

A Study On Customer Perception Towards Services Of Selected Public And Private Sector Banks –With Special Reference To Coimbatore City

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Abstract: Banking system occupies an important place in a nation's economy. A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. The phenomenon of globalization brought about significant changes in terms of products and services that are being offered to Indian customers and consequently the complexion of the banking sector in India too underwent a note worthy change in the last decade. In this content the study is taken up the services provided by the public and private sector banks. This paper reveals the customer perception towards services of selected public and private sector banks in Coimbatore city and it also helps to analyze the improvement in the banking services. Various tools used to analyse the data. The present study helps the banker to educate their customer by providing various services based on technological development to the satisfaction of their customer.

Key word: Customer Awareness, Expectations, Maintenance, Services, Selection of the Bank

I. INTRODUCTION

Banking system occupies an important place in a nation's economy. A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. The phenomenon of globalization brought about significant changes in terms of products and services that are being offered to Indian customers and consequently the complexion of the banking sector in India too underwent a note worthy change in the last decade. The emergence of new private sector and foreign banks is one of the major challenges before the public sector commercial banks in India and this prompted the Indian banking industry to reckon with the challenges posed by the competition while rendering services to the customers.

II. STATEMENT OF PROBLEM

Banking industry has started to occupy an important place in the life of different types of people including a common man. It is no longer considered as a luxury. It has become a necessity. In our country, banking service is provided by the public sector banks, as well as co-operative, private and foreign sector Banks. The Reserve Bank of India regulates the banking service industry. The customers in addition to the public sector banks increasingly prefer private sector and foreign sector service providers.

Though all the Commercial Banks are providing Value-added services, enquiries on Banks customers have been made on the following.

- What are the services provided by the banks?
- How far the services cater to the needs of the customers?
- To what extent the services are utilized by the customers?
- What are the problems faced by the customers?
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III. OBJECTIVE OF THE STUDY

1. To study the different services provided by the bank to the customers
2. To examine the expectations and the level of satisfaction of the customers towards the services rendered by Public and Private sector banks
4. To identify the areas which need improvement, so that the service of these banks is enhanced.

IV. HYPOTHESIS OF THE STUDY

1. There is no significant relationship between gender and overall satisfaction of the respondent.
2. There is no significant relationship between age and overall satisfaction of the respondents.
3. There is no significant relationship between occupational status and overall satisfaction of the respondents.
- 4.

4.1. Data Collections

The study is based on questionnaire method;

- Primary data were collected from respondents.
- Secondary data were collected from books, journals, magazines and websites.

4.2. SAMPLING

A Sample of 300 customers has been selected for the study using the convenient sampling method.

4.3. FRAMEWORK OF ANALYSIS

- Simple percentage Analysis,
- Chi- Square test,
- Garrett Ranking techniques,
- Reliability analysis,
- Discriminate Analysis.

V. ANALYSIS AND INTERPRETATION

SIMPLE PERCENTAGE ANALYSIS

TABLE 1 GENDER OF THE RESPONDENTS

S.NO.	Gender	Mean	S.D	No. of Respondents	Percentage
1	Male	1.99	.919	160	53.3
2	Female	2.31	.849	140	46.7
	Total	2.16	.900	300	100

Source: Primary Data

It is clear from the above table 53.3 per cent of the respondents are male with mean and standard deviation of 2.31 and .919 and 46 per cent of them are female with mean and standard deviation of 1.99 and 0.849. Majority of the respondents are male with the mean score of 2.31.

TABLE- 2 CHOICE OF THE BANK

S.NO.	In which bank do you have A/c	Mean	S.D	No. Of Respondents	Percentage
1	Public bank	2.08	.903	220	73.3
2	Private bank	2.38	.862	80	26.7
	Total	2.16	.900	300	100.0

Source: Primary Data

From the above table 73.3 per cent of the respondents have their bank dealing in public banks and only 26.7 per cent of them have dealing in private banks. Majority deals with public banks because of safety purpose.

TABLE- 3 DETAILS OF MAINTAINING THE BANK ACCOUNT

S.NO.	How long are you maintaining your A/c	Mean	S.D	No Of Respondents	Percentage
1	Less than 1 year	2.75	.439	40	13.3
2	1-5 year	2.04	.914	180	60
3	5-10 year	1.60	.808	50	16.7
4	Above 10 year	3.00	.000	30	10
	Total	2.16	.900	300	100

Source: Primary Data

It is clear from the above table 60 per cent of the respondents have maintained their a/c with 1-5 years. 16.7 per cent of them deal with 5-10 years .13.3 per cent of the respondents deals with less than 1 year and 10 per cent of them have above 10 years. Majority of the respondents do operate their account with the period of 1-5 years.

Chi-Square Analysis

Table - 4

Overall Chi-Square Analysis Between Personal Factors And Overall Satisfaction

S.NO	PERSONAL FACTORS	LEVEL OF SATISFACTION			
		VALUE	Df	p-Value	S/NS
1	GENDER				
	Pearson Chi-Square	34.285	2	0.000**	S
	Likelihood ratio	35.764	2	0.000	
	Linear-by-Linear Association	9.839	1	.002	
	No. of Valid Cases	300			
2	AGE				
	Pearson Chi-Square	88.459	8	0.000**	S
	Likelihood ratio	115.081	8	.000	
	Linear-by-Linear Association	56.984	1	.000	
	No. of Valid Cases	300			
3	EDUCATIONAL LEVEL				
	Pearson Chi-Square	154.088	8	0.000**	S
	Likelihood ratio	154.696	8	.000	
	Linear-by-Linear Association	5.744	1	.017	
	No. of Valid Cases	300			
4	OCCUPATIONAL STATUS				
	Pearson Chi-Square	42.233	8	0.000**	S
	Likelihood ratio	51.393	8	.000	
	Linear-by-Linear Association	.740	1	.390	
	No. of Valid Cases	300			
5	ANNUAL INCOME				
	Pearson Chi-Square	60.796	6	0.000**	S
	Likelihood ratio	72.250	6	0.000	
	Linear-by-Linear Association	7.295	1	0.07	
	No. of Valid Cases	300			
6	MARITAL STATUS				
	Pearson Chi-Square	58.403	2	0.000**	S
	Likelihood ratio	59.240	2	0.000	
	Linear-by-Linear Association	14.595	1	0.000	
	No. of Valid Cases	300			
7	AREA OF RESIDENCE				
	Pearson Chi-Square	7.523	2	0.023**	S
	Likelihood ratio	7.509	2	0.023	
	Linear-by-Linear Association	4.061	1	.044	
	No. of Valid Cases	300			

S – Significant NS – Not Significant * 5% level of significance **1% level of significance

TABLE - 5

Association Between Gender And Overall Satisfaction About Services

Particulars	Value	Df	P-value
Pearson Chi-Square	34.285	2	.000**
Likelihood ratio	35.764	2	.000
Linear-by-Linear Association	9.839	1	.002
No. of Valid Cases	300		

*Accepted

** Rejected

It's clear that the P-value is less than 0.05. The null hypothesis is rejected at 5% level of significance. Hence there is significant relationship between gender of the respondents and overall satisfaction about service and also statistical significant.

Garrett Ranking Technique
Table-6 Reasons Behind Selecting The Bank

S.NO	FACTORS	TOTAL SCORE	MEAN SCORE	RANK
1	Nearness	1798.2	5.9	I
2	Convenient Timing	1651.9	5.5	IV
3	Friendly staff	1559	5.19	V
4	Reputation of the bank	1693.8	5.6	III
5	Prompt service	1558	5.19	VI
6	Canvassing by the bank	1102	3.6	X
7	Dep of salary by the employee	1411.5	4.7	VII
8	More loan facility	1307.3	4.3	VIII
9	Fully computerization	1757.2	5.8	II
10	Variety of other services	1254.1	4.1	IX

Source: Primary Data

The above tables reveals “Nearness” was ranked first by the selected sample respondents with the total score of 1798 and mean score of 5.9. Fully computerization was ranked second with the total score of 1757 and mean score of 5.8. Reputation of the bank and convenient timing occupied third and fourth position with the total score of 1694 and 1652 and mean score of 5.6 and 5.5 respectively. Friendly staff was ranked fifth with the total score of 1559 and mean score of 5.19. Prompt service occupied sixth position with the total score of 1558 and mean score of 5.1. Deposit of salary by the employer and more loan facility occupies seventh and eighth position with the total score of 1412 and 1307 and mean score of 4.7 and 4.3 respectively. Variety of other services was ranked ninth with the total score of 1254 and mean score of 4.1. Canvassing by the bank occupied tenth position with the total score of 1102 and mean score of 3.6. It is evident that most of the respondents gave top priority to nearness as the first rank for selecting the bank.

Reliability Analysis

Table – 7 Reliability Of Scales And Item-Construct Loadings For Level Of Satisfaction In Order To Cope Up With The Behavior Of Bank Staff

S.NO	STATISTICS REGARDING BEHAVIOR OF THE BANK STAFF	SCALE MEAN IF ITEM DELETED	CRONBACH'S ALPHA IF ITEM DELETED
1.	Courteous/Friendly people	52.17	.885
2.	Availability of Answer to Question	52.47	.875
3.	Explain things clearly & Correctly	52.27	.880
4.	Responsive to customers/needs/wants	52.34	.879
5.	Accuracy in completing transaction	52.30	.890
6.	Speed of Handling transaction	52.40	.886
7.	Speed of the Services	52.51	.890
8.	Knowledge of the employees	52.47	.898
9.	Behavior of the bank staffs	52.63	.881
10.	Courtesy of the Employees	52.47	.884
11.	Sincerity in Problem Solving	52.30	.885
12.	Promptness of the Services	52.40	.887
13.	Individual Attention of the employees	52.50	.885
14.	Reliability of the employees	52.24	.888
15.	Understanding of your need	52.36	.886
	MEAN		56.13
	VARIANCE		61.726
	STD. DEVIATION		7.857
	CRONBACH'S ALPHA		.892
	NO OF ITEMS		15

Discriminant Function Analysis

Classification of Individual

Using the discriminate function fitted and the observed predictor variables of the companies, the companies are classified and the correct per cent of classification is presented below.

Table: 8 Percentage Of Correct Classification By Using Discriminate Function On The Data

S.No.	Level of Satisfaction	High	Low	Total
1	HIGH	121	30	151
		80.1	19.9	100
2	LOW	30	119	149
		20.1	79.9	100

VI. SUGGESTIONS

- 1) To strive, to attract and retain customer the bank has to introduce innovative products, enhancing the customer services and marketing through different channels targeted at specific customer.
- 2) Proper technical training to staff must be provided to handle crisis situation
- 3) Bank should create awareness in rural areas regarding their new schemes and should train and educate if necessary.

VII. CONCLUSION

In the new environment the bank has to sell its product with a view to maximize the profit and to attract the customers with better services. The bankers have to realize the implication of market economy and adjust accordingly. The bank has to equip itself to meet the challenges of tomorrow banking. The present study helps the banker to educate their customer by providing various services based on technological development to the satisfaction of their customer.

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