



A STUDY ON CUSTOMER SATISFACTION ABOUT SERVICE QUALITY OF NATIONALISED BANKS IN SIVAGANGAI DISTRICT

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Abstract:

The Indian banking is an essential component of the service industry. The share of banking and insurance within the service industry is very significant. The banking industry like many other financial service industries is facing a rapidly changing market, new technologies, economic uncertainties, stiff competition and more demanding customers and the changing climate has presented an unprecedented set of challenges. Banking is a customer oriented service industry, therefore, the customer is the focus and customer service is the differentiating factor. The main key man of this change is changing customer needs and expectations. Customers in India no longer want to wait in long queues and spend hours in banking transactions. This change in customer attitude has gone hand in hand with the development of ATMs, phone and net banking along with availability of service right at the customer's doorstep. With the emergence of universal banking, banks aim to provide all banking product and service offering under one roof and their endeavor is to be customer centric e.g. the new development is payment of subsidy in the way of bank account. With the emergence of economic reforms in world in general and in India in particular, today's banks have come up in a big way with prime emphasis on technical and customer focused issues.

Key Words: Banking, Banking System

Introduction:

The banking industry plays a significant role of economic development. The banking industry is considered a service oriented. It renders manifold services to the customers. Effective customer services are the center to all business operations and also play an integral part in the growth strategy of the banking industry. A sound, progressive and dynamic banking system is fundamental requirement for economic development. Hence nationalized banks are act as the backbone of economic development. The banking industry act as intermediate/middlemen in mobilizing the public fund and channelizing the flow of funds for productive purposes, keeping on the process of the economic growth of the country. The Banking sectors are helped in rehabilitation of sick industrial units for avoiding unemployment problems, for sponsoring for new establishments for the purpose of help to national growth, for promoting entrepreneurial persons for the purpose of develop the innovations strategy, for agricultural sectors for the purpose of promoting for more cultivation food grains, for higher studies for the purpose of develop the knowledgeable persons and also help to the government smooth functioning.

Statement of the Problem:

In the present, very customer is concern about the safety of his funds also except good and effective services. He is always busy and expects to complete all his engagements from a single place. In fact the perception and the expectation of consumers have undergone a vast change with availability of banking services at their door steps through the help of technology. While analyzing the services of this selected nationalized banks, it is disheartening that the services of some of the banks are in for from satisfactory level. This is due to the poor services offered by the banks and the lacks of cordial relationship maintained by the bank officials with the customers. The customers are dissatisfied and refuse to continue the account with bank because of the malafide activities indulged in by the nationalized banks.

Extensive study has been done on customer satisfaction in the banking industry. Most of these studies are concentrated on national level. Only a few of these studies done in district level but none of them found out the satisfaction of customers about the quality of nationalized banks services in Sivagangai District.

It is also evident that none of these studies segregated the banks customers into rural customers and urban customer's sex, age and educational qualifications etc. they only looked at the general view of customers. Though a handful studies that focused on only general views like Lewis (1994), Galloway and Balanchard (1996), Lopez et al (2001) and Caruana (2002) classified the bank's customers into occupation, age race, age and Education respectively. None of them used all the variable sex, age, education and occupation at the same time or grouped them according to geographical locations. In this context, the present study makes and attempt to find a feasible solution to the above mentioned issues.

Need for the Study:

The banks were nationalized by late Prime Minister Mrs. Indira Gandhi to develop the standard of living of the people in the rural areas. In general, the people living in the rural area face more financial crises to fulfill the basic needs due to lack of financial resources. The study area Sivagangai District in Tamil Nadu predominantly rural based and backward are 17 per cent of people living these areas. One benefit of Research is study of nature of standard of living of people in Sivagangai district. In other words, the study to research the purpose of finance need and how this needs to meet not fully meet that is the researcher selected this topic.

Objective of the Study:

The overall objectives of the present study are tools and analysis the customer's satisfaction of selected nationalized banks in the study area.

- To study socio - economic status of the customer in district Sivagangai.
- To study the role of nationalized banks to their customer's needs.
- To analysis the satisfaction level with reference to bank lending.
- To ascertain the opinion of the customer's regarding the services
- To identify the various problems faced by the customers.
- To collect suggestions for better ways and means to improve the service levels.
- To make recommendations to enhance customer satisfaction in the banking industry in general.

Scope of the Study:

The scope of the study is to assess the overall satisfaction of customers of selected nationalized banks at Sivagangai District. The study highlights the various levels of satisfaction of the nationalized banks in different divisions of Sivagangai district and the major problems faced by the customers as well as nationalized banks official. The study will help to the government in formulating and enforcing the regulating measures of nationalized banking sector, thus propagating the government's aim of good services to the poor and marginal section of people. Improvement of the standard of living can be achieved very easily through the effective functioning of in the nationalized banks.

Sampling Method:

The type of sampling adopted here is Multi stage Simple random sampling method. This method of sampling involves selecting the sample elements randomly through the rigor of sampling method.

Sample Size:

Total population of the Sivagangai with an account on the nationalized banks was considered as a target population. Form the report of Global Consumer Banking Survey - 2018; they arrived that only 40% of the customer had satisfaction in world-wide. With the Reference, at 99% of Confidence level, 5% Relative Precision with 10% over sampling; the sample size decided as 1081 Individuals. However, only 984 individuals were taken for the analysis due to data examination, data cleaning and other risk factor in the Collection field.

Sample Frame:

Among the taluk of Sivagangai District, Three taluks are selected randomly; within those taluks, 40% nationalized bank were selected randomly. Then, Customers are randomly interviewed at time of data collection process to achieve the sample size.

Data Collection:

The structure questionnaire consists of closed and open-ended question. Open-ended question were framed as per the needs to fulfill the objective of the study; it is aimed not to lead the answer to the respondents.

Statistical Tools:

Statistical tools constitute an integral part of research analysis. Hence, any analysis of data complied should be subjected to relevant analysis so that meaningful conclusions could be arrived at the following are the statistical tools such as Weighted Mean, Correspondence analysis, Cluster Analysis, Independent t - Test and Analysis of Variance.

Findings:

Personal Factors of the Respondents - More than half of the respondents are male (60.5 per cent). However, variation in gender has also been noticed among them 39.5 per cent of them female. The proportion of private sector category were 65 per cent, professionals category were 21 per cent agriculture category were 6.7 per cent, and 5 per cent of the respondents were doing government servants. It is interesting that only 2.5 per cent of the respondents were doing own business. More than one third of the respondents earn monthly income upto Rs.10000. More than two-third (87 per cent) of the respondents are relatively young in age. It is noted that seven percent of the respondents are in the age group of above 40. Only 4.2 per cent of the respondents are below 5th standard. However, variation in educational status has also been noticed among them 63 per cent of them have obtained their post graduation, and 30.3 per cent of them have completed their graduation. That the proportion of married women members were 43.7 per cent and unmarried women were 56.3 per cent. It is noticed that even unmarried category can become a customers in banks. More than two-third (89 per cent) of them hold savings account, three per cent of them maintain their account in current account nature, two per cent of them preserve their account in fixed deposit via, and the remaining five per cent of respondents belong to other account holders. Around one third of the respondents enjoy net banking facilities provided by their banks, 15 per cent of them benefit from mobile banking system and two per cent of them were take pleasure in all type of facilities. More than two-third of the respondents feeling not good about the Sunday banking system provided by the banks and the remaining per cent of them feeling good about the Sunday banking system by the banks.

Analyses of Factors Affecting the Respondents Satisfaction Level:

Respondents Rank for the Satisfaction Level using Weighted Average Mean - On updating the balance of your pass book on time is the topmost factor among the satisfaction factors. In the study area, respondents' satisfaction levels among the factor above factor get first rank. The factor, which got the next higher score, is the on availability of locker services they possess second rank. On issue of cheque books for your account is the factor, which is got the third position according to Garret ranking. On time taken for depositing cash is the next factor, which is got the fourth position. On display of banking charges charged by the bank, which is got the fifth position, on time taken for opening account which is got the sixth position and the remaining factors are placed the next ranks. The satisfaction level of banking services and gender wise analysis on availability of locker services which is the first factor to influence the satisfaction level and next to on display of banking charges in the male point of view where as female point of view on time taken for sanctioning of loans against securities is a first rank.

Summary Item Statistics for the Customer Satisfaction:

That the summary item of statistics for the customer satisfaction level on the basis of mean is 3.637, its ranges from 3.277 to 3.933 with variance of 0.28 of 24 statements. On the variances basis, 24 statements range between 0.969 and 1.562 with 0.33 variance. Inter item covariances basis, ranges to 0.113 to 0.955 with variance of 0.23 and the inter item correlation basis range between 0.101 and 0.765 with 0.12. It concluded that the inter item correlation of the statements is more reliable.

Total Variance Explained for the Suggestion of the Customer:

It indicates that the three factors are about facility, services and loan in the banking services. It can therefore be stated that respondents mottos depends on the service provided by the banks and practices meant to enhance quality of service. Having analyzed the banking services policies in the study area as per the perceptions of the respondents.

Conclusion:

The key notion of success in the highly competitive current banking industry is not just winning customers but in training them. New customers will try bank offerings based on the perceived quality, and that result in satisfaction, the perceived value of bank will increase and thereby prompting repeat visit for further financial requirements. This key concept of quality- satisfaction-loyalty relationship in retail banking market was put to test through an empirical approach in this study and this view is exactly endorsed by the results of this study. It is expected that these results help both extend the existing research frontier, and understand practical implications of deploying loyalty strategies in multi service organizations like retail banks. Finally, the service satisfaction provides useful information to stakeholders of banks on the viability of performance. Indices based on the service satisfaction may supplement measures of financial performance and marker share with crucial information on the future health of this industry. The identification of service satisfaction as a multi-dimensional construct may help corporate decision makers in an accurate assessment of service satisfaction status and for designing suitable intervention in pursuit of stable customers relationship.

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