

Available online @ www.iaraindia.com / www.selptrust.org
 SELP Journal of Social Science - A Blind Review & Refereed Quarterly Journal
 ISSN: 0975-9999 (P) 2349-1655 (O)
 Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)
 Volume. IX, Issue 39
 October - December 2018
 Formally UGC Approved Journal (46622), © Author

SOCIO-ECONOMIC CONDITIONS OF CUSTOMERS AND THEIR SATISFACTION TOWARDS THE SERVICES OF PUBLIC AND PRIVATE SECTOR BANKS IN DINDIGUL DISTRICT

Dr. K. VALARMATHI

Assistant Professor of Commerce

Manonmaniam Sundaranar University College, T.N. Pudhukudi, Puliangudi, Tirunelveli

Abstract

The world today is witnessing rapid and revolutionary developments in technology. However, the demands of customer satisfaction lead to improvement in new technological services like Internet Banking, Mobile Banking, ATM services, Debit Card, Credit Card, ECS, NEFT technology and so on. In service sectors like banks, new technological services are linked to customer satisfaction in the matter of improving service quality. Service Quality is all about meeting customers' needs and requirements, and finding out how the service level is commensurate with customer expectations. Service quality in banking implies anticipating and consistently satisfying the needs and expectations of customers. In this article an attempt has been made to do a comparative study of the satisfaction of the customers select from public sector and private sector banks.

Keywords: *Entrepreneurship, Economic Strength, Empowerment.*

Introduction

Banking operations are becoming increasingly customer dictated. The demand for 'banking supermalls' offering one-stop integrated financial services is well on the rise. The ability of banks to offer clients access to several markets for different classes of financial instruments has become a valuable competitive edge. Convergence in the industry to cater to the changing demographic expectations is now more than evident. Bancassurance and other forms of cross selling and strategic alliances will soon alter the business dynamics of banks and fuel the process of consolidation for increased scope of business and revenue. The thrust on farm sector, health sector and services

offers several investment linkages. In short, the domestic economy is an increasing pie which offers extensive economies of scale that only large banks will be in a position to tap. With the phenomenal increase in the country's population and the increased demand for banking services; speed, service quality and customer satisfaction are going to be key differentiators for each bank's future success. Thus it is imperative for banks to get useful feedback on their actual response time and customer service quality aspects of retail banking, which in turn will help them take positive steps to maintain a competitive edge.

The working of the customer's mind is a mystery which is difficult to solve and

understanding the nuances of what customer satisfaction is, a challenging task. This exercise in the context of the banking industry will give us an insight into the parameters of customer satisfaction and their measurement. This vital information will help us to build satisfaction amongst the customers and customer loyalty in the long run which is an integral part of any business. The customer's requirements must be translated and quantified into measurable targets. This provides an easy way to monitor improvements, and deciding upon the attributes that need to be concentrated on in order to improve customer satisfaction.

Statement of the Problem

The banking is a service industry and delivers its service across the counter to the ultimate customer. The activities of banking industry are all about „relationship“. Hence human resource assumes a very important role in the banking industry to provide better services to the customer with a smile in order to cultivate and maintain long lasting relationship with their customers. Since technology is only an aid to human effort and not a substitute of it, banking is primarily a labour intensive service sector and it will not be possible for the banks to sustain its effectiveness unless human resource management is given prime importance.

Human beings live together and work together as a community. Many social organisations are evolved in living together. An organisation is a collection of individuals who strive willingly together for a common goal; working as a group for over a period of time. Among the social organisations, „banks“ deserve the credit of being noteworthy. Banks have become a part and partial of man's life. Ancient man used caves as storehouse of his treasures. The anxiety of a man to preserve his belonging safely for the future is the core idea of the concept of banking.

The present study is aimed at studying the present scenario of marketing strategy and customer satisfaction towards public and private sector banks in Dindigul district. Besides this, it also planned to study the kinds of products provided by banks and to study the perception of the employees and customers towards banking products.

Objectives of the Study

To study the socio-economic profile of the selected customers among the public and

private sector banks.

Methodology

This is an empirical study based on the survey method. Both primary and secondary sources of data have been used in this study. The necessary primary data have been collected from the customers and bank employees from the selected public sector and private sector banks in Dindigul district. Secondary sources have been obtained from the records and annual reports of the selected banks and other journals, published theses and unpublished theses related to this study.

Sampling Design

There are 70 branches of public sector banks and 26 branches of private sector banks are functioning in Dindigul district. For the purpose of primary data collection, ten banks will be selected i.e., five from public sector namely State Bank of India, Indian Overseas Bank, Canara Bank, Indian Bank and Union Bank of India and another five from private sector banks namely, Axis Bank, Industrial Credit and Investment Corporation of India, Tamilnad Mercantile Bank Ltd., Karur Vysya Bank and City Union Bank in Dindigul district.

For the purpose of primary data collection, 600 customers and 100 bank employees were selected. Among 600 customers, 300 each from public and private sector banks respectively were selected on the basis of stratified proportionate random sampling method. Regarding bank employees, 50 each from public and private sector banks were selected respectively on the basis of random sampling method.

Collection of Primary Data

The data required for this study have been obtained from primary and secondary sources. Primary data have been collected through personal interview method with a pre-tested schedule. Two schedules were separately prepared for customers and bank employees. Before taking the main survey a tentative interview schedule was prepared and administered to 20 employees and 20 customers on a pilot basis in order to test the corrections of the interview schedule. It helped the researcher to delete the unwarranted questions and add a few relevant questions and the modified final schedules were prepared and used. The selected employees and customers were contacted in person and the objectives of the study were clearly explained to them, and

their co-operation was secured.

Secondary Data

The secondary data were collected from Journals, Books, Reports, RBI Bulletins, Indian Overseas Bank's Annual Credit Plan which is the lead bank of the study area, reports and articles from Indian Banker's Association Bulletin as supportive evidences in the field of study

After completing the data collection a thorough check-up of the data was made and necessary editing was done. A master table was prepared indicating the necessary data for analysis. With the help of the master table the data were transcribed on transcription cards. Then the classification table were prepared for further analysis and interpretation.

Tools of Analysis

The processing of data was done by the researcher with the help of the computer. In order to quantify the qualitative statements relating to banking services, scoring technique has been adopted for the present study. In order to exhibit the importance of the variables considered to choose a particular bank for getting services, the mean score of these variables is computed.

To find out the significant differences among the two groups of banks on the basis of public and private sector banks are examined with the help of the t-test. To test the relationship between the customers' profile variables and level of satisfaction towards marketing strategies adopted by the public and private sector banks relating to their services, a Chi-square test has been employed.

Table 1 shows that out of 600 sample respondents, 419 (69.80 per cent) are male and 181 (30.20 per cent) are female. In the case of the public sector banks, out of 300 customers, 200 (66.70 per cent) are male and 100 (33.30 per cent) are female. In the case of private sector banks, out of 300 customers, 219 (73.00 per cent) are male and 81 (27.00 per cent) are female. It is concluded that the majority of the respondents are male customers in the study area among the public and private sector banks.

Age-Wise classification of the Customers

Age (in Years)	Public Sector	Private Sector	Total
Below 25	47 (15.70)	66 (22.00)	113 (18.80)

25-45	147 (49.00)	188 (62.70)	335 (55.80)
46-65	97 (32.30)	24 (8.00)	121 (20.20)
Above 65	9 (3.00)	22 (7.30)	31 (5.20)

It is portrayed from Table 2 out of that 600 customers in total, 335 (55.80 per cent) customers are in the age group 25-45 years, followed by 121 (20.20 per cent) in the age group of 46-65 years, 113 (18.80 per cent) in the age group of below 25 years and 31 (5.20 per cent) customers in the age group of above 65 years. In the case of public sector banks, out of 300 customers, 147 (49.00 per cent) customers are in the age group of 25-45 years and nine (3.00 per cent) customers are in the age group of above 65 years. In private sector banks, out of the 300 customers, 188 (62.70 per cent) customers are in the age group 25-45 years and 22 (7.30 per cent) are in the agegroup of above 65 years. From the above survey, it is clear that the majority of the respondents are in the age group between 25-45 years.

Educational Qualification of the Customers

Education	Public	Private	Total
Graduate	174 (58.00)	180 (60.00)	354 (59.00)
Post Graduate	78 (26.00)	105 (35.00)	183 (30.50)
Others	48 (16.00)	15 (5.00)	63 (10.50)

From Table 3, it is inferred that out of 600 sample customers, 354 (59.00 per cent) have graduate level education followed by 183 (30.00 per cent) who have post graduate level of education and 63 (10.50 per cent) who have other categories of education. In the case of public sector banks, out of 300 customers 174 (58.00 per cent) customers' educational level is graduation and 48 (16.00 per cent) customers' 145 all under the category of other category. In private sector banks, out of 300 customers 180 (60.00 per cent) are graduates and 15 (5.00 per cent) are under the other category. It is concluded that most of the respondents (88

per cent) in the study areas have graduate level education.

Profession-wise classification of the Customers

Occupation	Public Sector	Private Sector	Total
Government Employee	60 (20.00)	44 (14.70)	104 (17.30)
Businessman	25 (8.30)	47 (15.70)	72 (12.00)
Private employee	49 (16.30)	94 (31.30)	143 (23.80)
Housewife	14 (4.70)	12 (4.00)	26 (4.30)
Retired Person	13 (4.30)	4 (1.30)	17 (2.80)
Bank Employee	99 (33.00)	58 (19.33)	157 (26.20)
Doctor	6 (2.00)	2 (0.70)	8 (1.30)
Teacher	20 (6.70)	29 (9.70)	49 (8.20)
Student	14 (4.70)	10 (3.30)	24 (4.00)

It is found from Table 4. out of that 600 sample customers, 157 (26.20 per cent) customers are bank employees followed by 143 (23.80 per cent) customers who are private employee, 104 (17.30 per cent) customers are government employees and 72 (12.00 per cent) customers are businessmen. In the case of the public sector banks, out of 300 customers 99 (33.00 per cent) customers are bank employees and six (2.00 per cent) are doctors. In the case of the private sector banks, out of 300 customers 94 (31.30 per cent) customers are private employees and two (0.70 per cent) customers are doctors. It is concluded that the majority of customers are bank employees among the public sector banks and private employees in the case of private sector banks.

It is noticed from 5 that in public sector and private sector banks, the calculated values are less than the table values. Hence, the null hypothesis is accepted. Therefore, gender does not influence the satisfaction of customers regarding the services of public and private sector banks.

It is seen from Table 6 that in the case of the public sector bank, the calculated value is greater than the table value. Hence, the null hypothesis is rejected. Therefore, it

could be inferred that the age influences the satisfactions of the customers with the services of public sector banks. In the case of the private sector banks, the calculated value is less than the table value, and hence the null hypothesis is accepted. Therefore, it could be understood that the age does not influence the satisfactions of the customers with the services of private sector banks.

Educational qualifications and level of satisfaction:

Particulars	Public Sector	Private Sector
Calculated Value	4.3823	3.6982
Table value at 5%	9.488	9.488
Degrees of	4	4
Inference	Not Sig	Not Sig

It is portrayed from Table 7 that in the case of both public and private sector banks, the calculated Chi-Square values are less than the table values. Therefore, the null hypothesis is accepted. Hence, it could be inferred that the educational qualification does not influence the satisfaction of the respondents with the services of public and private sector banks.

Summary of Findings

Regarding product strategy, it is observed that the significant difference among the selected public and private sector banks is identified regarding the importance given to the variables namely variety of loans, lesser requirement of margin, quick processing, lesser need for mortgages, various EMI, need based products, transparency in interest calculation and variety in repayment period since the respective „t“ statistics are significant at five per cent level.

Regarding the importance given by the bank employees in respect of pricing strategy, the significant difference among the public and private sector banks is identified in importance given on rate of interest and period of repayment since the respective chi-square statistics are significant at 5 per cent level.

Conclusion

The researchers aim throughout the study has been to examine how far the customers are satisfied with the services

provided by both private and public sector banks through marketing strategies adopted by the banks in Dindigul district. Customers are the most important assets of any business. The success or failure of any business depends upon how far it satisfies the expectation of customers. Banks are an important social organization rendering various financial services to customers. Realizing the importance of customer service in banks, recommendations are made by various committees to improve the service quality of banks. The nationalization of major commercial banks led to „Mass banking“ which in turn increased the volume of customers. The increase in the volume of customers automatically led to a deterioration in the quality of customer services.

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