

***CUSTOMER SATISFACTION
STUDY WITH REFERENCE TO BANKS IN MUMBRA REGION***

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Abstract

“A customer is the most important visitor on our premises. He is not dependent on us; we are dependent on him. He is not an interruption in our work; he is the purpose of it. He is not an outsider on our business; he is a part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so...”

- Mahatma Gandhi

The customer is the king of market. The customer satisfaction must be the priority of any business organisation. Customer satisfaction is the base for success of any business. Banking is a service-oriented industry and it has to prolong itself on its service. The endurance and development of a bank does not depend on its magnitude or finances, it depends on its knack to provide qualitative service to its customers on a sustained basis. with the availability of similar technology in almost all the banks, it is felt that it is only through the provision of better services to their customers' banks can survive in the market. Hence, there is an imperative need for identifying their ability to satisfy the service quality requirements as per their customers' expectations. This study attempt to analyse the extent of customer satisfaction with reference to the selected banks in Mumbra region.

Keywords

Customer satisfaction, customer service.

“A financial system’s contribution to the economy depends upon the quantity and quality of its services and the efficiency with which it provides them”

World Development Report, 1989

Introduction

Bank

Banks play an important role in the economic development of a country. There may be an economic crisis in the country if the banks stop functioning even for a few days. Generally, banks collect money from those who have spare money or who are saving it out of their income and lend this money out to those who require it. This mechanism of providing finance is highly valuable and a bare necessary in any community. According to some authors, the word ‘bank’ is derived from the French word ‘bancus’ or ‘banque’ which means a ‘bench’. Initially, the bankers, the Jews in Italy, transacted their business on benches in the market place. If a banker failed, his ‘banque, (bench) was broken into pieces by the people, which indicated the bankruptcy of the individual banker. Some authors say that the word ‘bank’ is originally derived from the German word ‘Banck’ meaning a joint stock fund which was Italianised into ‘banco’ when the Germans were masters of a great part of Italy. ‘Banco’ means heap of money. The word ‘bank’ is used in modern times, means an institution accepting money as deposits which are used for lending.

Customer satisfaction

Customer satisfaction refers to how far the expectations of the customers are met. It is an individualistic and dynamic concept and varies from time to time and person-to-person and within a person over a period of time. Customer service means satisfying the needs of customers at the right time in the right manner. The customer service include broadly, giving expeditious assistance, explaining various policies and systems answering every and any query, giving due respect and (normally) not losing one’s balance and patience. Customer satisfaction is a function of perceived performance and expectation. Feelings of satisfaction arise when customers compare their perceptions of the performance of a product or service to their desires and expectations. If the perceived performance equals or exceeds a customer’s expectations, then the customer is satisfied. But if perceived performance falls short of his or

her expectations, then the customer is dissatisfied. With the growth of public awareness, expectation of the public has been constantly increasing and dissatisfaction over the service has assumed growing expression banks are business organisations selling bank services. The banks have continuously assess and reassess how customers perceive bank services, find out the new and emerging customer expectations and frame ways and means to meet these new expectations on an ongoing basis. The challenge before the banking industry in India today is, to generate and sustain a high degree of customer satisfaction. Therefore, it is felt necessary to focus the study on the extent to which customers are satisfied.

Customer orientation

Banks cannot exist without customers. In service sector like bank, customer service should not only a critical function, but a way of life also. Banks can be said as being customer oriented if its various organizational activities like organisational restructuring, staffing, co-ordination are geared to fulfil customers' needs. So, total customer satisfaction should be the focal point. That alone serves the banks' objective of maximization of profit. It is obvious that a bank cannot think of making profit without customers. Now banks have two jobs to perform:

- Retaining the old customers
- Attracting new customers.

About Mumbra region

Mumbra is as fast growing town & suburb of Thane district. Since last ten years the population of Mumbra has doubled. The population of region is almost comprises of businessman, NRI or employed person and daily wage earner. Reality sectors have also boomed during last few years. To explore and grab better avenues and opportunities many nationalized and private bank have made entry into this region and are trying to provide with better banking product and services to attract consumer.

Statement of the problem

Now days a common bank customer is not fully satisfied by the services it has rendered to him. The good customer service does not merely mean treating customer politely and handling the customer transaction with expediency and expectations. It basically implies, ascertaining and assessing the customer's requirements and expectations and then initiating a management process to fulfil and integrate the organisational goals and objectives. The present study on customer satisfaction by Indian Bank makes an attempt to study the extent to which customers are satisfied. This helps the bank to make changes in their products and improvements in their services in order to satisfy the customers and compete with other banks.

Objectives of the study

The study is descriptive in nature and tries to analyse the extent of customer satisfaction with reference to the selected banks in Mumbra region. The study attempts to achieve the following objectives:

1. To study the consumer perception towards banks in Mumbra region.
2. To analyse the extent of satisfaction of the customers regarding services offered by the banks in Mumbra region.
3. To make suggestions for the improvement in services offered by the Banks in Mumbra region.

Limitations

All the customers have not been interview by the researcher due to paucity of time. The study is confined to Mumbra region. Information is collected directly from the customers who were coming out just after the completion of their transaction in the bank, at the time of study; customers may have depressive mood. So, the level of perfection of information may be reduced.

Research Methodology:

For the present customers of banks operating in Mumbra region was selected.

Sampling procedure

A random sampling technique will be used.

Unit of observation and sampling size

The unit of observation is the private banks in Mumbra region, total sample size considered was 200 potential customers

Data collection

- Primary data: Pre coded questionnaire was designed in such a way to meet the requirement of the study personal interviews and personal discussion was also be adhered.
- Secondary data : RBI's bulletins , publication of Indian banks, association of home loan ,Indian institute of bankers ,Indian banking association ,NBFC's journal, various published and unpublished literature and websites.

Data analysis observation and findings

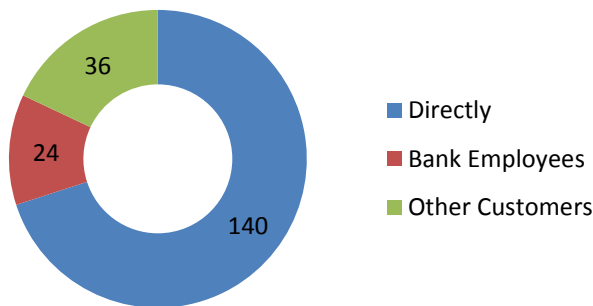
A well-structured questionnaire was circulated among the respondent and the responses are:

Characteristics	Factors	No. of Customers	Percentage
Age	Less than 30 years	80	40
	31 to 40 years	85	42.5
	41 to 50 years	18	9
	51 years and above	17	8.5
Sex	Male	135	67.5
	Female	65	32.5
Educational Qualification	Illiterates	14	7
	Primary	28	14
	HSC	46	23
	Degree	75	37.5
	PG	40	20
	Professional Degree	17	8.5
Occupation	Salaried Class	77	38.5
	Professional	35	17.5
	Business	51	25.5
	Agriculture	11	5.5
	Student	26	13
Monthly Income	Below Rs.5000	42	23
	Rs5001 to Rs10000	55	27.5
	Rs10001 to Rs 20000	64	32
	Rs20001 and above	39	19.5

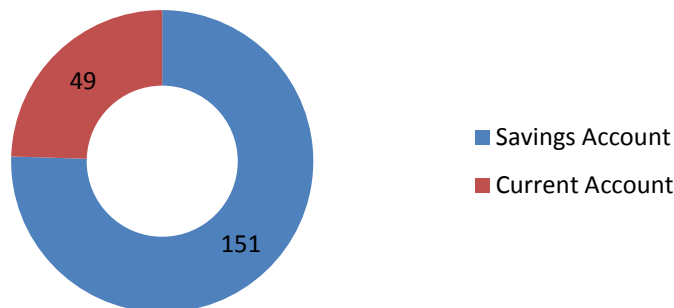
Source: Primary Data

It is clearly understood from the above table that the major sample respondents of Banks in Mumbra are young customers, male customers are more in number, major portion of the customers are educated, the salaried class and business people constitute more than 50 per cent and 32% of the customers earn between Rs.10001 to Rs.20000 per month.

Knowledge about the bank by the customers

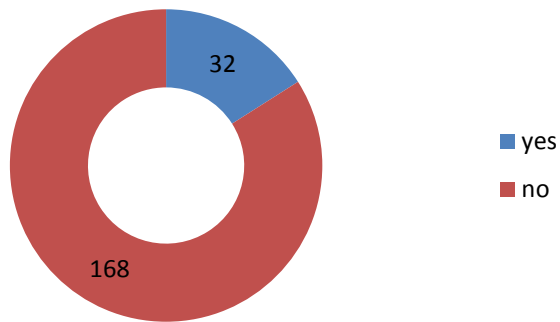


Type of accounts hold by the customers

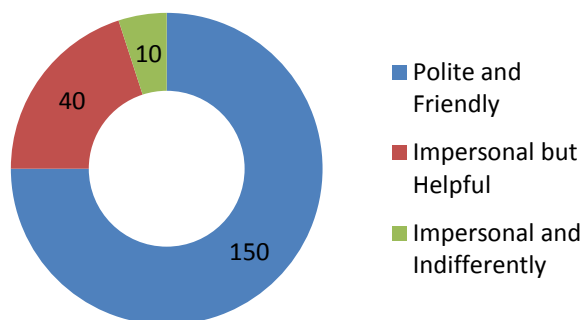


Customers' opinion about the various services from the bank

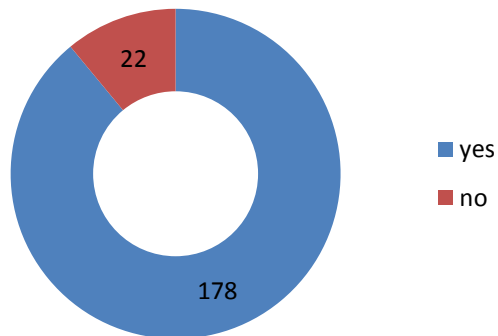
A. Problems faced by the customers while opening an account



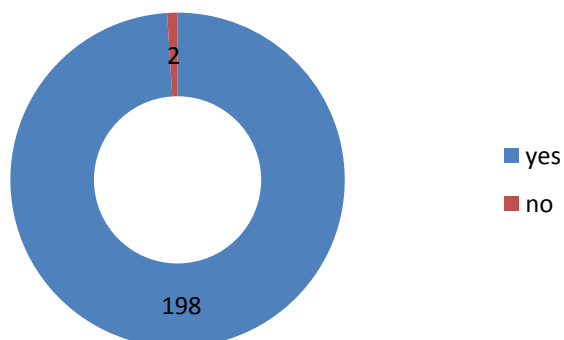
B. Satisfaction regarding the approach of the employees



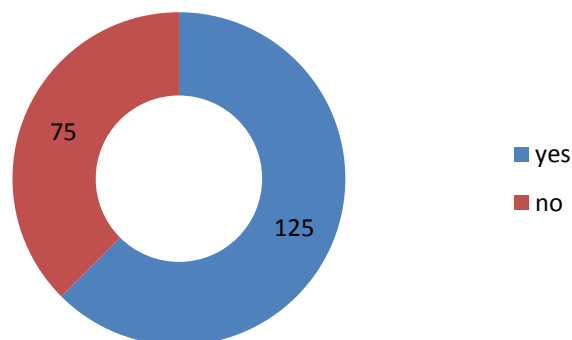
C. **Satisfaction regarding amenities** (seating and writing arrangements, Fans, Drinking water, parking space)



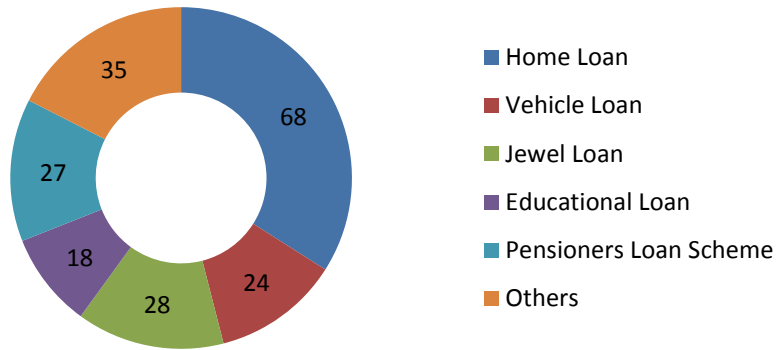
D. **Satisfaction regarding recording of transaction**



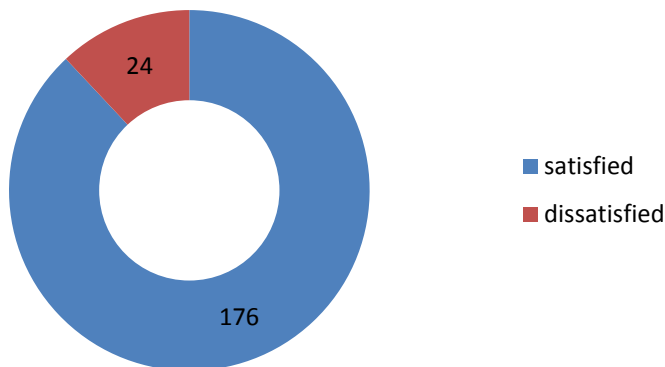
E. **Borrowings by the customers from the bank**



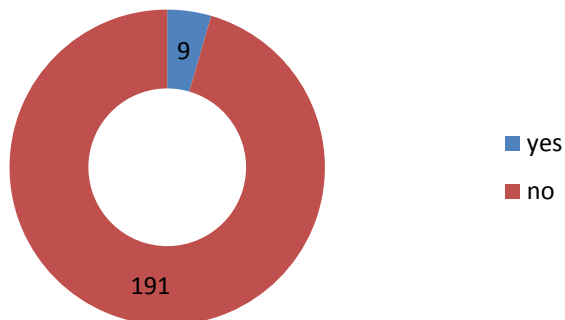
F. Types of loan availed by customers



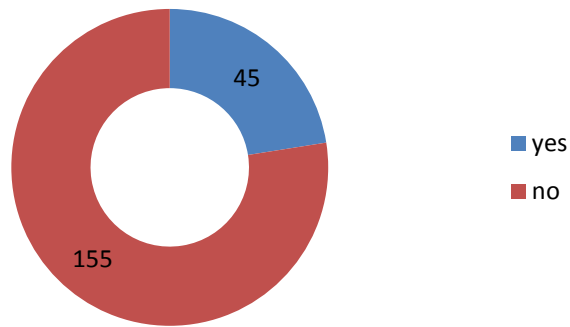
G. Satisfaction regarding modernisation of bank



H. Disputation between customer and banker



I. Participation of customers in customer meet



Conclusion and suggestions

1. Major Portions i.e. 70% of the customers are direct customers. This reveals that they are customers of the bank without anybody's influence. The main reason can be the reputation and goodwill of the bank.
2. Approximately 75% of the customers keep their money in savings account.
3. 84% of the customers do not face any problem while opening an account.
4. Around 75% of the customers are of the opinion that the approaches of the employees are more friendly, polite and helpful.
5. 89% of the customers are satisfied with the amenities of the banks i.e. seating arrangements provided by the bank, the writing arrangements, the drinking water facility, parking space provided etc
6. 99% of the customers are of the opinion that bank officials are accurately recording the transactions.
7. Nearly 65 per cent of the customers borrow from the bank.
8. Loan to salaried class, jewel loan, vehicle loan and educational loan constitute more than 60 per cent of the total loan sanctioned by the bank where as 34% customers have taken home loan

9. 88% of the customers are satisfied with the modernisation of the banks and are up to their satisfaction.
10. Majority of the customers reported that the behaviour of the bank staffs is good and they are satisfied.
11. Majority of the customers i.e.95.5% stated that they don't have any dispute or problem with their banker.
12. Only a very few customers i.e. 22.5% attend the customers meet conducted by the banks in Mumbra.

Suggestions

In order to improve the satisfaction of customers the following suggestions have been offered.

1. Competent staff must be appointed to render a good service to customers. The training programme must be conducted to improve attitude, morale and interpersonal skills of the employees.
2. Delegation of appropriate authority to the employees who deal with customers may enable them to take on the spot decision.
3. The bank should organise the customers meet regularly and viewpoints of the customers should be given due weightage.
4. The bank should setup a customer service cells to handle complaints, grievances, etc.
5. The bank should introduce additional customer support service. It will add value to the organisation and also improve the efficiency and the quality of services.
6. If the bank made any change in scheme, it should be communicated to the customers on regular basis.
7. The bank should ensure customer satisfaction through prompt and courteous service and also quick and sympathetic response to the complaints received.
8. The bank should open additional counters in busy hours for the purpose of reducing the waiting time.

9. When new customers approach the bank officials for opening an account, more convincing approach and hospitality is needed. To attract more number of customers cordial approach is expected.

Conclusion

The bank must continuously assess its performance and to satisfy the new and emerging customers' expectations. Speedy, timely and courteous service to customer is the essence of banking business. The improvements in customer services are necessary for progressive growth of the banking industry.

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