



**A Study on Customer Satisfaction about Banking Services of State Bank of India
With Reference To Jammu City**

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Abstract

The Financial Services is the backbone of service sector. This is important not only for the banking sector but for the Indian economy as a whole. This is so because banking is a catalyst and life of modern trade and commerce. It is an integral part of all the businesses and social activities. Customer Satisfaction is very essential for every Service to survive in the market. Customer Satisfaction could help the business by placing future demand to the company. Customer Satisfaction gives passing the words of mouth to other potential customers. Simple random sampling technique was adopted. Sample of 150 customers were selected for collecting the data. The data collected were tabulated and analyzed by applying statistical tool are Simple percentage methods, Chi-square test methods and Correlation. The research study was conducted from June 2018 to June 2019. Study is confined to Jammu City only. The sample size is 150 hence finding cannot be generalized. The period of the study is limited one year only. It was difficult to know whether the respondents are truly given the exact information. Customer preferences and opinions are supposed to change from time to time.

Keywords : Financial Services, Customer Service, Business, Customer Satisfaction.

1. Introduction:

The Financial Services is the backbone of service sector. This is important not only for the banking sector but for the Indian economy as a whole. This is so because banking is a catalyst and life of modern trade and commerce. It is an integral part of all the businesses and social activities. This rapid transformation of services in the banking system has led to the evolution of a highly competitive and complex market where there is a continuous refinement of services. Hence the increased role of banking in India's economic development on the one hand and the changes in the business climate on the other has put increased pressure on them. These



changes are compelling the banks to reorganize themselves in order to cope with the present conditions. With the current change in the functional orientation of banks, the purpose of banking is redefined. Now, the Financial Institutions are trying to provide all the services at the customer's doorstep. The customer has become the focal point either to develop or maintain stability in the business. Every engagement with the customer is an opportunity to either develop or destroy a customer's faith in the Bank. The expectations of the customers have also increased many folds. Intense competition among the banks has redefined the concept of the entire banking system. The banks are looking for new ways not only to attract but also to retain the customers and gain competitive advantage over their competitors. The banks like other business organizations are deploying innovative sales techniques and advanced marketing tools to gain supremacy. The main driver of this change is changing customer needs and expectations. Customers in urban India no longer want to wait in long queues and spend hours in banking transactions. This change in customer attitude has gone hand in hand with the development of ATMs, phone and net banking along with availability of service right at the customer's doorstep. With the emergence of universal banking, banks aim to provide all banking product and service offering under one roof and their endeavor is to be customer centric. With the emergence of economic reforms in world in general and in India in particular, private banks have come up in a big way with prime emphasis on technical and customer focused issues. In India, the banking industry has entered several new activities in the areas of merchant banking, leasing housing finance, venture capital and financial services in general.

The range of services provided by the banks stretches from rural finance at one end to international banking at the other. The banking scenario worldwide is now undergoing a rapid diversification and technological change and Indian banking is not an exception with the changing policy of the Government of India in the areas of industrial, trade and exchange rate policies. The functions of the bank have changed to cope with the changes. The Indian banking has seen momentous changes in the post liberalization era. It has witnessed a remarkable shift in its operating environment during the last decade. Every aspect of the functioning of the Indian banking industry is undergoing dramatic changes. The market has changed drastically and has become largely customer centric. In these days of intense competition, the banks are very particular in identifying the needs of their customer and how effectively that can be met. They



continuously struggle and develop new strategies to differentiate themselves from their competitors by providing their customers with high quality banking services and high technology innovative products. It is to be noted here that technical superiority and innovative products alone will not bring success; it is the quality of service determines the success of any bank. As pointed out by Taylor and Baker in 1994 and Cronin and Taylor in 1992, service quality has become a critical prerequisite for satisfying and retaining valued customers in banks. Rendering quality service to satisfy and retain customers is the key to success in banking business. In India, the PSB's and old private sector banks realized their new role and also welcomed the new generation banks – HDFC bank, ICICI bank, IDBI bank, Axis bank, etc. These new banks had the advantage of starting with a clean slate, adequate capital resources, well trained and professional manpower, handful of branches in chosen centers, new variety of products and services etc. The customer acts as a propagandist in revealing the goodness of banking with a particular bank. This is, in general, understood as customer loyalty. A satisfied customer thus becomes a source to attract new customers to a bank. As a result, in order to survive in the present world of intense competition, the banking sector has transcended the normal banking activities and has diversified into insurance, merchant banking, factoring and advisory services. It is therefore important to understand the customer expectation properly and delivering actual performances that exceed expectations so as to make them delighted customers. Hence the researcher has made an attempt to study the customer satisfaction in state Banks of India in Jammu City.

Statement of Problem:

Modern banking is known as innovative banking. Indian Bank is offered a wide range of services to their customer through ICT. Banking through internet has emerged as a strategic resource for achieving higher efficiency, control of operations and reduction of cost by replacing paper based and labour intensive methods with automated processes thus leading to higher productivity and profitability. Technological advancements can bring about close integration between the urban and rural population. The primary challenge is to give consistent service to customers irrespective of the kind of customer whether rural or urban. Retention of customers is going to be a major challenge. Banks need to emphasis on retaining customers and increasing market share. Even with ATM machines and Internet Banking, many consumers still prefer the



personal touch of their neighborhood branch bank. The researcher tried to address why the customer till prefer banking services of SBI branch at Jammu City.

Need for Study: Customer Satisfaction is very essential for every Service to survive in the market. Customer Satisfaction could help the business by placing future demand to the company. Customer Satisfaction gives passing the words of mouth to other potential customers.

Scope of the Study: The study has been conducted on State Bank of India at Jammu city. The study is confined to the Jammu city. The study covers the service providers and users of State Bank of India at Jammu city. The study has put forward the Customers as well as acceptability behavior for the services. The scope of the study is to find out the-Customer Satisfaction

Objectives:

1. To study the demographic background of State Bank of India bank customers in the study area.
2. To study the satisfaction of customers towards the bank services in the study area.
3. To identify the factors that influences the customer satisfaction about bank services of SBI.
4. To evaluate the level of satisfaction about bank services of State Bank of India at Jammu city.

Hypotheses:

1. There is no significant difference in satisfaction towards banking services between male and female customers.
2. There is no significant difference in satisfaction towards banking services among customers from different age groups.
3. There is no significant difference in satisfaction towards banking services among customers from different educational background.
4. There is no significant difference in satisfaction towards banking services among customers from different occupations.

Research Methodology:

Research Design: Research design is considered as a “blueprint” for research, dealing with at least four problems: which questions to study, which data are relevant, what data to collect, and how to analyze the results. The best design depends on the research question as well as the orientation of the researcher.

Type of Survey: Simple random sample technique tools.

Sample Size: Samples of 150 customers for collecting the data.



Statistical tools used for the study: The data collected were tabulated and analyzed by applying statistical tool are Simple percent age methods, Chi-square test methods and Correlation

Period of the Study: The research study was conducted from June 2018 to June 2019.

Limitations of the Study: Study is confined to Jammu City only. The sample size is 150 hence finding cannot be generalized. The period of the study is limited one year only. It was difficult to know whether the respondents are truly given the exact information. Customer preferences and opinions are supposed to change from time to time.

II. Review of Literature: Customer satisfaction plays a vital role in gearing up the banking sectors and their performance. Here we have made a short review about the studies relating to the customer satisfaction and the service quality. Kano et.al (1984) identified three types of customer requirements; they are “must be”, “one dimensional” and “attractive”. “Must be” requirements are simply taken for granted by the customer. “One dimensional” requirements, customer satisfaction is proportional to the level of fulfillment. “Attractive” requirements provide the greatest opportunity to “delight” the customer. Lewis (1995) adopted the terminology of “hygiene factors”, enhancing factors” and “dual threshold factors”. Gronroos (1984) previously emphasized that how good the quality of the service was perceived to be by customers, was expected to be measured using customer satisfaction approaches. Banking service provides financial service that accepts deposits and channels those deposit into lending activities, either directly or through capital markets. (Shelton et al.,1995). Customer satisfaction in banking service is a measure of how services supplied by a company meet or surpass customer expectation. While Webster (1989) discovered the importance of demographics on expectations in the USA, Johnson argue that there are other factors that could influence expectations which have yet to be investigated empirically. Davidow & Uttal note: “Service expectations are formed by many uncontrollable factors from the experience of customers to a customer’s psychological state at the time of service delivery communications, promotion, price, personal needs, and past experience.



Data Analysis & Interpretation:

Table-1
Age of the Respondents

S.No.	Age [years]	No. of Respondents	Percentages
1.	Below 20	40	27
2.	20-30	72	48
3.	40-50	20	13
4.	Above 50	18	12
Total		150	100

Conclusion: It is finished the majority of the respondents (48%) are belonging to the age between 20-30 years in the study area.

Findings of the Study: It is finished the majority of the respondents (48%) are belonging to the age between 20-30 years in the study area. It is concluded that the majority of the respondents (55%) are male in the study area. It is accomplished that 36 percent of the respondents are studying up to H.Sc, in the study area of Jammu City. It is concluded that the majority of the respondents (51%) are private employees in the study area Jammu City. It is accomplished that majority of the respondent (33%) are getting monthly income between below Rs 10,000 of the study area. It is finished that the great majority of the respondents (53%) are in unmarried category in the study area. It is ended that the majority of the respondents (67%) are operating SB A/c in the Jammu City. It is accomplished that the most of the respondents (39%) are maintaining less than 5 years in the study area. It is accomplished that the most of the respondents (48%) are maintaining less than 5 years in the study area. It is finished that the majority of the respondents (45%) are putting monthly deposit between 5001-10,000 in the study area. It is completed that the most of the respondents (52%) are satisfied about the interest on deposit provided by the bank in the study area. It is completed that the most of the respondents (59%) are withdrawing amount less than Rs.5000 in the study area. It is finished that the majority of the respondents (57%) are using mode of withdrawal both in ATM and Branch in the study area Jammu City. It found that the majority of the respondents (35%) are taking business loans in the study area. It is completed that the majority of the respondents (37%) are visiting bank for getting loan less than 3 times in the study area. It is completed that the most of the respondents (57%) are satisfied about interest on bank. It is completed that the most of the respondents (55%) are satisfied with behavior of the bank staff in the study area. It found that the most of the



respondents (53%) are highly satisfied with behavior of the bank manager in the study area. It found that the great majority of the respondents (56%) are satisfied with bank services of SBI, in the study area. It is completed the majority of the respondents (51%) are choosing SBI for best service from SBI in the study area Jammu City.

Rank Correlation Analysis: It is concluded that ATM bank services (37%) is secured first rank in the study area. There is a positive correlation between educational qualification of the respondents and level of satisfaction of bank services of the respondent in the study area.

Chi-Square Test: There is significant relationship between gender of the respondents and types of deposit of these respondents. There is significant relationship between maintaining Bank A/C (years) of the respondents and level of satisfaction about bank service. There is significant relationship between educational qualification of the respondents and level of satisfaction about bank services. There is significant relationship between occupations of the respondents opinion about behavior of bank staff. There is significant relationship between types of deposit of the respondents and level of satisfaction about bank services. There is significant relationship between age of the respondents and behavior of bank manager. There is significant relationship between gender of the respondents opinion about interest on bank loan. There is significant relationship between marital status of the respondents and behavior of bank manager. There is significant relationship between gender of the respondents and visit to bank (monthly). There is significant relationship between marital status of the respondents and opinion of about interest on deposit.

Suggestions: If the following suggestions are followed by bank, it can increase customers' satisfaction and ultimately it will be a boost for banking industry. Staff should be pleased to assist. Training programs regarding customer interaction should be held for staff and there must be surprise checking like hotel industry. Enquiry letters should be clearly answered earliest. Customers should be provided with account statements regularly. Staff should be knowledgeable about the services offered. Staff members should apologies for mistakes. Account should be handled carefully. Customers' instructions should be carried out carefully. Branch cash machine should provide readable printouts. Queuing time should be reduced. Complaint should be handled then and there. Regarding complaint customers should receive follow up contact. Name and address of customers should be handled carefully. There should be a personal touch between the customers and staff. Disagreements with the customers should be avoided.



Conclusion: The results of the present study shows that from tangibility aspect of service is concerned, both the customers of public sector banks and private sector banks have strongly agreed that their banks are easily accessible. The customers of private sector banks have strongly agreed that their banks show sincere interest in solving problems from reliability point of view of service quality. Convenient operating bank hours from empathy point of view of service quality dimension, private sector bank customers have strongly agreed for this. There is no significant difference in opinion among the customers of SBI about confidence building and technology augmentation aspect of service quality. It is concluded that the prospective customers in SBI in Jammu city expect maximum service quality at a minimum cost in the day-to-day banking transactions. The majority of India's banks are not very diversified in terms of the products and services they offer. One strategic focus that banks can implement to remain competitive would be to retain as many customers as Possible. And customer retention is possible through customer satisfaction only. Thus, customers' satisfaction is the key of success in today's competitive era.

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