



A STUDY ON CUSTOMER PERCEPTION, CHALLENGES AND SATISFACTION TOWARDS SELECTED PRIVATE BANKS IN COIMBATORE DISTRICT

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ABSTRACT

The purpose of this study is to examine customer perception, major challenges faced, and overall satisfaction levels among customers of selected private banks HDFC Bank, ICICI Bank, Axis Bank, and Karur Vysya Bank in Coimbatore district. Using a structured questionnaire, data were collected from 200 respondents through convenient sampling. The study identifies the current level of customer perception, key problems encountered in digital banking, branch services, and ATM usage, and overall satisfaction with services provided by private banks. Findings indicate that ICICI Bank leads in perceived reliability, service quality, and digital banking, while hidden charges, slow transactions, and branch delays are major challenges. This study offers suggestions to enhance service quality, transparency, and customer satisfaction in the private banking sector.

KEYWORDS

Customer Perception - Customer Satisfaction -Banking Services - Private Banks -Service Quality

INTRODUCTION

The Indian banking sector has undergone significant transformation after the liberalization and privatization policies introduced in the 1990s. Private sector banks have emerged as key players by offering innovative products, superior customer service, digital banking solutions, and competitive interest rates. In Tamil Nadu, particularly in Coimbatore district known as the "Manchester of South India" for its industrial growth private banks play a vital role in serving the financial needs of industrialists, traders, salaried employees, and small business owners.

Customer perception, challenges faced, and overall satisfaction levels have become critical factors that determine the success of these banks. With increasing competition among private banks, understanding how customers perceive services such as net banking, mobile banking, loan processing, customer support, and branch services has become essential. This study focuses on four leading private banks operating in Coimbatore district—HDFC Bank, ICICI Bank, Axis Bank, and Karur Vysya Bank—to analyse customer perception, challenges, and satisfaction levels.

OBJECTIVES OF THE STUDY

- To study the demographic profile and customer perception of services offered by HDFC Bank, ICICI Bank, Axis Bank, and Karur Vysya Bank.
- To analyse customer satisfaction levels and identify the major challenges faced while using banking services.
- To compare the selected banks and provide suitable suggestions to improve customer satisfaction and reduce issues.

STATEMENT OF THE PROBLEM

In recent years, private banks in India have rapidly expanded their branch networks and digital services. However, customers still face issues such as technical glitches in mobile apps, delays in loan sanctions, high service charges, poor customer support, and security concerns. Despite heavy investments in technology, a noticeable gap exists between promised and actual service experiences. Very few studies have focused on customer perception and challenges towards HDFC Bank, ICICI Bank, Axis Bank, and Karur Vysya Bank specifically in the Coimbatore region. This study aims to fill this research gap by analysing customer perception, major challenges faced, and satisfaction levels with special reference to Coimbatore district.

SCOPE OF THE STUDY

The study focuses on customer perception, challenges, and satisfaction levels towards private banking services in Coimbatore district. It covers four private sector banks—HDFC Bank, ICICI Bank, Axis Bank, and Karur Vysya Bank. The study includes customers with savings/current accounts who regularly use banking services such as digital banking, branch services, loan facilities, and customer support. Primary data were collected from January to March 2026. The study is limited to Coimbatore district and does not cover public sector banks, cooperative banks, or small finance banks.

LIMITATIONS OF THE STUDY

- The study is confined to Coimbatore district and cannot be generalized to Tamil Nadu or India.
- The sample size is limited to 200 respondents.
- Convenient sampling method was used, so some bias may exist.
- Responses are self-reported and may contain personal bias.
- The study covers only the period January–March 2026; customer perceptions may change over time.

RESEARCH METHODOLOGY

This study follows a descriptive research design. Primary data were collected through a structured questionnaire from 200 respondents (50 customers from each of the four banks) using convenient sampling. The questionnaire was pre-tested on 30 respondents before final use.

Secondary data were gathered from banks' annual reports, RBI reports, journals, and official websites. Customer perception and satisfaction were measured using a 5-point Likert Scale, while challenges were captured through multiple-response questions.

PERCENTAGE ANALYSIS

Table 1: Demographic Profile and Banking Behaviour of Respondents

Question	Options	%	Question	Options	%
Gender	Male	43.5%	Age Group	Below 25	23.5%
	Female	47.0%		25–35	33.5%
	Other	9.5%		36–45	26.5%
Total		100%		46–55	9.0%
			Total		100%
Occupation	Employee	42.8%	Monthly Income	Below ₹20,000	22.5%
	Business	36.8%		₹20,000–₹40,000	40.0%
	Professional	12.5%		₹40,000–₹60,000	24.0%
	Others	7.9%		Above ₹60,000	13.5%
Total		100%	Total		100%

Table 2: Likert Scale Analysis — Customer Satisfaction Statements

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Satisfied with bank services	19.5%	31.0%	33.0%	10.5%	6.0%
Digital banking is easy to use	18.0%	33.5%	32.0%	11.0%	5.5%
Customer service is satisfactory	18.0%	33.0%	34.5%	9.0%	5.5%
Bank charges are reasonable	22.5%	31.0%	27.5%	12.5%	6.5%
Problems are resolved quickly	21.5%	29.5%	31.0%	11.0%	7.0%

Table 3: Weighted Average — Overall Bank Ratings

Bank	Excellent	Good	Average	Poor	Very Poor	W. Avg.
HDFC Bank	19.0%	33.0%	30.5%	9.0%	8.5%	3.45
ICICI Bank	18.0%	38.0%	27.5%	10.5%	6.0%	3.52
Axis Bank	18.0%	37.0%	26.0%	10.0%	9.0%	3.45
Karur Vysya Bank	16.5%	37.0%	28.5%	11.5%	6.5%	3.46

Table 4: Bank Ranking by Respondents (Garrett's Technique)

Bank	Rank 1	Rank 2	Rank 3	Rank 4	Final Rank
HDFC Bank	69	55	42	34	1st
Karur Vysya Bank	52	67	42	39	2nd
Axis Bank	48	63	55	34	3rd
ICICI Bank	29	88	58	25	4th

FINDINGS

- Majority (47%) of the respondents are female, and 43.5% are male.
- Majority (33.5%) of the respondents belong to the 25–35 age group.
- Majority (42.8%) of the respondents are employees, followed by 36.8% in business.
- Majority (40%) of the respondents earn ₹20,000–₹40,000 per month.
- Majority (33%) of the respondents are neutral about overall satisfaction with bank services; 33.5% agree that digital banking is easy to use.
- Slow transactions (38%) are the leading digital banking issue, followed by app crashes (34.5%).
- Delay in service (36%) is the top branch-related problem, followed by staff behaviour (31.5%).
- Customers primarily expect lower charges (34%) and improved digital banking (34%).
- ICICI Bank has the highest weighted average satisfaction score (3.52), while HDFC, Axis, and KVB score around 3.45–3.46.
- Despite lower satisfaction scores, HDFC Bank is ranked 1st overall by respondents, followed by KVB (2nd), Axis Bank (3rd), and ICICI Bank (4th).

SUGGESTIONS

1. Address Hidden and High Charges Transparently

Banks should clearly disclose all fees upfront through app notifications, SMS, and simple fee schedules. Introducing low or zero-fee options for regular users and offering cashback for digital transactions can reduce customer dissatisfaction. Regular awareness campaigns are also recommended.

2. Improve Digital Banking Experience

Banks must enhance app stability, reduce transaction failures, and improve processing speed. Adding features like real-time tracking, one-tap complaint resolution, offline support, and AI chatbots will greatly improve the digital banking experience, especially for frequent users.

3. Strengthen Branch and Customer Service

Branch efficiency can be improved through better queue management, appointment systems, and staff training. Implementing clear service timelines (e.g., resolution within 24–48 hours) and regular feedback tracking will help increase customer satisfaction.

4. Targeted Improvements by Bank

ICICI Bank (Highest satisfaction): Maintain strong performance in digital and support services while focusing on reducing perceived high charges to build greater loyalty.

HDFC Bank (Top-ranked overall): Leverage its strong position by improving transaction speed and addressing delays.

Axis Bank & Karur Vysya Bank (Moderate satisfaction): Focus on digital upgrades and transparent fee structures to compete with leading banks.

CONCLUSION

The study on customer perception, challenges, and satisfaction towards selected private banks in Coimbatore district reveals that private banks enjoy strong preference (60.5%), with ICICI Bank emerging as the leader in key areas such as reliability, service quality, digital banking, and customer support. The respondent profile predominantly young employed females in the middle-income group using current accounts and digital services weekly indicates a tech-savvy yet cost-sensitive customer base that values convenience and transparency. While overall satisfaction remains moderate across HDFC, Axis, and Karur Vysya Bank, significant challenges persist including hidden charges, slow transactions, branch delays, and transaction failures. Customers clearly expect lower charges and superior digital experiences. In conclusion, private banks in Coimbatore have a solid foundation due to their innovative services and customer-centric image, but sustained growth depends on addressing transparency gaps and operational frictions. By adopting transparent fee structures, robust digital infrastructure, and efficient service delivery, these banks can elevate

customer satisfaction, foster loyalty, and maintain a competitive advantage in the district's dynamic banking landscape.

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