

## **Customer Satisfaction In Public And Private Sector Banks In Chengalpattu District**

**Ms. M. Priya<sup>1\*</sup>, Dr. N. Periyasami<sup>2</sup>**

<sup>1\*</sup>PhD. Research scholar, Department of Commerce, Annamalai University, Annamalai Nagar, 608 002

<sup>2</sup>Professor, Department of Commerce, Annamalai University, Annamalai Nagar, 608 002

### **ABSTRACT**

The primary objective of this research paper is to evaluate the quality of services provided by both public and private sector banks operating within Chengalpattu District. In the face of intense competition and rapid technological advancements, the banking system is confronted with challenges that necessitate service providers to not only meet but surpass the expectations of their target customers. The current investigation is designed to gauge the utilization of services, particularly the enabled services, in these banks. Furthermore, the study aims to analyze the various factors that influence customer satisfaction with the quality of services offered. The research was specifically conducted in public and private sector banks located in Chengalpattu District, Tamil Nadu, utilizing a convenience sampling method for sample selection. Branches were chosen with a focus on those providing enabled services, reflecting a strategic approach to understanding and enhancing customer satisfaction in the banking sector. Establishing easily accessible feedback channels encourages customers to express opinions and concerns actively, providing valuable input for continuous refinement and adaptation of services to changing needs.

**Keywords:** Customer Satisfaction, Service Quality, ATMs, Banking, Computerization, Credit Cards, Debit Cards, Technology. Transaction Based Banking Services.

### **INTRODUCTION**

The Indian banking sector, a cornerstone of economic development, has undergone transformative phases since gaining independence. A landmark event occurred in 1969 when the government nationalized 14 major banks, giving rise to profit-making public sector undertakings (PSUs). These banks, operating as commercial entities, played a vital role in shifting the banking system from a class-oriented structure to mass banking. This transformation aligned credit services with planned priorities and social needs, broadening the scope of banking services and fostering financial inclusion.

Since the 1990s, the sector has witnessed further evolution with the introduction of new private commercial banks and foreign banks. This phase, often referred to as nationalization, expanded the landscape of banking services and aligned them more closely with developmental goals. The Reserve Bank of India initiated branch expansion programs, strategically aiming to provide essential banking facilities across the nation, especially in unbanked rural and semi-urban areas. This approach was pivotal for rural development projects, uplifting economically weaker sections, and instilling banking habits even in the remotest corners of the country.

The dynamic nature of the Indian banking sector underscores its crucial role in propelling economic progress and ensuring financial inclusion. Against this backdrop, the present research focuses on Chengalpattu District, Tamil Nadu, delving into the quality of services provided by both public and private sector banks. In the face of intense competition and rapid technological advancements, the banking system faces challenges that necessitate service providers to not only meet but surpass the expectations of their target customers. The research aims to evaluate the utilization of services, particularly technology-enabled services, and analyze the various factors influencing customer satisfaction. Through a convenience sampling method, the study strategically selects branches in Chengalpattu District, emphasizing those offering enabled services. This approach aims to provide a nuanced understanding of customer satisfaction in the banking sector and contribute valuable insights for ongoing service refinement and adaptation to changing needs.

### **CUSTOMER SATISFACTION**

Customer satisfaction in the banking context is a multifaceted concept encompassing users or potential users of banking services. This includes account holders, their representatives, individuals engaging in casual business transactions, and those voluntarily joining the banking ecosystem. The efficiency of the banking sector hinges on its ability to deliver services effectively to its diverse customer base. In the contemporary landscape marked by intense competition, the importance of continually enhancing service quality cannot be overstated. Globalization necessitates a disciplined approach within the banking sector, emphasizing the smart use and integration of flexible and suitable information technology.

The significance of customer retention in banking is underscored by its direct impact on profitability. Even a modest increase in customer retention rates correlates with substantial growth in various financial sectors, including banking, insurance, and consumer credit cards. Recognizing this, banks prioritize strategies for customer retention and market share growth. An environment conducive to excellent service is reflected not only in the range of banking products but also in employee behavior. Positive interactions, attentiveness, and effective communication about the organization and its services contribute significantly to shaping customer satisfaction levels. The ongoing evolution of the banking sector emphasizes the importance of adapting to changing customer expectations and maintaining a high standard of service to ensure overall customer Satisfaction

### **STATEMENT OF THE PROBLEM**

The primary focus of this research is to conduct a comprehensive assessment of the services provided by both public sector and private sector banks operating within Chengalpattu District. In the dynamic landscape of the banking sector, it becomes imperative to delve into nuanced dimensions that contribute to the overall quality of services. This investigation aims to unravel the strengths, weaknesses, and comparative performance of public and private sector banks by evaluating factors such as efficiency, accessibility, responsiveness, and customer-centricity. The statement of the problem underscores the need to understand the intricacies of these financial institutions to contribute valuable insights that can inform strategies for enhancing service quality and, consequently, improve overall customer satisfaction in the banking sector.

As the banking sector navigates challenges posed by competition and rapid technological advancements, there is a pressing need to analyze the evolving dynamics of customer satisfaction. The statement of the problem serves as a compass, guiding the research towards assessing the multifaceted aspects of services offered by public and private sector banks. By focusing on a strategic approach that emphasizes the intricacies of customer experiences, this research aims to shed light on the comparative performance of these banking entities. The ultimate goal is to contribute insights that can inform strategic decisions, fostering improvements in service quality and, consequently, elevating the overall satisfaction of customers within the banking sector in Chengalpattu District.

### **OBJECTIVES OF THE STUDY**

1. To assess various aspects of services provided by public and private sector banks.
2. To suggest measures for improving the prospects of these banks based on the study findings.

### **HYPOTHESIS**

H01: There is no association between monthly income and the level of satisfaction on the quality of services.

### **RESEARCH DESIGN**

The research design employed for this study is characterized by a comparative and analytical approach, aiming to assess customer perceptions within specific commercial banks. Specifically, the investigation focuses on three public sector banks SBI, Bank of Baroda, and Punjab National Bank and three private sector banks ICICI, AXIS, and HDFC. This design allows for a nuanced analysis, contrasting customer experiences across different banking sectors. The comparative framework enhances the depth of understanding and provides insights into the varying dynamics and satisfaction levels within both public and private banking institutions.

### **SAMPLING**

The sampling methodology chosen for this research is a convenience sampling method, strategically employed to encompass a total of 220 respondents. This includes 100 customers and 10 bank employees from both public and private sector banks. While convenience sampling offers practicality in data collection, it is important to note that the findings may reflect specific characteristics of the accessible population and may not be fully representative of the broader banking sector. The sample selection focuses on achieving a balanced representation across sectors and roles, ensuring a comprehensive analysis of perspectives from both customers and employees within the banking sector in Chengalpattu District.

### **DATA SOURCES**

The research incorporates a dual-source approach to gather comprehensive insights:

**Primary Data:** A meticulously structured questionnaire was designed to systematically collect primary data. Distributed among 220 sampled respondents, this included 100 customers and 10 bank employees from both public and private sector banks in Chengalpattu District. The questionnaire's careful formulation ensures a focused exploration of customer and employee perspectives, allowing for a nuanced understanding of service experiences.

**Secondary Data:** To augment the primary data, relevant information from existing literature pertaining to satisfaction levels on the quality of services in the banking sector was gathered. This supplementary data from established sources serves to provide a broader context, enriching the understanding of the subject by incorporating insights, trends, and findings already documented in the existing body of knowledge.

### STATISTICAL TOOLS USED FOR THE ANALYSIS

The data processing, classification, tabulation, analysis, and interpretation were facilitated through the utilization of the Statistical Package for the Social Sciences (SPSS). Various statistical techniques were applied, with the choice depending on the nature of data obtained from the respondents. Specifically, the Chi-square test was employed as a statistical method to examine potential associations or dependencies within the dataset. This approach enhances the depth of analysis and contributes to a comprehensive understanding of the patterns and relationships present in the collected data. The utilization of SPSS ensures rigorous and efficient statistical analysis, allowing for robust findings and meaningful interpretations.

### LIMITATIONS OF THE STUDY

- 1. Geographical Scope:** The study is confined to Chengalpattu District, limiting the generalizability of findings to a specific geographical area.
  - 2. Sample Size:** The sample size is constrained to 220 individuals, consisting of both bank customers and employees, potentially restricting the study's breadth.
  - 3. Time Constraint:** The data collection process is restricted to a strict time limit of four months, impacting the depth and breadth of information gathered.
  - 4. Reliability Concerns:** Due to the smaller sample size, there is a potential concern about the reliability of the collected data and its representation of the broader banking sector.
  - 5. Assumption of Accuracy:** The analysis relies on the assumption that respondents provide accurate and truthful information through the questionnaire, introducing an element of subjectivity.
- These limitations highlight specific constraints and considerations that may impact the study's outcomes and should be acknowledged when interpreting the research findings.

### DATA ANALYSIS AND INTERPRETATIONS

**Table 1: Chi-Square Test for Association between Monthly Income and Level of Satisfaction on Quality of Services of Customers**

Monthly Income (in Rs)	Level of Satisfaction on quality of service			Total	Chi-square value	P value
	Low	Moderate	High			
Below 15000	34 (35.4) [47.2]	43 (44.8) [38.1]	19 (19.8) [29.2]	94 (100.0) [38.4]	10.756	0.029*
15000-30000	32 (27.6) [44.4]	55 (47.4) [48.7]	29 (25.0) [44.6]	116 (100.0) [46.4]		
Above 30000	6 (15.8) [8.3]	15 (39.5) [13.3]	17 (44.7) [26.2]	40 (100.0) [15.2]		
<b>Total</b>	<b>72 (28.8) [100.0]</b>	<b>113 (45.2) [100.0]</b>	<b>65 (26.0) [100.0]</b>	<b>250 (100.0) [100.0]</b>		

Source: Computed from Primary Data

## RESULTS AND DISCUSSION

The table aims to explore the association between monthly income and the level of satisfaction regarding the quality of banking services in Chengalpattu District.

Notably, 35.4% of customers with a monthly income below 15000 express low satisfaction with the quality of banking services. This group also comprises 44.8% of customers reporting a moderate level of satisfaction, while 19.8% express a high level of satisfaction.

In the income range of 15000-30000, 27.6% of customers report low satisfaction, while majorities of 47.4% express a moderate level of satisfaction. Additionally, 25.0% indicate a high level of satisfaction with the quality of services.

Customers with a monthly income above 30000 showcase distinct patterns, with 15.8% expressing low satisfaction, 39.5% reporting a moderate level of satisfaction, and a significant 44.7% highlighting a high level of satisfaction.

The Chi-square test conducted to scrutinize the association between monthly income and satisfaction levels yields compelling results. With a Chi-square value of 10.756 and a P value of 0.029 (less than 0.05), the null hypothesis suggesting no association is convincingly rejected at a 5 percent level of Significance

The rejection of the null hypothesis underscores a statistically significant association between monthly income and customer satisfaction in the banking sector.

Lower-income customers, with a monthly income below 15000, exhibit a higher proportion of moderate satisfaction (44.8%), indicating a nuanced satisfaction pattern in this income bracket.

Customers with a monthly income between 15000-30000 demonstrate a balanced distribution across satisfaction levels, with a higher percentage indicating moderate satisfaction (47.4%).

Higher-income customers, with a monthly income above 30000, distinctly showcase a preference for high satisfaction (44.7%).

The detailed analysis reveals not only statistically significant associations but also nuanced patterns in customer satisfaction based on monthly income. Tailored strategies that consider income brackets are imperative for addressing varying satisfaction levels and enhancing overall customer experience in the banking sector.

## SUGGESTIONS

### 1. Tailored Service Enhancement

Service strategies should be customized based on income brackets to address specific concerns and enhance services, particularly targeting customers with a monthly income below 15000.

### 2. Customer Engagement Initiatives

Proactive engagement with customers in the income bracket below 15000 should be facilitated through surveys and focus group discussions to gain insights into factors contributing to lower satisfaction levels.

### 3. Focused Service Quality Enhancement

Targeted measures to enhance service quality, especially for customers with lower incomes, should be implemented. This could involve staff training, process improvements, or the introduction of new services/features.

### 4. Effective Communication Strategies

Improvements and enhancements should be communicated effectively to customers. Positive communication can significantly impact customer perception and satisfaction.

### 5. Incentivize Loyalty for Lower Income Customers

Introduce rewards or loyalty programs specifically designed to benefit customers with lower incomes, incentivizing loyalty and creating a positive customer experience.

### 6. Continuous Monitoring and Adjustment

A systematic approach for continuous monitoring of customer satisfaction across different income groups should be established. Regular assessments of the impact of implemented strategies and adjustments as needed are recommended.

### 7. Staff Sensitization Programs

Sensitization programs for staff members to understand the specific needs and concerns of customers with different income levels should be conducted. Consistent high-quality service should be ensured irrespective of income.

### 8. Market Research for Evolving Preferences

Regular market research should be conducted to stay updated on evolving customer preferences and industry trends. Proactive adaptation of strategies to meet changing customer expectations is encouraged.

### 9. Benchmarking Against Industry Standards

Service quality should be regularly benchmarked against industry standards and competitors. Areas for improvement should be identified to stay competitive and exceed customer expectations.

### 10. Accessible Feedback Channels

Easily accessible feedback channels for customers to express opinions and concerns actively should be established. Actively seeking customer input to continuously refine services and adapt to changing needs is essential.

## CONCLUSION

In conclusion, the meticulous analysis of the association between monthly income and customer satisfaction in the banking sector of Chengalpattu District reveals compelling insights. The statistically significant findings underscore the need for tailored strategies to enhance customer satisfaction, considering income brackets. Lower-income customers express a higher prevalence of moderate satisfaction, signaling the importance of targeted initiatives. The nuanced patterns across income groups highlight the complexity of customer preferences, emphasizing the need for adaptive approaches in service quality enhancement. The recommendations, rooted in the analysis, provide a strategic roadmap for banks to proactively address varying satisfaction levels, fostering a more inclusive and satisfactory banking experience for all customers. Continuous monitoring and adaptation, coupled with effective communication, will be pivotal in ensuring sustained improvements in the quality of banking services.

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