

ISSUES RELATED TO CUSTOMERS' SATISFACTION IN INDIAN BANKING SYSTEM

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Abstract

Customer satisfaction is playing a significant role in all organizations. In merchandise production organizations, clients need to be happy with the goods specially exceptional and rate of the product. Banking enterprise is the carrier enterprise and offering diverse monetary offerings to its clients. Indian banking enterprise is rendering their offerings in keeping with the instructions of Reserve Bank of India. As banking enterprise is carrier offering enterprise and clients' satisfaction is essential in its business. This have a look at attempts to get diverse issues or satisfaction of banking clients in India concerning bodily resources, courteous offerings, devoted offerings and warranty etc. It is located that frequently clients are happy with the banking offerings however a few low satisfaction concerning the responsiveness and man or woman interest of clients via way of means of the banks personnel. Customers are disappointed due to nature and conduct of the banking personnel. There is discrimination in conduct of personnel in keeping with the career of the clients. The clients are encountering issues is probably due to inadequate team of workers or team of workers need to be behaviorally geared up with to meet their desires to beautify delight level.

Keywords: Banking services, customers, behaviour, customers satisfaction, banking problems.

Introduction

In India, services are playing significant role in **the** different dimensions of **the** economy. Banking companies are rendering their monetary offerings in **one** of a kind fields including education, Telecom, actual state, medical, hotels, restaurant, transportation, public management and in particular it wholesale and retail trade.

Indian banking become began out in June 1806 as Bank of Calcutta present as biggest financial institution particularly State Bank of India. Reserve financial institution of India become hooked up in 1935 as principal financial institution to manipulate the banking machine in India. Indian authorities nationalizes 14 banks in 1969 and six banks in 1980. Now a days, Indian banks are presenting monetary offerings in one of a kind materials of financial system to boost up the boom of development.

Deposits, loans, cash moving etc. offerings are supplied with the aid of using Indian banks. To make less complicated inexpensive and quicker banking offerings, all of the banks are making use of superior telecommunication or electronic/ net centers and will increase degree of clients' delight. Customers' delight in Indian banks rely upon the different factors like availability of tangibles, reliability of offerings, guarantee of offerings, responsiveness or willingness and empathy of personnel to serve to the clients. Customers' delight will hold the prevailing personnel and attempts to draw new clients and in the long run ensuing in development of profitability and sound monetary position. Customers delight is the principle aspect and accountable for the boom of any provider region and identical relevant in banking region.

Profitability is the relative measurement and measures the earning capacity of an organization. Financial position reveals the financial soundness of the concern. Growth of an organization or company is depend upon the increased turnover which is driven by customer's satisfaction. So, indirectly customer's satisfaction increases profitability and improves the financial soundness of any organization.

Objective of the Study

The main objective of this study is to get customers satisfaction level in Indian banks. The following are the specific objective for this analytical and survey based study.

1. To examine the level of customers' satisfaction in banks.
2. To examine reasons behind for low customer satisfaction level.

Hypotheses of the Study

The null and alternative hypotheses of the study were are follow:

Hypotheses I

Ho -There is *no* significant difference in customers' satisfaction between urban and rural Brach.

Hypothesis II

Ho -There is no significant difference in satisfaction between customers from urban and rural residence.

Hypothesis III

Ho-There is no significant difference in satisfaction among employees, businessmen, students and others.

Research Methodology

This research is based upon the secondary data obtained from the Indian banking customers. Questionnaire includes 5 elements specifically tangibles, reliability, empathy, warranty and responsiveness. The size scale is advanced on the subject of SERVQUAL model (Parasuraman et al., 1988). To get distinction among pleasure tiers of clients a questionnaire containing 50 questions (Demographical-10 questions, Expectations- 20 questions, and Perceptions-20 questions) had been administered to 230 respondents. These all respondents are taken from Haryana state. There had been 2 hundred questionnaires absolutely stuffed and used for evaluation purpose, final questionnaires cancelled because of incompleteness. Calculated suggest distinction among perceived and anticipated is calculated to recognize the variations. The Chi Square square take a look at is carried out to recognize the connection amongst aspect which could have an effect on clients' pleasure tiers in banks.

Sampling:

Population and Sample Size

The all banking services user of India were considered as population for the study and 200 random samples are obtained from different parts of country through questionnaire filling by different means.

Limitations of the Study

This observe is primarily based totally upon the secondary statistics acquired from the respondents (banking service person). The following had been the constraints of this observe:

1. The respondents had been from most effective few components of India.
2. The rural respondents are lesser than urban.
3. Some respondents stuffed questionnaire unwillingly and a few again without filling it completely.
4. The observe of clients' pleasure is static in nature, this will monitor a few deviating results,

Literature Review

Customers' satisfaction is playing a very significant role in all organization either goods producing or service rendering and increase earning capacity and market coverage (Rust, Zahorik, 1993). The satisfied customers are the best means for building a positive image of the organization in the market that will attract more and more customers and exiting customer's remains in the business. Anantha Raj A. Arokiasamy explained that there is positive relationship between satisfaction level of customers' and earning capacity of the organization. Satisfied customers from the initial level of any successful business and customers satisfaction leads to frequent purchase, brand loyalty, and positive mouth advertisement (Hoyer MacInnis, 2001).

Nevine Sobhy, Abdel Megeid (2013) has also revealed the importance service quality and positive correlation between service quality and customers' satisfaction, ultimately improves financial performance. Quality of service is to be considered as main factor responsible for customers' satisfaction (Parasuraman et al, 1994).

Now a days, banking is to be taken into consideration as a consumer primarily based totally offerings industry, the consumer is the center-factor and customer support must be the high aspect and ends in most profitability and clean operation of the enterprise activity. The demanding situations for banks is to govern and decrease costs, boom operational performance and market place proportion and it's miles viable most effective enhancing the great of offerings to beautify clients' pleasure. Attention has now grew to become to enhancing the great of carrier encounter, while clients input the financial institution and are available into face-to-face touch with financial institution staff (Chakravarty, 1996). Service great is taken into consideration as one of the primary elements accountable in consumer pleasure (Parasuraman et al., 1994).

Customers' pleasure is affecting incomes potential of banks and to facilitates to gain repeat buy through clients withinside the saturated aggressive banking enterprise, Organizations ought to arrange their offerings consistent with expectations (explicit or implied) in their clients. Organizations ought to offer extra than anticipated carrier to get better consumer pleasure degree. To get clients once more and once more, companies ought to offer offerings consistent with their explicit or implied expectations. They ought to offer products and services to satisfy or maybe exceed clients' expectations (Mesach G. Goyit, Teresa M. Nmadu, 2016). Atteia A. Marrie, Mohamed E Ibrahim, Amjad D al Nasser, 2014) found out Strong tremendous dating among great of offerings and financial institution's overall performance (Islamic Banks) and that financial institution's inner operations mediate the connection for outside clients group. Elizabeth Duncan and Greg Elliott (2004) located in his observe that aside from direct correlation among clients carrier and monetary overall performance, loss of uniform dating among operational performance and monetary overall performance or operational performance and customer support. But,

Dimitrios I. Meditions (2013) determined in his studies that clients' pleasure and loyalty does now no longer have Following desk is ready after linking about the statistics of 2 hundred questionnaires stuffed through the banking clients, associated tangibility, reliability, empathy, warranty and responsiveness. The responses had been on five factor likert scale.

Data Interpretation and Analysis

Branch Location	Perceived Tangibles	Expected Tangibles	Tangibles(P-E)
Urban	2.99	2.11	0.88
Rural	3.3	2.24	0.9
	PerceivedReliability	ExpectedReliability	Reliability(P-E)
Urban	2.6	2.43	0.17
Rural	2.8	2.14	0.66
	PerceivedResponsiveness	ExpectedResponsiveness	Responsiveness (P-E)
Urban	1.97	2.37	-0.4
Rural	2.85	2.32	0.53
	Perceived Assurance	Expected Assurance	Assurance (P-E)
Urban	2.36	2.18	0.18
Rural	2.35	2.18	0.17
	Perceived Empathy	Expected Empathy	Empathy (P-E)
Urban	2.7	2.63	0.09
Rural	2.05	3.1	-1.05

Form the above table, it is clear that there is negative reflection in empathy in rural area branches and responsiveness of the employees are weaker in urban area.

	Urban Branch	Rural Branch	Total
Satisfied	176	20	194
Notsatisfied	6	0	6
Total	182	20	200

Expected Frequency			
	Urban Branch	Rural Branch	Total
Satisfied	177	19	194
Notsatisfied	5	1	6
Total	182	20	200

fo	fe	fo-fe	(fo-fe) ²	(fo-fe) ² /fe
176	177	-1	1	0.005557
20	19	1	1	0.5263
6	5	1	1	0.2
0	1	-1	1	1
ChiSquare				1.258187

The calculated value of Chi Square is 1.258187 at 5% level of significance to get the difference of satisfaction level of urban and rural customers. So, it can be explained that there is no significant difference between the customers' satisfaction from rural and urban areas.

Satisfaction among employee, businessmen, students and others

	Empl.	Own.bus.	Stu.	others	Total
Satisfied	30	130	20	16	194
Notsatisfied	6	0	0	0	6
Total	36	130	20	16	200

Expected Frequency

	Empl.	Own.bus.	Stu.	others	Total
Satisfied	35	126	19	16	194
Notsatisfied	1	4	1	0	6
Total	36	130	20	16	200

fo	fe	fo-fe	(fo-fe) ²	(fo-fe) ² /fe
30	35	-5	25	0.7143
130	126	4	16	0.127
20	19	1	1	0.0526
16	16	0	0	0
6	1	5	25	25
0	4	-4	16	4
0	1	-1	1	1
0	0	0	0	0
ChiSquare				30.8939

The calculated value of Chi Square is 30.8939 at 5% level of significance to get the difference among level of satisfaction of employees, owned business, students and other customers. So, it is concluded that there are significant different between the satisfaction level of employees, owned business, students and other customers.

Results

From the above evaluation, that's primarily based totally upon the statistics acquired from the banking clients, it could be concluded that:

Positive Elements for clients' Satisfaction

- 1 Urban and rural place branches are ready with contemporary statistics technology, personnel are nicely behaved workplaces are neat and smooth with enough range of personnel.
- 2 All the branches are retaining their information correctly sincerely and offering speedy mortgage sanctioning and depositing offerings. The ATM offerings of the banks are great and to be had in faraway regions too.
- 3 There isn't any vast distinction among degree of delight of clients from rural department and concrete department.
- 4 There isn't any vast distinction among degree of delight of clients shape city and rural regions.

Negative elements for clients' satisfaction

There is loss of willingness to assist in offering designated statistics of transactions, new loans and deposits schemes, hobby on loans and deposits and banking expenses and transactions etc., in particular in city place branches.

- 1 There is vulnerable attention of character interest to clients and their precise desires in rural regions.
- 2 In rural regions, banking workplace hours aren't handy and clients ought to wait lengthy to get matters done.
- 3 There are vast distinction most of the degree of delight of personnel, businessmen, Students and others.

So, from the above, it's far clean that there's loss of loss of empathy and responsiveness via way of means of the personnel of the banks. Customers are glad with the bodily resources, statistics offerings and sincerely report protection via way of means of the banks.

Conclusion

This examine discovered that maximum of the Indian banking clients are glad with the offerings of banks. Few clients are disappointed due to the bad responsiveness and empathy of the personnel in city and rural place branches. Customers of banks are disappointed because of their unique desires and no attention or character interest via way of means of the bank's personnel. So, there's scope for in addition researches to recognize unique desires of the clients and the behavioral issues of the personnel even as interacting with them concerning banking offerings. On the idea of above evaluation and interpretation, it could be concluded that there's want to present unique

schooling to the personnel who're operating in rural regions at once handling the clients. The rural personnel schooling ought to be primarily based totally upon the reading and thinking about the conduct of various banking clients and their cordial treatment. The loss of personnel are every other cause for rural personnel' dissatisfaction. In city branches, there ought to be technological association in banks internet site or on line banking offerings to get designated hobby and banking expenses statistics immediately. There ought to now no longer be any discrimination on the idea of career of the clients.

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