

# A Study on Customer Satisfaction of Banks in Gujarat

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## **Abstract:**

With a jump in the Indian economy from a manufacturing sector to a service sector, banking as a whole is undergoing a change. A larger choice for the consumer is getting translated into a bigger requirement for financial products and customization of services is fast taking the average than a competitive advantage. This survey was carried out in the major city of the Gujarat. Customers of the different banks were taken as the sample unit. The study revealed that most of the people invest their money in the public sector banks. The study also found that many people faced problem while applied for the loan. And their main problem was very tedious documentation problem. This research also found that most of the people believe that in public sector bank there were speedier and convenient operations performed. It was also found that most of the people used the ATM/DEBIT card and they mostly used it for withdrawal.

**Index Terms - Bank, ATM, Customer Satisfaction.**

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## **I. INTRODUCTION**

Banks have influenced economies and politics for hundreds of years. Historically, the primary purpose of a bank was to provide loans to trading companies. Banks provided funds to allow commercial enterprises to buy stock and collected those funds back with interest when the goods were sold. For centuries, the banking industry only dealt with commercial enterprises, not consumers. Without a sound and effective banking system in India it cannot have a sound economic system. The banking establishment of India should not only be hassle free, but it should be able to meet new challenges posed by the technology and any other external and internal parts. For the past three decades, India's banking system leads in several outstanding achievements to its credit. The most striking is its extended reach. It is no longer restricted to only metropolitans or cosmopolitans in India. In fact, the Indian banking system has reached even to the remote corners of the country. This is one of the main causes of India's growth process.

In simple term e banking does not involve any physical exchange of money, but it's all done electronically, from single account to another, using internet. It give the sack equally well be limited as an assemblage of technologies facilitating the electronic transfer of information and completing all banking operations electronically. Can one imagine life without paper cash? Money has always been part of human emotions. And although it is difficult to imagine that all those years of saving at the banks is now just a whole bunch of bits and bytes, it is a distinct possibility.

With a jump in the Indian economy from a manufacturing sector to a service sector, banking as a whole is undergoing a change. A larger choice for the consumer is getting translated into a bigger requirement for financial products and customization of services is fast taking the average than a competitive advantage. With the Retail banking sector expected to jump upward at a pace of 30% players are focusing more and more on the Retail and are waking up to the authority of this sector of banking. At the same time, the banking sector as a whole is seeing structural changes in regulatory frameworks and securitization. The faster one adapts to these shifting dynamics, the faster is one required to derive the advantage.

## **II. LITERATURE REVIEW**

Brahmbhatt Mamta (2011) sought to study the customer awareness and customer satisfaction about retail banking services and suggested that the banking sector needs new strategies with a accent on innovation for organizational transformation and to achieve world-class competitiveness through improved efficiency and cut down operational cost in retail banking. S. Arum Kumar, B Tamil Mani, S Mahalingam and M Vanjikovan (2010) analyzed the service quality dimensions of Indian private banks dealing with retail banking. From survey results the authors found that responsiveness and reliability of service quality dimensions determine customer satisfaction more than the assurance, empathy and tangible aspects. Overall perceived service quality fosters customer attitudinal loyalty through latent customer satisfaction (Tested using Chi-Square Statistics and Correlation Analysis). At the end they concluded that increase in service, quality of the banks can carry out and develop attitudinal loyalty which ultimately retains valued customers.

Sandip Ghosh Hazra and Kailash B, L Srivastava (2009) concluded that the banks should pay more attention to the dimensions of assurance and empathy to increase loyalty, willingness to pay, commitment and trust. Sunayna Khurana (2009) shows that the Responsiveness is the most influencing factor, followed by reliability on the bank's web site. At the end he gave notice that banks should take steps to engender to a web site more reliable and more responsive to give more value and satisfaction to customers. Nikhil Chandra Shil and Dr. Bhagaban Das (2009) concludes that the customers are not much satisfied in terms of "Assurance".

R.K Uppal and Rimpi Kaur (2008) found that in terms of the time taken & speed of rendering service, e- banks are more efficient than the partially computerized banks. He concluded that in the emerging competitive environment & IT era speed of rendering service is a most differentiating factor for banks. Aruna shade & Manish Mittal (2008) found that males are paying more attention to process time & technology & females are paying more attention to service & easy accessibility. He conclude that customer care

,no. Of age in business & easy accessibility are considered equally the most important elements that determine a customer choice of money boxes.

N. Kamalkodi and M Basheer Ahmed Khan (2008) found that the safety of funds, secured ATMs, ATMs availability, reputation of the bank, pleasing manners of staff were the top 5 factors influencing the respondents. R. A. Ravi (2008) establish that public sector banks were solid in the safety of investment confidentiality of the transaction and goodwill & Private sector bank where good at accuracy, promptness, hospitality, communication, etc. S. Venkata Seshaiyah and Vunyale Narender (2007) found from survey results that the customer chose banks on following parameter namely the safety of deposits, accuracy, service quality, proximity, security, price& service charges and so on

Dr.H.C. Purohit and Avinash D. Pathardikar (2007) found that almost all the bank services were valued as safe by the respondent expect for the loaning interest rate and mortgage facilities. Nalini Prava Tripathy (2006) indicated that the bankers should educate their front-end-stuff about customer expectation which alone can establish the reputation and image of the bank. Rengasamy Elango & Vijaya Kumar Gudep (2006) found that awareness and satisfaction level of the public, private & foreign banks in India is high, foreign banks have talked the list in SQ.PSBS are lagging behind the above two sectors in providing services.

C. Boshoff and B Gray (2004) found from his result that the service quality dimension empathy of nursing staff and assurance impact positively on both local and cumulative satisfaction with meals, satisfaction with the nursing staff & satisfaction with feces all impact positively on both loyalty and cumulative satisfaction. Satya Swaroop debasish (2003) concluded at the closing that the foreign banks operating in Delhi provide better service quality as compared to private & public banks.

### III. METHODOLOGY

The survey was carried out in the major city of the Gujarat. Customers of the different banks were taken as the sample unit. Sample size was 200 for the current research. Self-developed questionnaire was used to get responses from the respondent. This study is descriptive in natures and sample units are selected on the convenience bases.

#### RESULTS AND DISCUSSION

Table 1 DEMOGRAPHIES

	NO. OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
<b>GENDER</b>		
MALE	143	71%
FEMALE	57	29%
TOTAL	200	100%
<b>AGE</b>		
16-25	20	10%
26-35	76	38%
36-45	35	17%
46-60	60	30%
60 ABOVE	9	5%
TOTAL	200	100%
<b>OCCUPATION</b>		
SALARIED	73	36.50%
BUSINESSMEN	35	17.50%
PROFESSIONAL	63	31.50%
STUDENT	15	7.50%
HOUSEWIFE	14	7%
TOTAL	200	100%

In our survey 71 % was Male customer and 29 % was Female customer. So we can conclude that as men and women ratio in Gujarat state is 62% male and 48% female but bank have not target yet from below information bank wise num. of female customers we can interpret that female customer more proffered public sector bank and less to other banks.

Table 2 No. Account respondent have

No. of A\C	No. of Respondent	No. of Respondent in %
One	83	41%
Two	98	49%
More than two	19	10%
Total	200	100%

From the table 2 we can interpret that 49% of customer are having two A/C. It means most of the customer prefers to have more than one A/c. only 10% have more than two A/c.

Type of A/C	No. Respondent	In%
Saving A/C	82	41%
Current A/C	37	18%
salary A/c	73	37%
NRI A/c	8	4%
Total	200	100%

From above table we can interpret that 41% of customers are having a saving account and only 4% of customer are having NRI account. Banks should also focus on NRI A/c and offer special services by overseas tie up.

No. of hrs	No. of respondent	Respondent in %
0hr to 1 hrs	120	60%
1hrs to 2hrs	44	22%
2hrs to 3hrs	20	10%
3hrs & above	16	8%

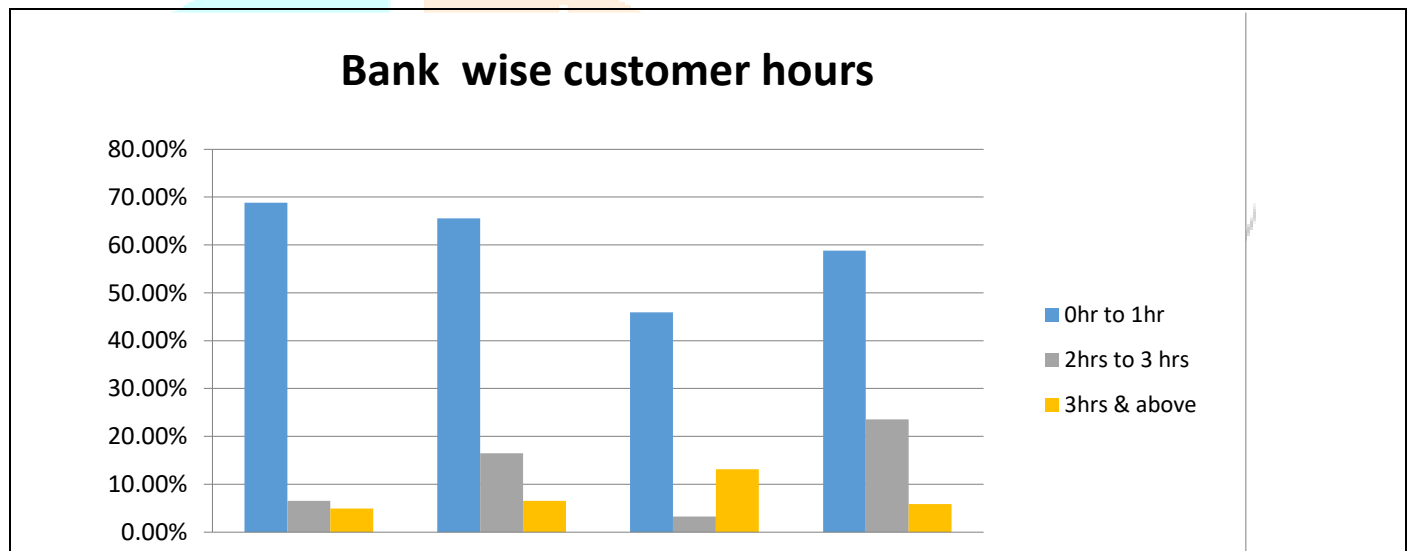


Figure 1 Type of bank and banking hours

From the above chart we can conclude that customer spare more time in private bank compare to the other type of banks.

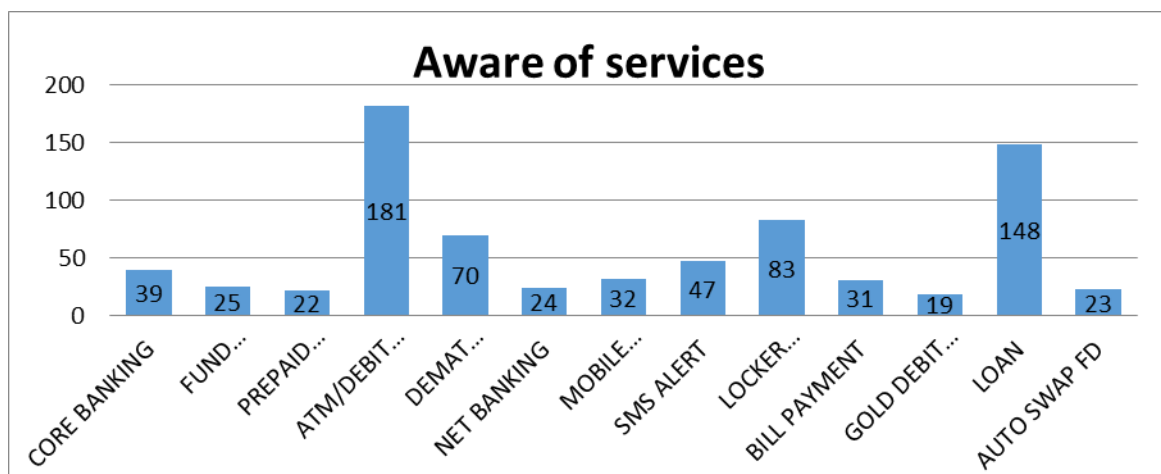


Figure 2 Awareness of services

From data collected from customers, we come to know that 181 out of 200 customer used ATM card facility and 148 customer take an advantage of loan facility provided by their bank.

Table 5 Applied For Loans

Particular	No. of respondent	In %
YES	148	76%
NO	52	24%
Total	200	100%

Table 6 No of customer who have faced problem while applying for loans

Particular	No. of respondent	In %
YES	98	66%
NO	50	34%
Total	148	100%

From above chart we can find that 74% of customer have applied loans from their bank branch out of which 53% customers have faced problem while applied for loans. Here banks we can interpret that 53% customers who have faced problem bank should find out the reason and try to eliminate this kind of problem and focus on selling of loan product because it will be easy avail loan from his bank only. It will increase the profitability of bank and reduce the cost of taking loan for customers.

Table 7 Usage OF ATM Services

Particular	No. of respondent	In %
YES	181	90%
NO	19	10%
Total	200	100%

Table 8 Frequency Of Usage

Frequency of usage	No. of respondent	In %
Everyday	14	8%
One alternative days	44	45%
Once week	82	18%
Every fortnight	8	4%
once in month	33	25%

From the above chart we can interpret that 181 customer used ATM service and from them 45% of customer has used ATM services once in a week. While 25% customers use ATM services once in a month. So we can conclude that most of the customers used ATM service at least once in a week.

Table 9 Use Of ATM Services

Particulars	YES	NO
PURCHASING TRAVEL TICKETS	21	160
PAY BILLS	12	169
MOBILE RECHARGING	18	163
DEPOSITE	15	166
CHEACK AC BAL	48	133
WITHDRAWAL	171	10

From the above chart we can interpret that 171 customer used ATM service for withdrawal and other usage of ATM services is like purchasing travel tickets, pay bills, mobile recharging, deposit, cheack ac bal, withdrawal. So we can conclude that most of the customer use ATM debit card services for withdrawal

Table 10 More Qualitative Services

Type of bank	No. of respondent	In %
public sector bank	117	58%
private sector bank	50	25%
MNC bank	33	17%
Total	200	100%

From table 10 we can interpret that according to 58% of customers believes that public sector bank have high quality of service than Private Banks. Private bank should try to improve their level of service and satisfy customer by giving them high quality services.

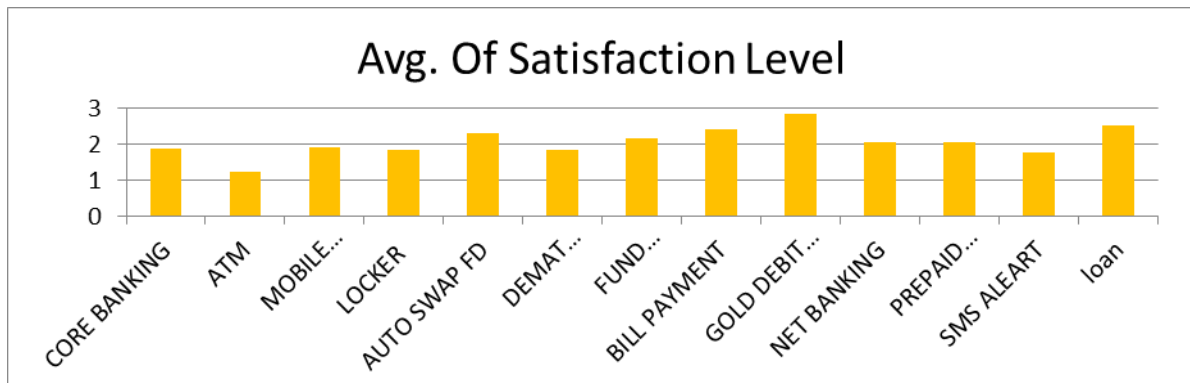


Figure 3 Satisfaction level

From the above chart we can say that highest satisfaction was reported in the facility of the ATM, SMS alert and demat account where gold debit, loan and auto swapping were lacking in satisfaction parameters of the banks.

#### IV. CONCLUSION

This research paper mainly focus on that how today's retail banking is different than the traditional banking. We have also seen this low and steady emergence of retail banking on Indian horizons. This study aimed at analyzing the customer satisfaction towards retail banking and finding the satisfaction level. The study revealed that most of the people invest their money in the public sector banks. The study also found that many people faced problem while applied for the loan. And their main problem was very tedious documentation problem. This research also found that most of the people believe that in public sector bank there were speedier and convenient operations performed. It was also found that most of the people used the ATM/DEBIT card and they mostly used it for withdrawal. The study also found that customer still wanted to add some more services like 24\*7 banking, a/c portability, on the spot loan approval, more cash withdrawal from ATM at a time. It's also found that most of the customer believe that public sector bank provide high quality services.

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