# ORIGINAL RESEARCH PAPER

**Management**

## A STUDY ON CUSTOMER SATISFACTION OF PUBLIC SECTOR BANKS WITH SPECIAL REFERENCE TO COIMBATORE CITY

**Dr. P. Sopna** — Assistant Professor, Department of Management, Dr. SNS Rajalakshmi College Of Art And Science (Autonomous), Coimbatore

**G. Santhana Rajee\*** — Assistant Professor, Department of Management , Dr. SNS Rajalakshmi College Of Art And Science (Autonomous), Coimbatore \*Corresponding Author

**ABSTRACT**

A Customer is the important person who visits the premises of a bank. He is not dependent on the bank rather the bank is dependent on him. At present, the customers have a number of options to choose a bank which offers a wide range of services and delivering quality service. The banks in India are now becoming more market-oriented and customer-friendly. Efforts are being taken to perk up their competitiveness through superior service quality, which is very important for keeping their customers well-contented and satisfied. For evaluation of customer satisfaction of public sector bank certain factors are used in order to rank the factors evaluate the customer satisfaction. The present study is based on primary data. It covers the Customer of public sector banks which is having more number of transactions like Canara Bank, Indian Bank, Indian Overseas Bank, Union Bank of India, Central Bank of India, Syndicate Bank, State Bank of India, Corporation Bank in Coimbatore city. Hence, the researcher has selected convenient sampling method in a systematic way to collect data from 800 respondents. Moreover, the researcher has chosen the respondents from selected Public sector banks in Coimbatore city. The main objective of the study to analysis the Customer Satisfaction of public sector bank customers and to investigate the demographic factors have any significant influence on customer Satisfaction. The research concluded that offering high quality service shall increase customer satisfaction, which in turn leads to high level of customer commitment and loyalty. In this day and age, customers enjoy complete luxury in terms of customized technical solutions and banks use the same to cement long-term, mutually-beneficial relationships.

## INTRODUCTION

"A Customer is the important person who visits the premises of a bank. He is not dependent on the bank rather the bank is dependent on him. He should not be considered as a rude interruption in work. Rather he is the creator of the work. But for customers banks may not have any its business. Bank is certainly not doing him any favour by serving him rather he is doing a favour to the bank by giving it an opportunity to do so"

-Mahatma Gandhi

The banks now need to find out what to sell, whom to sell, when to sell, how to sell and how to be different to increase profitability. Banks need to differentiate themselves by adding value-added service, offerings and building long-term relationships with their customers through more customized products, enhanced value offerings, personalized services and increased accessibility. Banks also need to find out the avenues for increased customer satisfaction, which leads to increased customer loyalty. Thus, banks need to retain existing customers with enhanced personalized services and Products, which best suit their needs and satisfy them the most.

Bank, merely an organization accepts deposits and lends money to the needy persons, but banking is the process associated with the activities of banks. It includes issuance of cheque and cards, monthly statements, timely announcement of new services, helping the customers to avail online and mobile banking etc.

## STATEMENT OF THE PROBLEM

At present, the customers have a number of options to choose a bank which offers a wide range of services and delivering quality service. The banks in India are now becoming more market-oriented and customer-friendly. Efforts are being taken to perk up their competitiveness through superior service quality, which is very important for keeping their customers well-contented and satisfied. The challenges for banks are to lower costs, increase efficiency while improving the quality of their service, and increasing customer satisfaction. Banks have acknowledged the need to meet customers desire as different customers have different personalities, so it is an urgent requirement for the banks to ascertain the determinants of customer loyalty in the banking sector in order to improve customer loyalty and retention.

## OBJECTIVES OF THE STUDY:-

1. To Study the Customer Satisfaction of public sector bank customers.

2. To investigate the demographic factors have any significant influence on customer Satisfaction.

## RESEARCH METHODOLOGY

The present study is based on both primary as well as secondary data. The primary data are those data, which are collected from the Customers of public sector banks in Coimbatore city. The researcher collected the secondary data from the records of commercial banks, journals such as Indian Journal of Marketing, Indian Bankers Associations Bulletin, Banking studies and so on. In this study the data was collected by means of a survey. The questionnaire consists of two parts. The first part consists of six questions concerning the demographic information of the respondent such as the name, age, educational qualifications and income. The second part consisting of 8 questions exploring the respondent's perception about the factors influencing the customer satisfaction. For evaluation of customer satisfaction of public sector bank certain factors are used in order to rank the factors evaluate the customer satisfaction. The present study is based on primary data. It covers the Customer of public sector banks which is having more number of transactions like Canara Bank, Indian Bank, Indian Overseas Bank, Union Bank of India, Central Bank of India, Syndicate Bank, State Bank of India, Corporation Bank in Coimbatore city. Hence, the researcher has selected convenient sampling method in a systematic way to collect data from 800 respondents. Moreover, the researcher has chosen the respondents from selected Public sector banks in Coimbatore city.

## HYPOTHESIS OF THE STUDY

• To study the relationship between Gender and Level of satisfaction of selected public sector banks in Coimbatore city.
• To find the relationship between Age and Level of Satisfaction of selected public sector banks in Coimbatore city.
• To find the relationship between Educational Level and Level of satisfaction of selected public sector banks.
• To find the relationship between Monthly Income and Level of Satisfaction of selected public sector banks.
• To find the relationship between Occupation and Level of satisfaction of selected public sector banks
• To find the relationship between Marital Status and Level of Satisfaction of selected public sector banks.

## LIMITATIONS OF THE STUDY

1. This study is not made for a specific bank. The study covers

only a sample 8 banks only from public sector banks and does not include all the banks in Coimbatore city.
2. The sample has been restricted to 800 customers from selected public sector banks in Coimbatore city. Time factor is also considered to be a constraint.

## REVIEW OF LITERATURE
**1.Puja Khatri and yukti Ahuja (2010)** In his study found that the employees are part of the customer service process, which is the key to success for any bank. It is these encounters with customers during a service that are the most important determinants of overall customer satisfaction, and a customer's experience with the service will be defined by the brief experience with the firm's personnel and the firm's systems.

**2.Mukhtar et al. (2014)** documented on customer satisfaction towards financial services of banks in Bahawalpur, Pakistan. The study used correlation analysis to check the intensity of relation of customer satisfaction with dimensions of service quality. These dimensions included reliability, assurance, responsiveness, empathy and tangibility. The study found that service quality is positively correlated with customers' satisfaction.

**3.Rajagopal Subashini &Velmurugan (2016)** – The study suggests that service quality and customer satisfaction in banks can be investigated further to find out what method that banks follow over sample period for different service quality and customer satisfaction.

## DATA ANALYSIS
## ASSOCIATION BETWEEN DEMOGRAPHIC FACTORS AND CUSTOMER SATISFACTION
In order to find out their varied satisfaction and demographic factors of the public sector bank customers on banking services the chi-square test is applied.

## CHI-SQUARE TEST
In order to study the relationship between Gender and Level of satisfaction of selected public sector banks in Coimbatore city, a Chi-square test is applied and the result of the test is given below.

**Null Hypothesis (H₀)**:
*"There is no significant relationship between Gender and Level of satisfaction of selected public sector banks in Coimbatore city".*

**Alternative Hypothesis (H₁)**:
*"There is a close significant relationship between Gender and Level of satisfaction of selected public sector banks in Coimbatore city".*

## GENDER AND LEVEL OF SATISFACTION (CHI – SQUARE TEST)

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| Gender | 11.146 | 5.991 | 2 | Significant at 5% Level |

*Source: Compiled from Primary data*

It is disclosed from the above analysis that the calculated value of chi-square (11.146) is more than the table value (5.991). Hence the null hypothesis is rejected.

Therefore, there is a close significant relationship between Gender and Level of satisfaction of selected public sector banks in Coimbatore city.

## CHI-SQUARE TEST
In order to find the relationship between Age and Level of Satisfaction of selected public sector banks in Coimbatore city, a Chi-square test is employed by the researcher and the result of the test is given below.

**Null Hypothesis (H₀):** *"There is no significant relationship between Age and Level of satisfaction of selected public sector banks in Coimbatore city".*

**Alternative Hypothesis (H₁):** *"There is a close significant relationship between Age and Level of satisfaction of selected public sector banks in Coimbatore city".*

## AGE AND LEVEL OF SATISFACTION
## (CHI – SQUARE TEST)

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| Age | 42.27 | 12.6 | 6 | Significant at 5% Level |

*Source: Compiled from Primary data*

From the above analysis, the calculated value of chi-square (42.27) is more than the table value (12.6). Hence the null hypothesis is rejected.

Therefore it is understood that there is a close significant relationship between Age and Level of satisfaction in selected public sector banks in Coimbatore city.

## CHI-SQUARE TEST
In order to find the relationship between Educational Level and Level of satisfaction in selected public sector banks, a Chi-square test is conducted and the result of the test is given below.

**Null Hypothesis (H₀)**:
*"There is no significant relationship between Educational Level and Level of satisfaction of selected public sector banks".*

**Alternative Hypothesis (H₁)**:
*"There is a close significant relationship between Educational Level and Level of satisfaction of selected public sector banks".*

## EDUCATIONAL LEVEL AND LEVEL OF SATISFACTION
## (CHI – SQUARE TEST)

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| Educational Level | 13.243 | 12.6 | 6 | Significant at 5% Level |

*Source: Compiled from Primary data*

The above given table presents, the calculated value of chi-square (13.243), which is more than the table value (12.6). Hence the null hypothesis is rejected.

Therefore, there is a close significant relationship between Educational level and Level of Satisfaction of selected public sector banks in Coimbatore city.

## CHI-SQUARE TEST
In order to find the relationship between Monthly Income and Level of Satisfaction of selected public sector banks, a Chi-square test is used and the result of the test is given below.

**Null Hypothesis (H₀)**:
*"There is no significant relationship between monthly income and Level of Satisfaction of selected public sector banks".*

**Alternative Hypothesis (H₁)**:
*"There is a close significant relationship between monthly income and Level of Satisfaction of selected public sector banks".*

## MONTHLYINCOME AND LEVEL OF SATISFACTION
## (CHI – SQUARE TEST)

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| Annual Income | 6.648 | 12.6 | 6 | Significant at 5% Level |

*Source: Compiled from Primary data*

It is made clear from the above table that the calculated value of chi-square (6.648) is less than the table value (12.6). Hence the null hypothesis is accepted.

There is no significant relationship between monthly income and Level of Satisfaction of selected public sector banks in Coimbatore. city

**CHI-SQUARE TEST**

In order to find the relationship between Occupation and Level of satisfaction towards of selected public sector banks, a Chi-square test is used and the result of the test is given below.

**Null Hypothesis (H₀):**
"*There is no significant relationship between Occupation and Level of satisfaction of selected public sector banks".*

**Alternative Hypothesis (H₁):**
**"There is a close significant relationship between Occupation and Level of satisfaction of selected public sector banks".**

**OCCUPATION AND LEVEL OF SATISFACTION (CHI – SQUARE TEST)**

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| **Occupation** | 23.5088 | 21.0 | 12 | Significant at 5% Level |

*Source: Compiled from Primary data*

It is inferred from the above analysis that the calculated value of chi-square (23.508) is more than the table value (21.0). Hence the null hypothesis is rejected.

Thus, there is a significant relationship between Occupation and Level of satisfaction of selected public sector banks in Coimbatore city.

**CHI-SQUARE TEST**

In order to find the relationship between Marital Status and Level of Satisfaction of selected public sector banks, a Chi-square test is used and the result of the test is given below.

**Null Hypothesis (H₀):**
**"There is no significant relationship between Marital Status and Level of Satisfaction of selected public sector banks".**

**Alternative Hypothesis (H₁):**
**"There is a close significant relationship between Marital Status and Level of Satisfaction of selected public sector banks".**

**MARITAL STATUS AND LEVEL OF SATISFACTION (CHI – SQUARE TEST)**

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| **Marital Status** | 7.666 | 5.991 | 2 | Significant at 5% Level |

*Source: Compiled from Primary data*

It is inferred from the above analysis that the calculated value of chi-square (23.508) is more than the table value (21.0). Hence the null hypothesis is rejected.

Thus, there is a significant relationship between Occupation and Level of satisfaction of selected public sector banks in Coimbatore city.

**CHI-SQUARE TEST**

In order to find the relationship between Marital Status and Level of Satisfaction of selected public sector banks, a Chi-square test is used and the result of the test is given below.

**Null Hypothesis (H₀):**
**"There is no significant relationship between Marital Status and Level of Satisfaction of selected public sector banks".**

**Alternative Hypothesis (H₁):**
**"There is a close significant relationship between Marital Status and Level of Satisfaction of selected public sector banks".**

**MARITAL STATUS AND LEVEL OF SATISFACTION (CHI – SQUARE TEST)**

| Factor | Calculated Value | Table Value | D.F | Remarks |
|---|---|---|---|---|
| **Marital Status** | 7.666 | 5.991 | 2 | Significant at 5% Level |

*Source: Compiled from Primary data*

Table indicates that the calculated value of chi-square (7.666) is more than the table value (5.991). Hence the null hypothesis is rejected.

Hence, there is a close significant relationship between Marital Status and Level of Satisfaction of selected public sector banks in Coimbatore city.

**FACTORS INFLUENCING THE CUSTOMER SATISFACTION-HENRY GARRETT RANKING ANALYSIS**

To examine the factors influenced the customer satisfaction, the Henry Garrett ranking method has been applied and the details of Garrett points is presented below.

**Factors Influencing The Customer Satisfactiongarrett Scores And Rank**

| S.No | Factors | Total Score | Average | Rank |
|---|---|---|---|---|
| 1 | Information Technology | 58404 | 48.67 | VII |
| 2 | CRM Program | 58758 | 48.96 | V |
| 3 | Analysis of customer expectation | 59860 | 49.88 | IV |
| 4 | Mapping the customer needs | 61051 | 50.87 | III |
| 5 | Interaction with the customers | 57631 | 48.02 | VIII |
| 6 | Maintenance of service delivery standard | 61216 | 51.01 | II |
| 7 | Customers grievance handling mechanism | 61385 | 51.15 | I |
| 8 | Organization Structure | 58623 | 48.85 | VI |

**Source: Primary Data**

It is evident from the above table that 'Customers grievance handling mechanism' is ranked as the first factor with a score of 51.15 Garrett points. 'Maintenance of service delivery standard' is ranked as the second factor with a score of 51.01 Garrett points. 'Mapping the customer needs' is ranked as the third factor with a score of 50.87 Garrett points. 'Analysis of customer expectation' is ranked as the fourth factor with a score of 49.88 Garrett points. 'CRM Program' is ranked as the fifth factor with a score of 48.96 Garrett points. 'Organization Structure' is ranked as the sixth factor with a score of 48.85 Garrett points. 'Information Technology' is ranked as the seventh factor with a score of 48.67 Garrett points. 'Interactions with the customers' is ranked as the eighth factor with a score of 48.02 Garrett points.

Hence, it is inferred that the main influencing factor for the customer satisfaction is 'Customers grievance handling mechanism' whose average is 51.15 Garrett points.

**FINDINGS BASED ON CUSTOMER'S PERCEPTION**
- It is concluded from the study that the highest level of satisfaction of the respondents is 50.2 percentages who are female and the lowest is 49.8 percentage who are male. Hence, there is a close significant relationship between Gender and Level of satisfaction in selected public sector banks in

Coimbatore city.

• It is learnt from research analysis that age group of 18 – 24 years are having high level of satisfaction in selected public sector banks in Coimbatore city. It is revealed from the chi-square test that there is a close significant relationship between Age Group and Level of satisfaction in selected public sector banks in Coimbatore city.

• It is found from the study that the level of satisfaction of selected public sector banks varies according to the educational qualification. The Post Graduate and HSC educated respondents perceived maximum level of satisfaction. It is divulged from the chi-square test that there is a close significant relationship between Educational level and Level of Satisfaction of selected public sector banks in Coimbatore city.

• It is clear that the respondents who earns Up to Rs.5000 were perceived maximum satisfaction in selected public sector banks. It is found from the chi-square test that there is no significant relationship between Annual Income and Level of Satisfaction of selected public sector banks in Coimbatore city.

• It is revealed from the study that the level of satisfaction of selected public sector banks. The Government employees perceived maximum level of satisfaction. It is revealed from the chi-square test that there is a significant relationship between Occupation and Level of satisfaction of selected public sector banks in Coimbatore city.

• It is inferred from the analysis that unmarried respondents perceived maximum level of satisfaction in selected public sector banks. It is revealed from the chi-square test that there is a close significant relationship between Marital Status and Level of Satisfaction of selected public sector banks in Coimbatore city.

• It is evident from the analysis that the respondents who is having an account in SBI have perceived medium level of satisfaction. It is found from the chi-square test there is a significant relationship between Name of the Bank and Level of Satisfaction of selected public sector banks in Coimbatore city.

• It is revealed from the study that 'Customers grievance handling mechanism' is ranked as the first factor with a score of 51.15 Garrett points. 'Maintenance of service delivery standard' is ranked as the second factor with a score of 51.01 Garrett points. 'Mapping the customer needs' is ranked as the third factor with a score of 50.87 Garrett points. 'Analysis of customer expectation' is ranked as the fourth factor with a score of 49.88 Garrett points. 'CRM Program' is ranked as the fifth factor with a score of 48.96 Garrett points. 'Organization Structure' is ranked as the sixth factor with a score of 48.85 Garrett points. 'Information Technology' is ranked as the seventh factor with a score of 48.67 Garrett points. 'Interactions with the customers' is ranked as the eighth factor with a score of 48.02 Garrett points.

## CONCLUSION
The research concluded that offering high quality service shall increase customer satisfaction, which in turn leads to high level of customer commitment and loyalty. In this day and age, customers enjoy complete luxury in terms of customized technical solutions and banks use the same to cement long-term, mutually-beneficial relationships.

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