



## Customer Satisfaction With Special Reference to Sivagangai District Selective Private Banks

**B. Kavitha**

Asst. Professor of Commerce with Computer Applications, Dr. Umayal Ramanathan College for Women, KaraiKudi (Part Time Ph.D. Scholar in PG and Research Dept. of Commerce, Dr. Zakir Husain College, Ilayangudi)

**Dr.A.Abbas Manthiri**

Principal, Dr.Zahir hussain college, Ilayankudi

**ABSTRACT**

Service offering channels in the banking system has emerged on the scene with variety of forms such as ATM, internet banking, telephone banking and others. Fierce competition, more demanding customers and the changing climate have presented an unparalleled set of challenges for banks in the country. Therefore customer satisfaction is the key for many banks to survive in competition. This study has used the 'F' statistics to create linkage between the profile of customers and the customers' satisfaction. At the same followed to create linkage between the profile of customers and the customers' loyalty. Finally it helps to evaluate its effect on service quality, more the customer's satisfaction and to identify the factors affecting customer's satisfaction in banks and analyze their effects on the level of satisfaction.

**KEYWORDS**

Customer Satisfaction, Service Quality, SERVQUAL method, modern banking services

**Introduction**

In the competitive environment of the post liberalization era in which, financial sector reforms have significantly deregulated the markets, it has become imperative to harness the best customer oriented practices and perception and to internalize them for providing added value to the respondents through the employees. In banking, the quality of customer services holds primary significance, particularly the context of sustained business growth unlike the other industries engaged in the production of tangible goods. Banks are unique in the sense that they produce and deliver the service instantaneously at the service delivery points. This has an overwhelming impact on customer's behavior, which makes respondents hypersensitive to the quality of service.

Excellent service quality is not an optimal competitive strategy which may, or may not be adopted to differentiate one bank from another: today it is essential to corporate profitability and survival. The link between service quality and customer satisfaction has been submitted to intense scrutiny by leading service quality researchers as well as the links between quality, customer satisfaction, customer retention and profitability (Storbacka et al., 1994). Therefore, the success of the bank depends upon the satisfaction of customers but it reached through the way of quality of the services given to the customers.

**Review of the previous studies**

**Customer Satisfaction**

Satisfaction is a consumer's purchase perception of the difference between the expected and perceived value of a transactions. Zeithaml and Bitner (2000) defined customer satisfaction as the 'customers' evaluation of a product or service in terms of whether that product or service has that their needs and expectations. Caruana (2002) is a customer's post purchase evaluation and affective response to the overall product or service experience. Blodgett et al., 1997 identified that the customer satisfaction is a key to an organization's success and long term competitiveness. The customer satisfaction in the present study is measured by the variables drawn from the previous studies (Anderson et al., 1994, Fornell 1992, Oliver and Desarbo 1988, Teas1993 and Nielsen, 2004. These are given in Table 1.

**TABLE 1**

**Variables in Customer Satisfaction (CS)**

S. No	Variables in CS	S. No	Variables in CS
1.	Convenience	8.	Speed
2.	Employees	9.	Marketing Mix
3.	Online Functional Elements	10.	Customer interaction
4.	Servicescape	11.	Value addition
5.	Service Process	12.	Online Aesthetics
6.	Core Service	13.	Customization
7.	Interaction with other customers	14.	Pricing

The customers are asked to rate these variables at five point scale according to their order of perception.

**Customer Loyalty**

Customer Loyalty responses are conative in nature representing levels of customer commitment towards the service provider (Chiou et al., 200298; Oliver 199999). Asunccion et al., (2004100) mentioned that customer satisfaction is the key factor affecting service loyalty. Customer loyalty was conceptualized by Reichheld and Schefter (2000), Heskelt et al., 1994 and Dick and Basu (1994). They measured the loyalty by attitude loyalty and behavior loyalty. The variables related to the customer loyalty are listed in Table 2.

**TABLE 2**

**Variables Related to Customers Loyalty (CL)**

S. No.	Variables in CL	S. No	Variables in CL
1.	Extend the operations in the same bank Recommend to others Proud to be a customer of this bank Consider this bank as my first choice	5.	Positive word of mouth about the bank Encourage others to do more business in the bank Like to do more business in the bank Least bother about the service pricing
2.			
3.			
4.			

**The customers are asked to rate these variables at five point scale according to their order of perception.**

**Objectives of the Study**

The objectives of the study are,

To review the progress of private banking sector in India and Sivagangai district.

To examine the relationship between profile variables and level of satisfaction of customers.

To identify the dimension of perception towards customers services provided by private sector banks.

To offer suggestions to improve customer satisfaction.

**Research Methodology**

The service quality of banks represents the quality of services offered by the commercial banks. The service quality concept was originated by Parasuraman, Zeithmal and Berry. It is common in all service sectors. The banking sector is not an exceptional case. Now a day customer satisfaction and customer retention are the most important challenges faced by most of the banking. Hence for this study following objectives have been formed:

To know the various service quality dimension in banking industry

To know the level of satisfaction of bank customers in each service dimension.

For the data collection, sample of 398 customers who have their bank account with different banks having operations in Sivagangai district are selected on convenience basis. The distribution of sampled customers is based on the stratified proportionate procedure.

A systematic approach has been adopted for the present study. First, the objectives were framed out on the basis of group discussion and exhaustive literature review. Based on literature review, items were identified to access the satisfaction level of bank customers. Based on the 'F' statistics was followed to identify the satisfaction factors of the customers. Finally all the items put on a five point scale ranging from very high to very low.

**Analysis and Findings:**

The demographic details of respondents on the various parameters like gender, Age, Education, Occupation and Income was described in Table: 3 as follows:

**Table: 3 Demographic Analysis**

Parameters	No. of Customers	Percentages (%)
<b>Gender</b>		
Male	326	81.90
Female	72	18.10
Total	398	100
<b>Age</b>		
Below 20	8	2.02
20-30	45	11.30
31-40	156	39.20
41-50	96	24.12
51-60	75	18.84
Above 60	18	4.52
Total	398	100
<b>Marital Status</b>		
Married	371	93.21
Unmarried	27	6.79
Total	398	100
<b>Qualification</b>		
Up to school level	37	9.30
Higher Secondary Level	70	17.59
Degree/ Diploma	144	36.18
Post Graduation	93	23.37

Professional	54	13.56
Total	398	100
<b>Occupation</b>		
Students	4	1
Government Employees	29	7.20
Industrialists	27	6.78
House wives	22	5.50
Private Employees	146	37.00
Businessmen	66	16.50
Professionals	54	13.50
Agriculturists	48	12.00
Others	2	0.50
Total	398	100
<b>Monthly Income</b>		
Up to Rs.20001-30000	36	9.08
Rs.20001-30000	71	17.83
Rs.30001-40000	87	21.85
Rs.40001-50000	65	16.33
Rs.50001-60000	79	19.84
Above 60000	60	15.07
Total	398	100
<b>Family Size</b>		
Up to 2	97	24.37
3- 4	236	59.30
5- 6	47	11.81
Above 5	18	4.52
Total	398	100
<b>Nativity</b>		
Urban	174	43.72
Semi-urban	153	38.44
Rural	71	17.84
Total	398	100
<b>Earning member per family</b>		
One	222	55.78
Two	142	35.68
Three	27	6.78
More than Three	7	1.76
Total	398	100
<b>Family income</b>		
Less than 30000	15	3.78
30000 -50000	30	7.54
50,001 -70,000	84	21.10
70,001 - 90,000	97	24.37
90,001- 110,000	91	22.86
Above 110,000	81	20.35
Total	398	100

**Association between the Profile of Customers and their level of Customers' Satisfaction:**

The profile of the customers may be associated with the level of customers' satisfaction on the Private Sector Banks. The present Study examines these associations with the help of one way analysis of variance. All the fourteen profile variables are included for the analysis. The results are given in the following Table 4.

**TABLE 4 Association between Profile of Customers and their Customers Satisfaction**

Sl. No.	Profile Variables	'F' Statistics	Table value of 'F' at five per cent level	Results
1.	Gender	3.1172	3.84	Insignificant
2.	Age	2.5884	2.21	Significant
3.	Marital Status	3.6082	3.84	Insignificant
4.	Level of education	2.7371	2.37	Significant
5.	Occupational status	2.4547	1.94	Significant
6.	Monthly income	2.6596	2.21	Significant
7.	Family size	2.0881	2.60	Insignificant
8.	Nativity	2.4547	3.00	Insignificant
9.	Earning member per family	2.5886	2.60	Insignificant
10.	Family income	2.7334	2.21	Significant

The significantly associating profile variables with the level of

customers satisfaction are age, level of education, occupational status, monthly income, family income, year of experience in banking, year of experience in present bank, frequency of transaction per month and frequency of visit of bank branch since their respective 'F' statistics are significant at five per cent level.

**Association between Profile of Customers and their level of Customer loyalty**

The profile of the customers may be associated with their level of customer's loyalty towards banks. The present study has made an attempt to examine it with the help of one way analysis of variance. All the fourteen profile variables are included for the analysis. The results are shown in the following Table 5.

**TABLE 5**  
**Association between the Profile of Customers and their LOCL**

Sl. No.	Profile Variables	'F' Statistics	Table value of 'F' at five per cent level	Results
1.	Gender	3.2446	3.84	Insignificant
2.	Age	2.6919	2.21	Significant
3.	Marital Status	3.0411	3.84	Insignificant
4.	Level of education	2.7349	2.37	Significant
5.	Occupational status	2.4503	1.94	Significant
6.	Monthly income	2.5919	2.21	Significant
7.	Family size	2.3884	2.60	Insignificant
8.	Nativity	2.8141	3.00	Insignificant
9.	Earning member per family	2.4083	2.60	Insignificant
10.	Family income	2.6973	2.21	Significant

The significantly associating profile variables with the level of customers loyalty among the customers are their age, level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in the present bank and frequency of transaction per month since their respective 'F' statistics are significant at five per cent level.

**Conclusions**

In the Sivagangai district private bank customers are satisfied with the performance of their bankers. To overcome the public sector banks made lot of initiatives last two decades that result in the customer satisfaction as well. The public banks also follow the same strategy is been maintained they become the huge threat to the public banks.

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