

Association Between Levels of Satisfaction and Educational Background of Retail Customers With Regard to Phone Banking – a Bangalore Based Empirical Study



Commerce

KEYWORDS : Phone Banking, Retail customers, Level of satisfaction, Customer response

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ABSTRACT

Phone Banking is a facility enabling customers to make use of banking services, such as oral payment instructions, account movements, raising loans etc, over the telephone at their convenience rather than by personal visit. Phone banking service was possible because of implementation of Core Banking System. It is a type of banking, in which a person, who opens a bank account in a particular branch of a bank, will be a customer of the bank, rather than being a customer of a particular branch. Therefore, he can transact anywhere, at any time. The prime impact of the Core Banking System is that it facilitates banking operations like ATM's, Electronic fund, Transfers, Phone banking, Internet banking, Mobile banking etc. An attempt has made in this paper to study the perception of retail customers while using phone banking services with respect to Knowledge assimilation, Professional and Friendly behavior of phone banking officers. The respondents are classified as per their educational levels. The level of satisfaction is studied under three levels.

I. Introduction

Phone banking is a service provided by a bank or other financial institution that enables customers to perform financial transactions over the telephone, without the need to visit a bank branch or automated teller machine. Phone banking times can be longer than branch opening times, and some financial institutions offer the service on a 24 hour basis.

From the bank's point of view, phone banking reduces the cost of handling transactions by reducing the need for customers to visit a bank branch for non-cash withdrawal and deposit transactions. The Phone Banking team is more than just a 'Call Centre'. It is a communication center with well-trained officers equipped to handle a wide range of queries and requests. They provide customers product information, application status along with account related services. A customer can have all his queries and requests addressed either through the Interactive Voice Response (IVR) service or through one of the phone banking officer.

The banks which provide the phone banking service, will describe it as under:

"Phone Banking offers a number of facilities, which enable the corporate customers to do several of their banking activities from the comfort of their premises" – ICICI

Customers will have a convenience of managing their banking account with Phone Banking. With utmost ease, customers can carry out a range of transactions using our Automated Phone Banking Service, from their office or from wherever it pleases. Customers will have the ability to find out details of their account, any time of the day or night. Customers can talk to the friendly business Phone Banking officers who will be glad to be of serve, any time a customer calls them – HSBC

II. Theoretical Framework:

Core Banking System is one of the recent developments in the field of banking and has proved to be very useful. It is a type of banking, in which a person, who opens a bank account in a particular branch of a bank, will be a customer of the bank, rather than being a customer of a particular branch. Therefore, he can transact anywhere, at any time. The prime impact of the Core Banking System is that it facilitates banking operations like ATM's, Electronic fund, Transfers, Phone banking, Internet banking, Mobile banking etc.

This study investigates the Association between levels of satisfaction and educational background of retail customers while using phone banking services with regard to Knowledge assimilation, Professional and Friendly behavior of phone banking officers. This is majorly based on demographic factor 'education background'. Researchers conducted a comprehensive profile analysis and found a number of key findings as to the satisfac-

tion levels of phone banking customers.

III. Definitions:

Phone Banking:

A facility enabling customers to make use of banking services, such as oral payment instructions, account movements, raising loans etc, over the telephone rather than by personal visit – *Dictionary.com*

Phone Banking / Phone Banking Service refers to ICICI Bank's phone banking service, pursuant to which the Bank would provide information and related services through e-mail or other related systems to the user – *ICICI (t&c while using phone banking)*

Phone Banking officer:

Is an officer who has incumbent responsible for managing customer queries / complaints in voice process (inbound & outbound). His main responsibilities include, Handling Customer Queries and Providing Information as per Defined Standards & Effective Redressal of all Customer Complaints and Providing solutions – *wiki.answers*

Core Banking System:

Core banking is services provided by a group of networked bank branches. Bank customers may access their funds and other simple transactions from any of the member branch offices. – *wikipedia.com*

The facilities offered under Phone Banking are broadly segregated into three types –

- a. Through Phone Banking Officer
- b. Automated Services
- c. Transaction access.

Through Phone Banking Officer	Automated Services	Transaction Access (Not yet available in Indian Banks)
Account Details	Enquiry facilities	Interaccount fund transfer
Balance Enquiry	Balance enquiry	Fixed Deposit Creation
Transaction Enquiry	Transaction enquiry	Third party payment-
Cheque Status Enquiry	Cheque status enquiry	Funds transfer within HSBC
Time Deposit Enquiry	Time Deposit Enquiry	Demand draft / cashier's order

Tariff Related Queries	Interest / exchange Rate enquiry	
Demat Account Enquiries		
Internet / Phone Banking ID related queries		
Interest / Exchange Rate Enquiry		
Addresses of Branches and ATMs		
Product Related Information		
Loan Installments Overdue		
Next loan Installment Date		
Request for registration and regeneration of email account statements		
Stop payment request		
Acceptance of special requests & many more		

IV. Literature Review:

This helps us to understand the related research by other researchers in the similar field. This review gives us an impression about the contribution made by others.

- A. Sandeep Bhalchandra Saoji (Buldhana Business Management College, Buldhana, India) and Pradip Kumar Goel (Jatan Swaroop Postgraduate College, Sikandrabad, India) IJASSER, Vol 3, Issue 1, 2013, ISSN 2278 - 6031, "Understanding Customer Response and Customer Satisfaction of Mobile Banking In India" - This paper says, there have been a number of innovations done in banking industry in recent years. Mobile banking is one of them. There is a strong relationship between service qualities, perceived value with the customer satisfaction in mobile banking. This paper aims to analyze the customer response and customer satisfaction of mobile banking through these factors.
- B. Abigail Jepleting, Sangoro Oscar, Dr.Philemon Bureti, March 2013, ISSN 2319-6912, "Effects of mobile banking on customer satisfaction" - A case of equity bank of Eldoret town - The study sought to find out the effects of mobile banking on customer satisfaction with specific interest on Equity bank of Eldoret town. Based on the study findings it was concluded that close to all those using mobile banking services at the moment were satisfied that indeed it was efficient and reliable.
- C. Zohra Saleem and Kashif Rashid, International Journal of Trade, Economics and Finance, Vol. 2, No. 6, December 2011, "Relationship between Customer Satisfaction and Mobile Banking Adoption in Pakistan" - The purpose of this research is to identify the key factors of mobile technology adoption which influence customer satisfaction in Pakistan. The findings show that customer's concerns about security, authenticity and reliability of the technology are of significance. The results imply that firms should focus upon IT application, innovative services, security, customer trust and risk as these are the key indicators of technology adoption.

V. Need of the research:

Understanding the importance of Phone banking and the importance of perception of the customer, an effort has been made to study the levels of satisfaction based on their educational background. The issue is very imperative and referring back to the research conducted in the said filed, none of the research-

ers have focused on the satisfaction level of phone banking customers. Based on the above parameters, as there exist a vast research gap, the present research is an attempt to study the changes in behavior of Retail customer of the banks.

VI. Objective of the paper:

To establish the association between levels of satisfaction, in terms of information dissemination, friendly behavior and professionalism and level of education background retail customers with regard to phone banking.

VII. Questionnaire & Sampling:

A structured e-questionnaire was administered to collect the responses from the phone banking users. Questionnaire had the questions to collect the demographic data of the respondents along with the questions pertaining to the phone banking experience. Questions were asked related to the knowledge level of phone banking officer, the professionalism showed by them while handling the calls and their friendly attitude during providing the phone banking services. The response for the same was collected on a 3 point scale namely, Satisfied, Neither satisfied nor dissatisfied and dissatisfied.

Sampling:

It is a convenient sampling, a set of 429 Core Banking System customers have been selected on a parameter that they should have used e-banking for a minimum of 3 months. Sample representation is majorly from Nationalized banks and Private Banks customers of Bangalore. Sampling activity conducted during February 2013 and September 2013. It was collected through online by mailing the request with the questionnaire link to all the different groups which researchers were in touch with, also had requested respondents to forward the mail to their friends/groups to generate good number of responses from varied group of customers.

VII. Results:

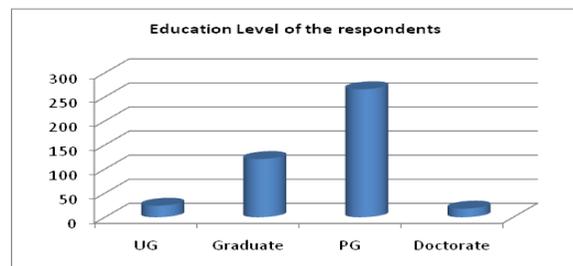
A. Descriptive Analysis

Data was collected administering a structured questionnaire among the retail customers of various banks. The data so collected are grouped and analyzed applying statistical tests.

Table -1. Demographical statistics of the respondents (Educational Level)

Education Level	Total	Percentage %
Under Graduate	24	5.60
Graduate	121	28.20
Post Graduate	266	62.00
Doctorate	18	4.20
Total	429	100

Graph-1. Demographical statistics of the respondents (Educational Level)



We can observe that more than half, that is 62% of the respondents are Post Graduates and next to that is Graduates with around 28%. Hence we can consider the quality of the data as high.

Table - 2: Level of satisfaction as expressed by respondents

Satisfaction Level	Total	Percentage %
Dissatisfied	55	13
Neither Satisfied nor Dissatisfied	101	23
Satisfied	273	64
Total	429	100

Graph 2: Level of satisfaction as expressed by respondents



We can observe that, around 64% of the respondents say that they are satisfied during their phone banking experience with respect to the knowledge level of the phone banking officer; friendliness & professionalism shown by the phone banking officer.

B. Inferential Analysis:

CHI SQUARE TEST OF INDEPENDENCE

1. Association between Educational Qualification and Level of satisfaction with regard to phone banking

H₀: There is no association between educational qualification and Level of satisfaction in terms of information dissemination, friendly behavior and professionalism of staff with regard to phone banking.

H₁: There is an association between educational qualification and level of satisfaction in terms of information dissemination, friendly behavior and professionalism of staff with regard to phone banking.

Table 3: Cross tabulation of education level and level of satisfaction

Education Level	Satisfaction level			Total
	Dissatisfied	Neither satisfied nor Dis satisfied	Satisfied	
Under Graduate	6	8	10	24
Graduate	26	20	75	121
Post Graduate	18	67	181	266
Doctorate	5	6	7	18
	55	101	273	429

Table - 3a: Chi- Square Tests – Education Level and Satisfaction level

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	30.597 ^a	6	.000
Likelihood Ratio	30.084	6	.000
Linear-by-Linear Association	6.627	1	.010
N of Valid Cases	429		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 2.38.

It is seen that the Chi-Square value (Table-1a) is 30.597 and the Asymp sig (p-value) is 0.000 which is less than the critical value (P=0.05) with 6 degrees of freedom. Hence null hypothesis is rejected and alternative hypothesis is accepted. In other words, there is a significant association between qualification and Level of satisfaction. In a sense, as the respondents' with higher level of education tend to be satisfied with respect to phone banking facilities provided by the banks.

IX. Discussion Suggestion and Conclusion:

The analysis of the data gives us a very clear indication that, more than half, that is around 64% of the respondents are on the opinion that, they are satisfied with their phone banking experience with reference to the knowledge level of the phone banking officer they contacted with. They are also appreciating the professionalism and friendly behavior of the officers during the phone banking experience.

We can conclude saying that, there is a significant association between qualification and Level of satisfaction. In a sense, as the respondents' with higher level of education tend to be satisfied with respect to phone banking facilities provided by the banks.

Based on the above interpretation, we can suggest to the banks to give a special training to the phone banking officers while catering the customers who are less educated. Phone banking officers need to exercise extra care while catering the less educated lot so that those customers also will be satisfied with their phone banking experience.

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