attitude, Customer banking services.

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### **INTRODUCTION**

The banking system forms the important role in the financial sector of an economy. The role of commercial banks is particularly important in countries through the mobilization of the resource, better allocation, the development process of under developed countries. By giving attractive saving schemes and ensuring safety of deposits commercial banks encourage willingness to save among the people in rural areas. They help to convert idle saving into effective one. And also commercial banks improve the allocation of resources by lending money to priority sectors of the economy.

The public sector banks in India operate in a highly competitive environment with competition from non banking financial institution. Foreign banks intensifying walk business for Indian banks in respect of deposits can no longer be expected. In order to survive in these days of fierce competition public sector banks have to apply

- (i) Marketing approach product differentiation is often employed as a major technique to survive in a competitive market.
- (ii) Each bank follow different procedure so it is very difficult to follow the customers.

Even though the customer is well educated some time high technology banking services hesitate the customer for the transaction. For the effective banking transaction the banks should have

- (i) Good communication
- (ii) Soft skill must need

- (iii) The bank management need to educate the employees for the banking activities and process universal banking procedure can help the customer for the better transaction.

Customer are now demanding multiple channels through which they can interact with their provides including

- (i) Face to face conduct
- (ii) Phone
- (iii) Websites e-mail mobile device etc.

Which has forced the banking sector to explore new distribution channels, so that ordinary customer which have more information about multiple banking products than even before. This is aimed not only to present the customer from taking their business elsewhere but also to ensure that they are offered the product and services that are most appreciate and most likely to result in new revenue for the bank. There is phenomenal change and paradigm shift towards customer focus over the past five decades. The banking business found standing on the pillars of customer's satisfaction it is pertinent that policy makers and branch manager think over the problem on priority basis.

In the decades of 1950 to 1960 the bank focus on serving the customer. In 1960 to 1980 the bank focus on satisfying the customer. In 1980 to 1990 the bank focus on pleasing the customer. In 1990 to 2000 bank focus on delighting the customer and 2000 onwards they focus on retaining the customer.

From the economic point of view the major task of banks and other financial institution is to act as an intermediate, channeling savings to investment and consumption through them, the investment requirement of savers are reconciled with the credit needs of investors and consumers.

In this process of transaction is to be carried out efficiently it is absolutely essential that the banks be involved. Indian banking has aided the economic development in an effective way during the post independence period. The banking sector has shown remarkable responsiveness to the needs of the planned economy. It has brought about a considerable progress in its efforts at deposits mobilization and it has taken a number of measure in the recent past to accelerate the rate of growth of deposits. To achieve this wants commercial banks opened a number of branches that is urban, semi urban, rural areas and introduced a number of attractive schemes and also free services to attract more customers.

## **OBJECTIVES**

To identify the working and living conditions of the customers in public sector banks in Nagercoil town.

To verify the customer satisfaction towards the services given by banks.

To analyze the recent banking technology and its quality of customer services.

To analyze the problems involved in banking transactions.

## **METHODOLOGY**

The present study is descriptive in nature, which is based on empirical evidences in the form of primary and secondary data.

Primary data regarding the banking services have been collected through the respective bank customers. In order to carry out the statistical enquiries questionnaire has been framed and data has been collected from the respective samples.

Secondary data has been collected from various published and unpublished sources like books, articles, journals, magazines and internet.

The study includes four leading public sector banks (IOB, SBI, SBT, IB) available in Nagercoil town as sample on the basis of convenience sampling methods. It was planned to select 25 bank customers from each bank and a total of 100 respondents were taken as sample.

To make the present study more effective percentage analysis and Friedman's rank test has been adopted.

## REVIEW OF LITERATURE

Jham and Vimi (2008) have expressed their views under the title "Customer Satisfaction in the Indian Banking Sector". It is a study which draws to attention the growing interest to researchers and managers. Services provided by five Indian banks were the target of the study. With the help of factor analysis relationship dimensions lead to identify customer satisfaction of private and public sector banks with respect to the services provided by their banks.

Snehalkumar H mmmmmMistry (2013) in his article "Measuring Customer Satisfaction in Banking Sector" has observed that the economic growth of country is on accelerating mode, role of banking industry is also important in this growth. With the expansion of banking services to large corporate searching fund for their activities, makes the importance of banking services. New technologies are being introduced and there is always a fear of economic uncertainties. Fierce competition, more demanding customers and the changing climate have presented an unparalleled set of challenges (Lovelock, 2001) for banks in the country. Therefore, customer satisfaction is the key for many banks to survive in competition.

## EDUCATIONAL QUALIFICATION

Education in the largest sense is any act or experience that has a formative effect on the mind, character or physical ability of an individual. In its technical sense, education is the process by which society deliberately transmits its accumulated knowledge, skill and values from one generation to another.

**Table No. 1. Educational qualification of the respondents**

S.No	Educational Qualification	No of Respondents	Percentage
1	Illiterate	6	6
2	Up to 10 <sup>th</sup>	24	24
3	11 <sup>th</sup> -12 <sup>th</sup>	22	22
4	Under Graduate	25	25
5	Post Graduate	20	20
6	Diploma	3	3
	Total	100	100

Source :Primary data

From the table it reveals that 6 percent of respondents were comes under the category of illiterates and 24 percent of the respondents were studied up to 10th standard. 22 percent of the

respondents were 12th standard and 25 percent of the respondents were under graduates and also 20 percent of the respondents were post graduates. Only 3 percent of the respondents were diploma holders. From this study it is clear that the bank has focus all the category of customer.

### OCCUPATION

Occupation means job or type of job that a person has. Occupation includes services, profession, business, pensioners, agriculturist and others. The following table shows that the customer occupation.

**Table No. 2. Occupation of the respondents**

S.No	Occupation	No of respondents	Percentage
1	Services	8	8
2	Profession	47	47
3	Business	26	26
4	Pensioners	3	3
5	Agriculturist	9	9
6	Others	7	7
	Total	100	100

Source : Primary data

From the above table it indicates that 8 percent of the respondents were comes under services and majority of the respondents that is 47 percent were professionals and 26 percent of the respondents are having business. So it is clearly understood that the majority of the respondents working under some organization and it shows employability. It will helps to growth of the nation. Only 3 percent of respondents were pensioners and 9 percent respondents were agriculturist, because they are not willing to go bank.

### MONTHLY INCOME

Income is the consumption and savings opportunity gained by an entity within a specified time frame, which is generally expressed in monetary terms. However for households and individuals, "Income is the sum of all wages, salaries, profits, interests' payments, rents and other forms of earnings received in a given period of time". Simply we can say income is the reward of four factors of production that is land, labour, capital and organization. The following table explains the monthly income of respondents.

**Table No.3. Monthly income of respondents**

S.No	Monthly Income	No of respondents	Percentage
1	Below 5000	9	9
2	5000 – 10000	29	29
3	10000 – 15000	28	28
4	15000 – 20000	22	22
5	Above 20000	12	12
	Total	100	100

Source: Primary data

The above table clearly shows that 9 percent of the respondents earning below 5000 and 29 percent of respondents were earning 5000 – 10000 then 28 percent of the respondents getting income 10000 – 15000 and 22 percent of the respondents were getting income 15000 – 20000. The above table reveals that 12 percent of the respondents earning income above 20000

they are business people. So income is very important factor to determine the status of every person without income no one cannot survive their life.

### NEW TECHNOLOGY IN BANKING SERVICES

Bank should play a very important role servicing various kind of technology. This will helps to the bank to avoid difficulties. The following table explains about the banking technology offered by the bank.

**Table No. 4. New technology in banking services**

S.no	Banking technique	No of respondents	Rank
1	ATM	55	1
2	Tele banking	1	8
3	Mobile banking	11	2
4	Internet banking	10	3
5	Debit card	8	5
6	Credit card	2	7
7	Customer Care Service	4	6
8	SMS alert	9	4
	Total	100	

Source: Primary data

The above table depict that the majority of the respondents were using ATM services because ATM is one of the most popularized services given by bank. Mobile banking scored the second rank and it follows internet banking and SMS alert respectively. The customer care service, credit card and Tele banking scored the last three ranks respectively.

### REGULARLY USING SERVICES

Bank provide number of services to the customer but the customers were using limited services because lack of time, complex procedure and technical problems in the computer. This may create problem to the customer. The following table explains the customers regularly using the services.

**Table No. 5. Regularly using services**

S.No	Particulars	No of respondents	Percentage
1	Deposit cash	55	55
2	Withdraw money	25	25
3	Demand draft	15	15
4	Fund transfer	2	2
5	Collection of cheque	3	3
	Total	100	100

Source: Primary data

The above table explains that 55 percent of respondents deposit their cash in the bank and 25 percent of the respondents withdraw money from the bank and 15 percent of respondents get demand draft for the different purposes. Only 2 percent of respondents were transferring their funds and 3 percent of respondents were collecting cheque. This study shows that deposit cash in a bank, one way helps the bank to mobilize fund and another way the customer withdraw money in a bank from ATM during the need of cash.

### IMPORTANT REASON TO CONTACT THE BRANCH

For many reason the customers are visiting the bank. The following table shows the most important reason for the customer to contacting the branch.

**Table No. 6. Important reason to contact the branch**

SL.NO	Important reason	No of respondents	Percentage
1	Loan enquiry	11	11
2	Complaints	10	10
3	Confirming fund transfer	40	40
4	Inquires about credit card	20	20
5	Other reasons	19	19
	Total	100	100

Source: Primary data

From the above table 40 percent respondents have to contact the branch to confirming their funds. Some of the respondents have to visit the branch enquiry about the loan, complaint enquiries about their credit card. It is significant to note that 19 percent of the respondents contacting branch for some other reason.

### CUSTOMER PROBLEMS IN BANK TRANSACTION

Customers faced many problems during the financial transactions. The following table explains about the major problems faced by the customers.

**Table No. 7. Customer problems in bank transaction**

S. No	Customer problem in bank transaction	No of respondents	Percentage
1	Delay in banking function	60	60
2	Problem of ATM	16	16
3	Service charge	12	12
4	Improper behavior of employee	12	12
	Total	100	100

Source: Primary data

From the above table it indicates that 60 respondents were faced in delay of banking function. It is clearly indicate that other services like problem of ATM, service charge and improper behavior of employees is not giving more difficulties to the customer.

### OVERALL QUALITY OF SERVICE IN BANK

Quality itself has been defined as fundamentally relational quality is the ongoing process of building and sustaining relationship by assessing, anticipating and fulfilling stated and implied needs. This following table has shown the quality of services in bank.

**Table No. 8. Quality of services in bank**

S. No	Quality of service	No of respondents	Percentage
1	Excellent	40	40
2	Very good	32	32
3	Good	20	20
4	Average	4	4
5	Poor	4	4
	Total	100	100

Source: Primary data

From the above table it indicates that the majority of the respondents were told that the banking services are excellent and 32 percent respondents were told that the banking activities are very good. Most of them accepted the banking services are good.

## **FINDINGS**

After a detailed analysis of the study researcher could arrive at the following findings. These findings will help the researcher to give proper suggestions to the bank for better functioning.

- ❖ From the survey the customers are well educated in Nagercoil town. The majority of the people were well educated.
- ❖ The major occupation of the customer plays a very important role, and most of the customer belongs to profession and business people.
- ❖ Income is very important factor to determine the status of every person without income no one cannot survey their life nearly half of respondents earning 5000 – 10000.
- ❖ Among the 100 respondents 40 percent of them to contact the branch to confirming their funds.
- ❖ It is clearly indicate that other services like problem of ATM, service charge and improper behavior of employees is not giving more difficulties to the customer.
- ❖ It is important to note that among the 100 respondents 60 of them were said not providing quick services. It shows the bank inability to satisfy the customer expectation.
- ❖ It clearly shows that the majority of the respondents were told the banking services are excellent.

## **CONCLUSION**

The banking sector has undergone many changes to the new economic policy based on privatization, globalization and liberalizations adopted by Government of India. Customer is the king in the present day banking. Since the banks are providing tailor made services to the changing needs of the ultra modern customer to face their stiff competition from the rival banks.

Today the customer services preference keep on changing at a rapid speed and their demands. For the banking sector challenging and tough job for the bankers in retaining the existing customer base and winning new customer. The aim of the bankers is to make the customers comfortably and happy to achieve their target. To achieve the highly challenging task of customers' satisfaction bankers turning to technology for help. Bankers are not only satisfying the customer but also trigger to attitude of the customers towards the bank. Each bank follow different procedure it is very difficult to follow the customers. Even though the customer is well educated some time high technology banking services hesitate the customer for the transaction. For the effective banking transaction the banks should have good communication, soft skill must need. At every level of delaying with the bank customer the bank management need to educate the employees for the banking activities and process. Universal banking procedure can help the customer for the better transaction.

## **SUGGESTIONS**

- Programme at least 6 month once to educate the bank updating.

- Customers are expected the bank prospect in order to know the bank procedure.
- The bank should provide good environment in order to face huge number of customer like head branch and sub branch need same facility.
- The bank charge deposit rate and discount rate, the bank should inform the customers mobile.
- Effective use of communication net work by the bank.
- If the bank introduced new bank scheme the notice board should display in front of the bank.
- Customer queries should be opened in order to avoid mistake.
- The separate counters should be allotted for providing passbook and collection of cheque.

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