A Study on Customer Satisfaction towards Banking Services

Provided By SBI in Reference with Coimbatore City

Mrs.S.Chitra[1], Research Scholar, Department of Commerce, Nehru Arts and Science College, Thirumalayampalayam, Coimbatore.
Dr.A.Ramasethu[2],Assistant Professor,Department of Commerce,
Sri Krishna Adithya College of Arts and Science, Kovaipudur,Coimbatore.

ABSTRACT

The study is conducted on the consumer satisfaction towards the services rendered by SBI. SBI is an Indian multinational, public sector banking and financial services statutory body. They have branches spread over the entire length and breadth of the country. SBI in particular is all pervasive enjoying a sprawling network of 9000 branches. It has assets to be worth of about Rs.2,22,500 crore. SBI has very conservative approach to accounting particularly when it comes to declaration of its assets. SBI enjoys a monopoly of the government business. The reserve bank of India owns about 60%of the banks equity. SBI was formed under the SBI act in 1955. With the takeover of imperial bank and amalgamation of Bank of Bengal, Bank of Bombay and Bank of Madras. SBI enjoys a pool of best managerial talent, assured government business, a country wide network of branches and strong brand credibility in the Indian market.

KEYWORDS: Public sector banking, Financial services,imperial bank.

1. INTRODUCTION :

1.1 BANKING IN INDIA

In India the banks and banking have been divided in different groups. Each group has their own benefits and limitations in their operations. They have their own dedicated target market. Some are concentrated their work in rural sector while others in both rural as well as urban. Most of them are only catering in cities and major towns.

Modern banking in India originated in the last decade of the 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770 and liquidated in 1829–32; and the General Bank of India, established in 1786 but failed in 1791.

The largest and the oldest bank which is still in existence is the State Bank of India (S.B.I). It originated and started working as the Bank of Calcutta in mid-June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks founded by a presidency government; the other two were the Bank of Bombay in 1840 and the Bank of Madras in 1843. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the

State Bank of India in 1955. For many years the presidency banks had acted as quasi- central banks, as did their successors, until the Reserve Bank of India was established in 1935, under the Reserve Bank of India Act, 1934.

In 1960, the State Banks of India was given control of eight state-associated banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are now called its associate banks. In 1969 the Indian government nationalized 14 major private banks; one of the big banks was Bank of India. In 1980, 6 more private banks were nationalized. These nationalized banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.

Banking services by SBI

State Bank of India (SBI) is the largest public sector banks in India. It was the first bank established in India as Bank of Calcutta in 1806. Headquartered in Mumbai, the bank has over 24,000 branches, 59,000+ ATMs and 195 foreign offices across 36 countries after the merger of its 5 associate banks and Bhartiaya Mahila Bank (as on 1st April, 2017). SBI offers a plethora of products and services such as savings account, credit cards, fixed deposits, home loan, personal loan, debit card, loan against property, car loan, gold loan and more.

There are different types of accounts are maintained,

- Savings Account
- Fixed Account
- Current Account

Loans provided by SBI are,

- Home loan
- Educational loan
- Property against loan
- Two Wheeler loan

1.2 OBJECTIVES OF STUDY:

1. To study the level of customer satisfaction towards the services provided by the SBI banks in Coimbatore City.
2. To identify the factors those influence the selection of SBI banking services in Coimbatore City.
3. To examine the expectations level and the satisfaction level of the customers towards the service rendered by SBI.

4. To make suggestions for improving the bank's customer services.

1.3 STATEMENT OF THE PROBLEM:

In the current competitive world banks have to struggle their might to offer the best have offer the best of the customer satisfaction through various innovative strategies in order to services in industry. Banking industry is passing through a challenging phase. The demonetization policy introduced by the government has affected the banking industry to a great extent. The banking sector facing lot of challenges due to competition, technologies developments changing customer's needs and policies of government. In this competitive and fast changing era, it becomes imperative for a bank to satisfy the needs of the customer. The banks are spending a lot of the time and energy to frame policies about customer satisfaction. The study would stand as a sincere attempt to evaluate customer satisfaction of SBI in Coimbatore city.

1.4 SCOPE OF THE STUDY:

1. The study is conducted on behalf of the customers of SBI.
2. The study is conducted to know the customer preference towards the choosing the services, the awareness on the various services provided by banks, the frequency of services used.
3. The study has put forward the Customers as well as acceptability behavior for the services.
4. The study defines about their satisfaction level of towards the services provided by the SBI in the selected area.

1.5 PERIOD OF STUDY:

The study is conducted for 3 months in Coimbatore among the people who use the services of SBI in the selected area.

1.6 LIMITATION OF THE STUDY:

- The survey has been conducted only on 150 respondents.
- The accuracy of the findings of study depends upon the correctness of the responses provided by the respondents.
- Unwillingness of some respondents to provide information is another limitation.
- Findings of this study may be influenced by personal bias of the respondents.

1.7 RESEARCH METHODOLOGY:

Research methodology is the systematic method/process dealing with identifying problem, collecting facts or data, analyzing these data and reaching at certain conclusion either in the form of solutions towards the problem concerned or certain generalization for some theoretical formulation.

Research methodology is about 'customer satisfaction towards the services provided by SBI

in reference with Coimbatore city':- this work defines about the customer satisfaction on the services provided by SBI in reference with Coimbatore city. Were the scope of the study is limited only to the Coimbatore city.

1.7.1 DATA COLLECTION:

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Here during this research, both primary and secondary method of data collection is used to analysis the consumers' behaviours and knowledge on the banking services in the selected area. For analysis and interpretation the tool used was Chi – Square test.

2.REVIEW OF LITERATURE

1. Aurora and Malhotra (2010) studied the level of customer satisfaction and marketing strategies in both private and public sector banks in India. It revealed six factors of customer satisfaction in public sector banks viz, routine operations, price, situational environmental technology and interaction. But in private banking sector, they found seven factors in total, having staff factors as the top ranked and situational factors as the lowest ranked items. Instead of price factor,

2. Dutta K. and Dutta A. (2010) investigated the perception of expectation of customers across all the banks in India. This study showed that customers are most satisfied with the services of foreign banks followed by private and public banks. This study suggested that Indian public banks should improve their banking services.

3. Edwin M. & Fathima S. (2011) conducted a study on the impact of service quality and customer satisfaction in commercial banks. This study shows that there is close link between the customers' perception on the service quality factor and customer satisfaction. It further showed that the impact of the service quality factor on customer satisfaction is unique. It brought the suggestion that bank managers have to formulate appropriate marketing strategies to satisfy their customers.

3.ANALYSIS AND INTREPRETATION

CHISQUARE ANALYSIS:

Table 3.1

HYPOTHESIS

Level of significance = 5% or 0.05

H0: There is no significant relationship between age of the respondents and frequency of operation of account.

H1: There is a significant relationship between age of the respondent and frequency of operation of account.

To test the above hypotheses, the Chi- square test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

Age*Frequency Of Operation Cross
Tabulation

		Frequency of operation			Total
		Daily	Monthly	Weekly	
age	21-40	22	27	50	99
	41-60	10	8	28	46
	Above 60	1	2	5	8
	below 20	11	15	24	50
	Total	44	52	107	203

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.052[a]	6	.802
Likelihood Ratio	3.214	6	.781
N of Valid Cases	203		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 1.73.

INTERPRETATION

The Calculated value (0.000) is less than the P- Value 0.05. So, the alternative hypothesis is accepted. Hence it is conclude there is significant relationship between the age and frequency of operation of account by the respondents..

Table 3.2

HYPOTHESIS

Level of significance = 5% or 0.05

H0: There is no significant relationship between gender of the respondents and satisfaction on banking services.

H1: There is a significant relationship between age of the respondents and satisfaction on banking services.

To test the above hypotheses, the Chi- square test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

GENDER*SATISFACTIONONB ANKINGSERVICESCROSS TABULATION

	Satisfaction on banking services		Total
	No	Yes	
Gende Female r	10	94	104
Male	14	85	99
Total	24	179	203

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
	$.997^a$	1	.318		
Pearson Chi-Square	.610	1	.435		
Continuity Correction	.999	1	.317		
Likelihood Ratio				.387	.218
Fisher's Exact Test	203				
N of Valid Cases					

a. 0cells(0.0%)haveexpectedcountlessthan5.Theminimumexpe cted count is11.70.

b. Computed only for a 2x2table

INTERPRETATION

The Calculated value (0.000) is less than the P- Value 0.05. So, the alternative hypothesis is accepted. Hence it is conclude there is significant relationship between the gender and satisfaction on banking services.

TABLE 3.3

HYPOTHESIS
Level of significance = 5% or 0.05

H0: There is no significant relationship between professional status of the respondents and the types of services preferred.

H1: There is a significant relationship between professional status of the respondents and the types of services preferred.

To test the above hypotheses, the Chi- square test has been applied. SPSS package has been used to calculate the test statistics of analysis of variance.

Professional status*Type of services preferred Cross tabulation

		Type of services preferred			Total
		Daily	Monthly	Weekly	
Professional status	Employed Govt Employee	11	8	35	54
	Home maker	3	2	9	14
	Retired Self-Employed	1	7	11	19
	Student	1	3	4	8
	Unemployed	14	3	19	36
Total		12	26	24	62
		2	3	5	10
		44	52	107	203

Chi-Square Tests

	Value	*df*	*Asymp. Sig. (2-sided)*
Pearson Chi-Square	*27.343^a*	*12*	*.007*
Likelihood Ratio	*28.475*	*12*	*.005*
N of Valid Cases	*203*		

a. 9 cells (42.9%) have expected count less than5. The minimum expected count is 1.73.

INTERPRETATION

The Calculated value (0.000) is less than the P- Value 0.05. So, the alternative hypothesis is accepted. Hence it is conclude there is significant relationship between the professional status and types of services preferred.

FINDINGS :

1. Majority of the people are extremely satisfied with the ATM services provided by SBI bank.

2. Most of the respondents are extremely satisfied on the responsiveness and the convenient banking provided by SBI bank.

3. Maximum number of respondents is neutral about the ATM, internet banking,

telephone banking, mobile banking and other customer care services provided by SBI bank.

4. From this project it is found that most of the people are satisfied with the services of the SBI bank.

5. It has been observed that maximum number of people are using savings account of SBI bank.

6. Majority of the respondents are female compared to male dealing with SBI bank.

SUGGESTIONS:

1. The management of the SBI should conduct more product and services awareness campaign.

2. Since majority of the customer using savings account deposits in every bank. So the bank management should think of introducing new schemes regarding savings account and marketing those to the customers.

3. The SBI should increase the level of providing personal attention to individual customer.

4. Advertisements of the SBI bank are very less compared to other competitors. It may lead to switching on other banks. So the SBI management should promote more advertisement through various advertisement channels..

CONCLUSION

The banking sector is undergoing major changes due to competition and the advent of technology. The customers are looking for better and quality services which would enhance their satisfaction. From the above analysis, it is clear that the SBI bank caters most of the customer needs and it's has satisfied majority of its customers. SBI bank has many positive features and satisfies most of the customer needs by the services offered. In spite of this fact, it has been observed that many customers are not aware of all sorts of facilities provided by SBI. Thus the SBI bank should make better awareness campaigns.

REFERENCES:

1. *Marketing Management –Philip Kotler,13th Edition.*
2. *Research Methodology –C.R.Kothari,New Age Publishers,2nd Edition,*
3. *M. Kailash, A Study on Customer Satisfaction with Service Quality in Indian Public and Private Sector Banks: Golden Research Thoughts (March 2012)*
4. *Hummayoun Naeem, Asma Akram and M. Iqbal Saif, 'Service Quality and Its Impact on Customer Satisfaction: An Empirical Evidence from The Pakistani Banking Sector', International Business & Economics Research Journal –December 2009 Volume 8.*
5. *Uma Sankar Mishra, Bibhuti Bhusan Mishra, Saroj Kanta Biswal and Bidhu Bhusan Mishra, ―Employee Evaluations of Customer Satisfaction: A Comparative Study between Public and Private Banks in India‖, International Research Journal of Finance and Economics ISSN 1450-2887 Issue 59 (2010).*
6. *Ushad Subadar Agathee ―An Assessment on Service Quality in the Mauritian Banking Sector‖ International Research Symposium in Service Management ISSN 1694-0938, (2010).*
7. *Kajal Chaudhary and Monika Sharma, ―Performance of Indian Public Sector Banks and Private Sector Banks: A Comparative Study‖, International Journal of Innovation, Management and Technology.*