

Customer Satisfaction on Banking Services in Hyderabad

Dr.D.Muniswamy, Assistant Professor of Economics, B.J.R. Government Degree College,
Narayanaguda, Hyderabad

Abstract

The Indian banking sector has emerged as one of the strongest drivers of India's economic growth. The Indian banking industry (US\$1.22 trillion) has made outstanding advancement in last few years, even during the times when the rest of the world was struggling with financial meltdown. India's economic development and financial sector liberalization have led to a transformation of the Indian banking sector over the past two decades. Today Indian Banking is at the crossroads of an invisible revolution. This sector has undergone significant developments and investments in the recent past. Most of banks provide various services such as Mobile banking, SMS Banking, Net banking and ATMs to their clients. Indian banks, the dominant financial intermediaries in India, have made high-quality progress over the last five years, as is evident from several factors, including annual credit growth, profitability, and trending gross non-performing assets (NPAs). The study measured the satisfaction level of 600 public on the on banking services using in Hyderabad. The study found that majority of respondents expressed satisfaction in the aspects of ombudsmen scheme, security provisions, employee's treatment, mobile banking, online banking and redressed mechanism. However, majority of the respondents recommended their bank to others.

Introduction

Psychology describes that satisfaction as "a state of mind that normally is derived out of a comparison between the expected and the perceived." Satisfaction is a mindset which comes from Past experiences and knowledge. Now in a competitive world customer satisfaction is the area where all organizations are focusing on. Ultimately it's the customer satisfaction which will decide whether the organizations will remain in the business or not.

The literature of satisfaction advocates satisfaction as an result as well as a process (Yi, 1990; and Parker and Mathews, 2001). Howard and Sheth (1969, p. 145) had given the definition of customer satisfaction: "the buyer's cognitive state of being adequately or inadequately rewarded for the sacrifices he has undergone." Customer satisfaction factors in service industry are different from many other industries.

Our research aims is to find out the relevant factors which contributes to customersatisfactioninbankingindustry. Becauseoftheimmensecompetition,entry offoreign and private banks in India, the Indian Banking industry has been changing interms of services, customer satisfaction, product offering etc. No doubt increasingcompetition sometimes confuses the customer for making the right decision. Everybankisusingthecustomersatisfactionmethods,tools,techniquesandevensoftwares because customer satisfaction is the only way to survive in the today's cut-throat competition. On the other hand we are entering into modern banking fromtraditional banking where customers are more aware and knowledgeable then thepast. In the competitive and dynamic environment it becomes mandatory to find outthe customersatisfactionfactors.

ReviewofLiterature

Ameme, B., &Wireko, J. (2016) claimed in his research that in today's competitiveworld where technology plays a very important role and if we talk about bankingsector or industry there is a positive relationship between technology and customersatisfaction. They also stated that satisfaction of customers is not merely introducinginnovative products and services rather it is much more than that. They also foundthat if the bank wants to become the market leader in the competitive environment itmustusetheinnovationapproachinalltheaspectslikeproductsandservices. Alsothere is a significant relationship between technological innovation and cost. As theinnovationincrease thecostis alsoincrease.

Machogu, A. M., &Okiko, L. (2015) research brought to light that with e-bankingcomplexities on customer satisfaction. Results shows that there are factors whichleads to customer satisfaction particularly in e-banking, which is one of the veryimportantandfastgrowingwayofdoingbanking. Factorsareaccessibility,convenience,security,privacy,content,design,speed,feesandchargesinfluenceoncustomersatisfactionwheretheotherfactorsnotifiedhavenosignificantinfluence.

Chochol'áková, A., Gabcová, L., Belás, J., &Sipko, J. (2015) research statedthatin comparison with dissatisfied customers, satisfied customers were significantlymore like by to recommend their bank to their friends and to consider using theircurrent bank in the future, and they are more resistant to offers from other banks. Loyalcustomersaremoreinterestedintheservicesoftheirownbankswhenconsidering investments in all the aspects such asin the financial market, deposittheir own savings to

their own bank, take out a mortgage from their own bank and use other banking products and services from their current bank.

According to a research by **Ernst & Young (2012)**, the financial literacy of ordinary bank customers is still relatively low, but personalized recommendations still work well here. According to the results of our research, loyalty of customers with different intensities transforms into a potential purchase of additional banking products. The biggest potential interest of the bank customers was in depositing savings in the bank and in mortgage loans. The intensity of interest in the purchase of investments and other products was relatively low. Findings of

Research Problem

Banking industry has changed drastically. From traditional banking where customers use to walk to bank, take and fill the form and after that standing in the line for depositing and withdrawing the money. Like other service industries, banking is also a customer focused service industry; where the attention or we can say that focused attention is on differentiate customer services as compare to the competitors. The main challenges for the banking industry is increasing satisfaction of customer through advance quality services, lesser cost of documentation. Now the attention has shifted to look up the service quality, when customer comes in to the bank and having personal contact with the bank employee.

Objectives of the Study

- ❖ To study the demographic status of the sample customers
- ❖ To find the satisfaction level on core banking services in Hyderabad.
- ❖ To examine the satisfaction on digital banking services
- ❖ To examine the satisfaction on customer services of the banks

Research Methodology:

The sample size of the study consists of 600 customers having bank accounts. The study is different places within the Hyderabad City. And data was collected between May 2022 to August 2022 through primary and secondary data.

Data Analysis and Interpretation

Data analysis and interpretation is the process of assigning meaning to the collected information. In the present study questionnaire was prepared for measuring satisfaction level of customers using banking services in Hyderabad city. The primary data collected by survey from 600 public using having banked accounts in different banks. Questio

nnaire wastabulated, converted into percentage and displayed both in table as by graphical representation for analysis. Based on the data, interpretation was made

Demographic Analysis of the study

Gender of the Customers

| Gender of the Customers | | |
|-------------------------|------------------|------------|
| Gender | No. of Customers | Percentage |
| MALE | 330 | 55 |
| FEMALE | 270 | 45 |
| TOTAL | 600 | 100 |
| Source: Primary Data | | |

In the present study, gender of the customers is divided into two categories Male and Female. In this 55 percent of customers is Male and 45 percent of customers is Female.

Age of the Customers

| Age of the Customers | | |
|----------------------|------------------|------------|
| Age | No. of Customers | Percentage |
| 15-25 | 224 | 37.33 |
| 26-35 | 168 | 28 |
| 36-45 | 132 | 22 |
| Above 45 | 76 | 12.66 |
| Total | 600 | 100 |
| Source: Primary Data | | |

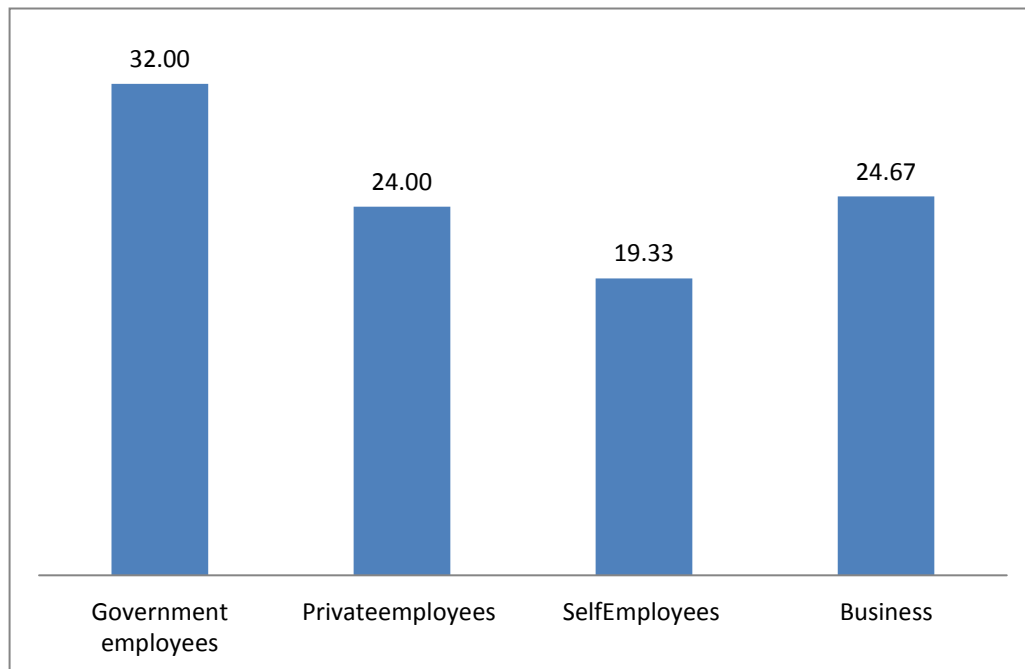
In present study 37.33 percent of customers is in the age group of 15.-25 years, 28 percent of customers age is 26.-35 years, 22 percent of customers age is 36-45 years, 12.66 percent of customers is above 45 years.

Occupationofthe Customers

| OccupationoftheCustomers | | |
|--------------------------|----------------|------------|
| Occupation | No.ofCustomers | Percentage |
| Governmentemployees | 196 | 32.00 |
| Privateemployees | 132 | 24.00 |
| Students | 104 | 19.33 |
| Business | 168 | 24.67 |
| Total | 600 | 100.00 |
| Source:PrimaryData | | |

In present study 32 percent of customers is group of Government employees, 24percentofcustomersisprivateemployees,19.33percentofcustomersissselfemployeesand24.67 percentofcustomersisbusinesshas occupation.

FigureNo3:OccupationoftheCustomers



Monthly Income of the customers

| Income of the Customers | | |
|-------------------------|------------------|------------|
| Income | No. of Customers | Percentage |
| Less than Rs 50000 | 184 | 30.67 |
| Rs 50001 to Rs 100000 | 192 | 32.00 |
| Rs 100001 to Rs 200000 | 156 | 26.00 |
| Above Rs 200000 | 68 | 11.33 |
| Total | 600 | 100.00 |
| Source: Primary Data | | |

In the present study 30.67 percent of customers using phone Less than Rs 50000, 32 percent of customers using phone cost between Rs 50001 to Rs 100000, 26 percent of customers are using phone in the cost of Rs 100001 to Rs 200000 and 11.33 percent of customers using phone above the cost of Rs 200000

Type of bank account you have

| Type of bank of using | | |
|-----------------------|------------------|------------|
| Brand name | No. of Customers | Percentage |
| Savings | 128 | 21.33 |
| Salary | 212 | 35.33 |
| Zero balance | 196 | 32.67 |
| Current account | 64 | 10.67 |
| Total | 600 | 100.00 |
| Source: Primary Data | | |

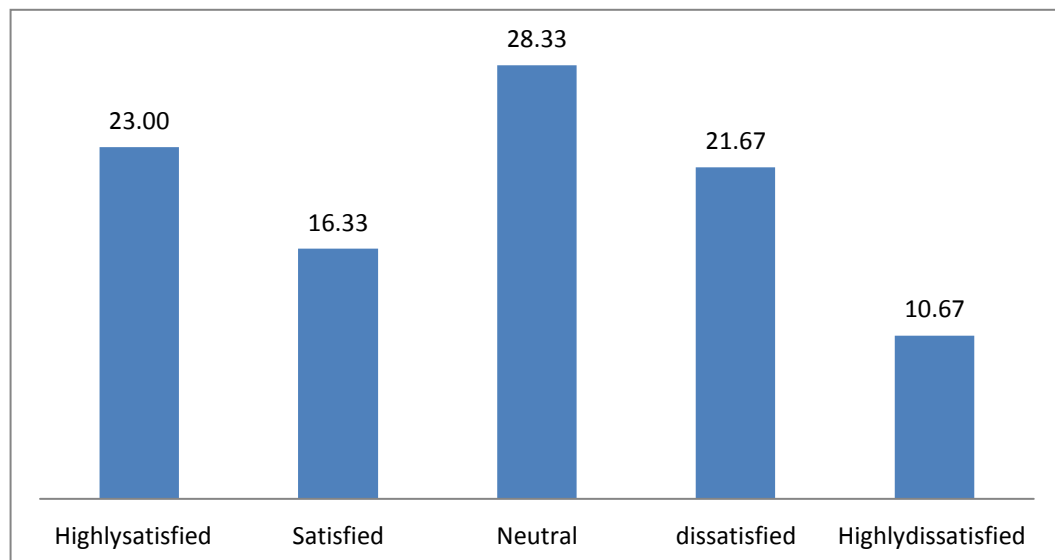
In the present study 21.33 percent of customers have savings account, 35.33 percent of customers have salary account, 32.67 percent of customers zero balance account and 10.67 percent of customers have current account for business transactions

Typeoftransactionsyouaredoinginbanking

| Typeoftransactiondoing | | |
|------------------------|----------------|------------|
| Companyname | No.ofCustomers | Percentage |
| Moneydeposit | 600 | 100.00 |
| Moneywithdraw | 600 | 100.00 |
| Online banking | 440 | 73.33 |
| ATM | 506 | 84.33 |
| Mobilebanking | 392 | 65.33 |
| others | 156 | 26.00 |
| Total | 2748 | 100.00 |
| Source:PrimaryData | | |

In the present study 100 percent of customers using money deposit services, 100percentof customersusingmoneywithdraw,73.33percentof customersusingonline banking, 84.33 percent using ATM and 65.33 percent using mobile bankingservices and26percentusingotherservices

Customersatisfactiononfacilitiesavailableatbankbranches

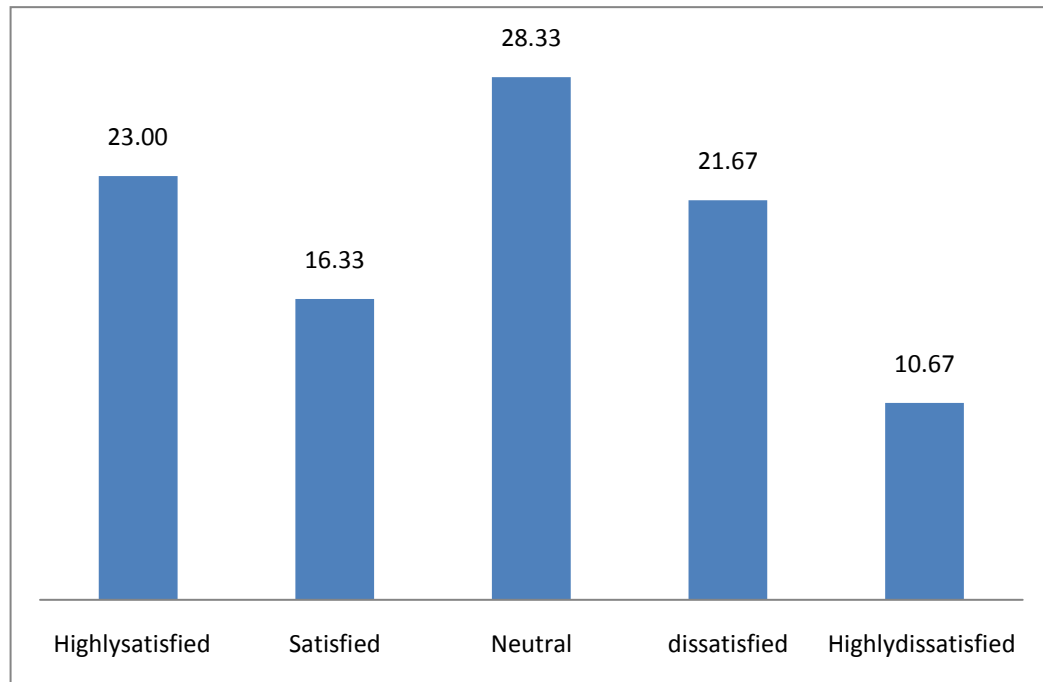


Satisfaction withbuiltinsecurityprovisionofbankingservices

| Customersatisfactiononsecurityprovisionofbankingservices | | |
|--|----------------|------------|
| ModeofPayment | No.ofCustomers | Percentage |
| Highlysatisfied | 138 | 23.00 |
| Satisfied | 98 | 16.33 |
| Neutral | 130 | 21.67 |
| Dissatisfied | 170 | 28.33 |
| Highlydissatisfied | 64 | 10.67 |
| Total | 600 | 100.00 |
| Source:PrimaryData | | |

In the present study, 23 percent of customer's highly satisfied on built in security provision of banking services. 16.33 percent of customer's satisfied to the statement. 21.67 percent of customer's took neutral status to the statement, 28.33 percent of Customers are dissatisfied to the statement, 10.67 percent of customer's highly dissatisfied to state ment.

Customer satisfaction on security provision of banking services



Grievance redressed mechanism in banking sector

| Customersatisfactionongrievanceredressedmechanism | | |
|---|----------------|------------|
| Responses | No.ofCustomers | Percentage |
| Highlysatisfied | 204 | 34.00 |
| Satisfied | 170 | 28.33 |
| Neutral | 128 | 21.33 |
| dissatisfied | 74 | 12.33 |
| Highlydissatisfied | 24 | 4.00 |
| Total | 600 | 100.00 |
| Source:PrimaryData | | |

Inthepresentstudy,34percentofcustomer'shighlysatisfiedongrievanceredressed mechanism.28.33 percent of customer's satisfied to the statement. 21.33percentofcustomer'stookneutralstatustothestatement,12.33percentofcustomersaredissatisfiedtothestatement,4percentofcustomer'shighlydissatisfiedtostatement.

Thebanksombudsmenscheme and Customer Satisfaction

| Customer satisfactiononbanksombudsmenscheme | | |
|---|----------------|------------|
| ModeofPayment | No.ofCustomers | Percentage |
| Highlysatisfied | 190 | 31.67 |
| Satisfied | 178 | 29.67 |
| Neutral | 144 | 24.00 |
| dissatisfied | 58 | 9.67 |
| Highlydissatisfied | 30 | 5.00 |
| Total | 600 | 100.00 |
| Source:PrimaryData | | |

Inthepresentstudy,31.67percentofcustomer'shighlysatisfiedonbanksombudsmenscheme.29.67percentofcustomer'ssatisfiedtothestatement.24percent of customer's took neutral status

to the statement, 9.67 percent of customers are dissatisfied to the statement, 5 percent of customer's highly dissatisfied to statement

Customer Recommend your bank to your family members, friends and relatives

| Responses on Recommendation of the Customers | | |
|--|------------------|------------|
| Gender | No. of Customers | Percentage |
| Yes | 570 | 95 |
| No | 30 | 5 |
| TOTAL | 600 | 100 |
| Source: Primary Data | | |

In the present study, 95 percent of customers said "Yes" for recommending their bank to others such as family members, friends and relatives etc, in contrast only 18.67 expressed "No" due to their bad experience.

Findings and Suggestions:

1. In the present study, gender of the customers is divided into two categories Male and Female. In this 55 percent of customers is Male and 45 percent of customers is Female.
2. In present study 37.33 percent of customers is in the age group of 15.-25 years, 28 percent of customers age is 26.-35 years, 22 percent of customers age is 36-45 years, 12.66 percent of customers is above 45 years.
3. In present study 32 percent of customers is group of Government employees, 24 percent of customers is private employees, 19.33 percent of customers is self employees and 24.67 percent of customers is business has occupation.
4. In the present study 30.67 percent of customers using phone Less than Rs 50000, 32 percent of customers using phone cost between Rs 50001 to Rs 100000, 26 percent of customers are using phone in the cost of Rs 100001 to Rs 200000 and 11.33 percent of customers using phone above the cost of Rs 200000
5. In the present study 21.33 percent of customers have savings account, 35.33 percent of customers have salary account, 32.67 percent of customers zero balance account and 10.67 percent of customers have current account for business transactions

6. In the present study 100 percent of customers using money deposit services, 100 percent of customers using money withdraw, 73.33 percent of customers using online banking, 84.33 percent using ATM and 65.33 percent using mobile banking services and 26 percent using other services
7. In the present study, 40 percent of customer's satisfied on price range of the products. 21.67 percent of customer's deposit and withdrawing facilities of 21.65 percent of customer's took neutral status to the statement, 8.67 percent of customers are disagreed to the statement, 8 percent of customer's strongly disagreed to statement.
8. In the present study, 23 percent of customer's satisfied on ATM services. 27.33 percent of customer's on ATM services. 21.67 percent of customer's took neutral status to the statement, 14 percent of customers are disagreed to the statement, 14 percent of customer's strongly disagreed to statement.
9. In the present study, 27.33 percent of customer's satisfied on customer care services 21.33 percent of customer's agreed to the statement. 24 percent of customer's took neutral status to the statement, 14.33 percent of customers are disagreed to the statement, 13 percent of customer's strongly disagreed to statement.
10. In the present study, 23.00 percent of customer's satisfied on online banking services .21.67 percent of customer's agreed to the statement. 24 percent of customer's took neutral status to the statement, 14 percent of customers are disagreed to the statement, 17.33 percent of customer's strongly disagreed to statement.
11. In the present study, 17.67 percent of customer's satisfied on mobile banking services. 27.33 percent of customer's agreed to the statement. 31.67 percent of customer's took neutral status to the statement, 9.33 percent of customers are disagreed to the statement, 14 percent of customer's strongly disagreed to statement.
12. In the present study, 30.67 percent of customer's high satisfied with bank treatment with customers. 19.33 percent of customer's agreed to the statement. 22 percent of customer's took neutral status to the statement, 20 percent of customers are disagreed to the statement, eight percent of customer's strongly disagreed to statement.
13. In the present study, 23 percent of customer's satisfied on facilities available at bank branches. 16.33 percent of customer's agreed to the statement. 28.33 percent of customer's took neutral status to the statement, 21.67 percent of customers are disagreed to the statement, 10.67 percent of customer's strongly disagreed to

statement.

14. In the present study, 23 percent of customer's satisfied on built in security provision of banking services. 16.33 percent of customer's agreed to the statement. 21.67 percent of customer's took neutral status to the statement, 28.33 percent of customers are disagreed to the statement, 10.67 percent of customer's strongly disagreed to statement.
15. In the present study, 34 percent of customer's satisfied on grievance redressed mechanism. 28.33 percent of customer's agreed to the statement. 21.33 percent of customer's took neutral status to the statement, 12.33 percent of customers are disagreed to the statement, 4 percent of customer's strongly disagreed to statement.
16. In the present study, 31.67 percent of customer's satisfied on banks ombudsmen scheme. 29.67 percent of customer's agreed to the statement. 24 percent of customer's took neutral status to the statement, 9.67 percent of customers are disagreed to the statement, 5 percent of customer's strongly disagreed to statement.
17. In the present study, 95 percent of customers said "Yes" for recommending their bank to others such as family members, friends and relatives etc, in contrast only 18.67 expressed "No" due to their bad experience.

Suggestions:

- ❖ The study suggests the bank to provide awareness to customers on digital banking transactions for cost effective, time saving etc
- ❖ The study suggests the bank for provide awareness about banking frauds and how to protect themselves against that frauds.
- ❖ The study suggests the bank to inform the available customer services to their customers
- ❖ The study suggests the banks to improve complaint redressed mechanism for customer satisfaction.

Conclusion

The study measured the satisfaction level of 600 public on the on banking services using in Hyderabad. The study found that majority of respondents expressed satisfaction in the aspects of ombudsmen scheme, security provisions, employee's treatment, mobile banking, online banking and redressed mechanism. However, majority of the respondents recommend their current bank to others.

References

1. Aaltonen, P.G. (2004). *Customer Relationship Marketing and Effects of Demographics and Technology on Customer Satisfaction and Loyalty in Financial Services* (Doctoral dissertation, Old Dominion University).
2. Ameme, B., & Wireko, J. (2016). Impact of technological innovations on customers in the banking industry in developing countries. *The Business & Management Review*, 7(3), 388.
3. Anderson, E. W., & Rego, L. L. (2000). *How Much Control Do Managers Really Have Over Customer Satisfaction*. University of Michigan Working Paper (NQRC Ref W00-029).
4. Ganguli, S., & Roy, S.K. (2011). Generic technology-based service quality dimensions in banking: Impact on customer satisfaction and loyalty. *International Journal of Bank Marketing*, 29(2), 168-189.
5. Gupta, A., & Dev, S. (2012). Client satisfaction in Indian banks: an empirical study. *Management Research Review*, 35(7), 617-636.
6. Jamshaid, M., Qureshi, T. M., & Khokhar, S. Z. (2012). Mediating role of employee's behavior to build customer loyalty through customer satisfaction. *African Journal of Business Management*, 6(45), 11152.