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A STUDY ON CUSTOMER'S PREFERENCE AND SATISFACTION TOWARDS BANKING SERVICES OF TAMILNADU MERCANTILE BANK IN MADURAI

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Abstract

Banks now offer a diverse variety of products and services to consumers as a result of the implementation of the government system and legislation on globalization and liberalization. They are pushed to design unique consumer strategies to get the desired results. To give its consumers the best service possible. Consumers may only use the many services offered by banks if they are made aware of them. The banker must comprehend the customer's requirements, and the customer must comprehend the numerous types of services offered by banks. Consumers' preferences evolve in tandem with their level of awareness. The purpose of this study is to examine the preferences and levels of satisfaction of consumers who utilize Tamil Nadu Mercantile Bank's financial services in the Madurai district.

Keywords: *Customer Preference, Globalization, Liberalization, Strategies, Awareness.*

Introduction

The banking business in India has witnessed major changes since its independence. More recently, liberalization, economic opening in the 1990s, and the government's decision to privatize banks by reducing state control culminated in banking reforms based on the Narasimham committee's recommendations. This has resulted in challenging times for the Indian banking industry. In these trying times of mature and acute competition challenges, banks must be able to retain a loyal client base. To achieve this and strengthen their market and profit positions, banks in India must develop strategies and policies aimed at raising customer satisfaction levels.

Banking institutions all over the world have recognized the significance of customer satisfaction and the development and

maintenance of long-term relationships with their clients as two critical characteristics that contribute to greater business profits. According to research, customer discontent is still the leading cause of bank clients switching to other banks. This unhappiness could be due to several factors. Good service quality is no more an optional competitive strategy that can be used to differentiate one bank from another: it is now critical to business profitability and survival.

Leading service quality researchers have scrutinised the relationship between service quality and customer satisfaction, as well as the relationships between quality, customer satisfaction, customer retention, and profitability. The link between service quality and company profitability is now regarded to be dependent on high levels of customer happiness, successful targeting of "quality"

clients, and customer retention.

Consumer Satisfaction in the Banking Industry

The expansion of the banking system has influenced and hastened India's economic growth and development. The Indian banking business has expanded dramatically over the last two to three decades. Retail banking is a service industry that provides services to consumers. A happy customer is the best source of positive word of mouth for a retail bank. The banking business in India has seen several significant developments since its independence. More recently, banking reforms have emerged from liberalisation, the opening up of the economy in the 1990s, and the government's determination to privatise banks.

The banking business, like all other financial services, is facing a constantly changing market. New technologies are being introduced, and there is always concern about economic insecurity. The combination of fierce competition, more demanding clients, and a changing climate has produced an unprecedented mix of challenges. This has resulted in challenging times for the Indian banking industry. In such a competitive environment, banks must be able to keep a loyal customer base. To achieve this and strengthen their market and profit positions, banks in India must develop strategies and policies aimed at raising customer satisfaction levels. *Paramasivan. C (2011)* Information technology plays a key role in the modern world which meets the day-to-day activities of the human beings directly or indirectly associated. Commercial activities particularly banking and financial sectors may not function without proper information technology. With rapid development in the Information Technology Commercial and financial sectors performed will and could reach to nook and corner of the world.

Banking institutions all over the world have recognised the significance of customer satisfaction and the development and maintenance of long-term relationships with their customers as two critical characteristics leading to improved business performance. Simultaneously, some banking institutions are reporting an increase in retail consumer dissatisfaction. According to research, customer discontent is still the leading cause of bank clients switching to other banks. This discomfort could be due to several issues

(access, services, products, prices, image, personnel skills, treatment credibility, responsiveness, waiting time, location and technology). The relevance of measuring customer happiness stems from the fact that customer satisfaction is a crucial factor in client retention.

Scope of the Study

This research focuses on the services provided by India's private sector banks. Banking is an alternative source available for the banks for increasing their earnings. Banking services increases the subsidiary business of the banks. It mainly focuses on individuals, employees, households, students and businessman. It built a strong customer base with customer relationship management. On the basis of nuclear family concept, which is gaining much importance to large savings that tends banks to provide large number of services. Banking services improves lifestyle and fulfills aspirations of the people through affordable credit.

The purpose of this study was to learn about the customers' awareness, perception, opinion, and satisfaction with the financial services provided by Tamilnadu Mercantile Bank. Since the banking practices is very large geographically, huge in terms of operations, the focus of this particular study is limited to Tamilnadu Mercantile Bank Madurai Branch only and the customers using the services of the banks within the jurisdiction only.

Need for the Study

Banks play a crucial part in a country's economic development. In today's world, the banking industry is crucial among the many service industries. Their capacity to make a beneficial contribution to sparking a growth process is mainly dependent on how banking policies are followed and the financial system is structured. With the globalisation era, a slew of banks entered the Indian markets, particularly in India. Though private banking sectors dominate by delivering competitive services, the role of public sector banks in India is unavoidable. The essence of retail banking is customer happiness.

Banking services are extremely important in today's environment, where novel financial services are being supplied, and there is a lot of room for growth. As a result, it piques the interest of bankers and piques the curiosity of scholars. Banking services are a collection of products and services provided to

individual clients and businesses. As a result, all products and services are planned and woven with the customers in mind. Customer pleasure was given considerable weightage in the new bank marketing model.

Statement of the Problem

Customer expectation and customer perception are the two main components of service quality. Consumers will perceive service quality to be low when the desired performance of services given by their banks falls short of their expectations, and high when the bank's intended performance meets or surpasses their expectations. Banks do not assist clients when they are most in need, and customer inquiries and other issues go ignored or neglected most of the time. Dispute handling is another one major element where the banks in India fail badly. Hence, consumer views of responsiveness in the quality of service supplied to them fall short by a wide margin, and responses to this survey reveal that responsiveness has a positive connection but no significant influence on customer satisfaction.

While Indian banks compete with similar goods for clients, service quality is viewed as a crucial distinction among banks delivering superior service to customers. Consistency in offering the essential service quality is the key to differentiating one another. Because rivalry in this business is fierce, it exists not just among banks but also among other financial organisations operating locally or worldwide.

Even so, the paradigm of recognising the primary elements that impact customer satisfaction in the banking sector in India is likely to help bank management and financial institutions improve the quality of service offered to consumers, at least in the context of India's metropolis. Similarly, studies conducted in the Indian setting that sought to measure customer happiness failed to take into account ATM facilities, bank staff behaviour, and retail banking services, all of which have a significant impact in determining consumer satisfaction level.

Objectives of the Study

- To evaluate the various services of Tamilnadu Mercantile Bank.
- To measure the determinants of the opinion of the respondents about the service quality of the Tamilnadu Mercantile Bank.

- To examine the factors influencing the customer satisfaction level of Tamilnadu Mercantile Bank.

Research Methodology

The latest research is both descriptive and analytical in character. Primary data is deemed to be the most suited for analysing the research challenge tackled for the study. The emphasis is on describing rather than evaluating or interpreting. The goal of descriptive research is to validate theories about the current situation in order to clarify it. Therefore, the descriptive technique is both rapid and versatile in terms of decision making. Sampling design

Respondents from Tamilnadu Mercantile Bank were chosen using the convenience sampling approach. 130 samples were collected from the Tamilnadu Mercantile Bank in Madurai Branch for this investigation.

Data Analysis and Interpretation

Gender Wise Classification Of The Respondents

Gender	No. of Respondents	%
Male	49	37.7
Female	81	62.3

The above shows that, the gender wise classification of the respondents. It is clearly observed from the table, 62.3% of the respondents are female and 37.7% of the respondents are male. It is concluded that majority (62.3%) of the respondents are female.

Age Groups Wise Of The Respondents

Age (in years)	No. of Respondents	%
Bellow 20 years	61	46.92
21-30	24	18.46
31-40	30	23.07
Above 41 years	15	11.53

The above table shows that, the age wise classification of the respondents. It is clearly observed from the table, 46.92% of the respondents are in the age group of bellow 20 years, 23.07% of the respondents are in the age group of 31-40 years, 18.46 % of the respondents are in the age group of 21-30 years and 11.53% of the respondents are in the age group of 41 years and above. It is concluded that the majority of the respondents (46.92%) are in the age group of below 20 years.

Marital Status Of The Respondents

Marital status	No. of Respondents	%
Married	41	31.53
Unmarried	89	68.46

The above table exhibits that, the marital status wise classification of the respondents. It is clearly observed from the table, 68.46 % of the respondents are unmarried and 31.53 % of the respondents are married. It is concluded that majority (68.46) of the respondents are unmarried.

Educational Qualification Of The Respondents

Education	No. of respondents	%
Under graduate	57	43.85
Post graduate	30	23.08
Professional Degree	25	19.23
Others	18	13.84

The above table provides the educational qualification of the respondents. From the above table it is inferred that 43.85 % of the respondents Educational qualification are under graduate, 23.08 % of the respondents educational qualification are post graduate and 19.23 % of the respondents education status are Professional degree. It has been absorbed from the table that maximum of the respondents (43.85%) Educational qualifications are under graduates.

Period Of Customer In This Bank

Period	No. of respondents	%
Bellow 1 yr.	55	42.30
1-2 yrs.	22	16.92
2-3 yrs.	30	23.07
3 yrs. and above	23	17.69

The above table clearly point out that classification of the respondents on the basic of period of customer using in this bank 42.30% of the customers using in this bank less than 1 year, 23.07 % of the customer using in this bank in 2 years to 3 years, 17.69 % of the respondents are being customer in 3 years and above and 16.92% of the respondents are being customer for more than 3 years. It is referred from the above table that

State Satisfaction Level Of Services / Facilities Available In Atm

Services / Facilities	Highly Satisfied (5)	Satisfied (4)	Average (3)	Dissatisfied (2)	Highly dissatisfied (1)	Weighted Avg.	Rank
Cash withdrawal	31	12	42	21	24	26.33	3
	155	48	126	42	24		

majority of the respondents (42.30) are using less than 1 year in this bank.

Reason For Selecting Tamilnadu Mercantile Bank

Reason	No. of respondents	%
Proximity to home	31	23.84
Proximity to office	13	10
Work place compulsion	49	37.69
Others	37	28.46

The above table clearly point out that, the classification of the represents having reason for selecting this bank, 37.69 % of the respondents for selecting this bank by work place compulsion, 28.46 % of the respondents are selecting in this bank for the other purposes, 23.84 % of the respondents are selecting in this bank by proximity to home and 10 % of the respondents are selecting in this bank by proximity to office. It is concluded that the majority of the respondents (37.69%) selecting this bank for the reason by work place compulsion.

Distance Between Bank And Residence Of The Respondents

Bank and Residence distance	No. of respondents	%
< 2 Kms.	36	27.7
2- 4 Kms.	34	26.15
5- 6 Kms.	35	26.92
> 6 Kms.	25	19.23

The above table clearly point out the distance wise classification of the respondents. It is inferred that 27.7% of the respondents distance between bank and residence are less than 2 Kms, 26.15% of the respondents distance between bank and residence are 2 to 4 Kms, 26.92% of the respondents distance between bank and residence are 5 to 6 Kms and 19.23% of the respondents distance between bank and residence are 6kms and above. It is inferred from the above table that the majority of the respondents (27.7%) are distance between bank and residence for less than 2 Kms.

Balance enquiry	12	38	29	35	16	25.67	1
	60	152	87	70	16		
Mini statement	32	28	54	11	5	30.73	8
	160	112	162	22	5		
Cheque deposit	15	42	38	6	29	26.53	4
	75	168	114	12	29		
Cash deposit	32	28	42	22	6	29.87	7
	160	112	126	44	6		
Fund transfer	6	54	28	31	11	26.87	5
	30	216	84	62	11		
Chequebook require	18	46	61	4	1	31.07	9
	90	184	183	8	1		
Cheque status enquiry	10	34	49	16	21	25.73	2
	50	136	147	32	21		
Stop payment instruction	15	44	38	18	15	27.73	6
	75	176	114	36	15		
Bill payment	26	58	32	4	10	31.73	10
	130	232	96	8	10		

The above table has been observed that the customer satisfaction level is best in facilities available in ATM services. Balance enquiry was 1strank, Cheque status enquiry was 2ndrank, Cash withdrawn was 3rd rank, Cheque deposit was 4th rank, Fund transfer was 5th rank, Stop payment was 6th rank, Cash deposit was 7th rank, Mini statement was 8th rank, Cheque book request was 9th rank and Bill payment was 10th rank.

Overall Satisfaction Level Of Tamilnadu Mercantile Bank Services

Satisfaction level	No. of respondents	%
Highly satisfied	10	7.69
Satisfied	55	42.30
Neutral	36	27.69
Dissatisfied	29	22.30

In the above table has been observed that classification of customer satisfaction level of overall services, it is clearly observed from the table, 7.69% of the customers opinion was highly satisfied, 42.30% of the customers opinion was satisfied , 27.69% of the customers opinion was neutral and 22.30% of the customers opinion was dissatisfied. It is concluded that majority (42.30%) of the customers opinion was satisfied.

Aware About Banking Ombudsman

Opinion	No. of respondents	%
Yes	109	83.85
No	21	16.15

From the above table has been clearly noted that feel about customer aware about banking ombudsman. It is inferred that 83.85% of the customers were aware about banking ombudsman and 16.15% of the customers does not aware about banking ombudsman. It is inferred from the above table that majority of the customers (83.84%) were aware about banking ombudsman.

Findings

- 62.3 % of the respondents are female and 37.7 % of the respondents are male.
- 46.92 % of the respondents are under the age group of bellow 20 years and 11.53% of the respondents are under the age group of above 41 years.
- 68.46 % of the respondents are unmarried and 31.53% of the respondents are married.
- 51.53 % of the respondents are educational qualifications are undergraduate and 0% respondent professional degree.
- 42.30 % of the respondents are using the Tamilnadu Mercantile Bank for less than 1 year and 16.92% of the respondents are using the Tamilnadu Mercantile Bank 1 to 2 years.
- 37.69 % of the respondents are choosing the Tamilnadu Mercantile Bank workplace compulsion and 10 % of the respondents are choosing the Tamilnadu Mercantile Bank proximity to office.
- 27.7% of the respondents are distance between bank residence for less than 2

Kms and 19.23% of the respondents are distance between bank and residence for more than 6 Kms.

- Satisfaction level of service / facilities available in ATM the first rank is balance enquiry and tenth rank is bill payment.
- Satisfaction level of service charges the first rank is internet banking and tenth rank is charges for carrying out standing instructions.
- 42.30% of the respondents are overall satisfaction level of Tamilnadu Mercantile Bank services on Satisfied and 7.69% of the respondents are overall satisfaction level of Tamilnadu Mercantile Bank services on highly satisfied.
- 83.85 % of the respondents are aware the bank ombudsman and 16.15% of the respondents are aware the bank ombudsman.

Conclusion

The following study sought to ascertain the customer's preference and satisfaction with the banking services provided by the Tamilnadu Mercantile Bank Madurai Branch. Respondents also expressed strong support for Tamilnadu Mercantile Bank staff ability to solve client concerns and evaluated the bank's overall performance highly. It might imply that clients are prepared to do business with this bank and its services despite certain concerns. As a result, numerous major goods and services offered by Tamilnadu Mercantile Bank branches are not at a high enough level to satisfy a larger number of customers. Virtually all respondents judged Tamilnadu Mercantile Bank's accessibility to be extremely good, and the overall performance was evaluated highly. It appears that the bank's workers are capable of satisfying a large number of consumers. Yet, personnel are not always able to deliver all of the essential information to consumers. These types of disconnects between staff and consumers cast a terrible light on the entire organisation. The statistics show that the bank's most popular

services are the debit card, mobile banking, and deposit account services. Overall, respondents gave these three services high marks, and they found the workers to be extremely helpful. Frequent customer surveys may shed insight on refinement, which will go a long way towards improving service quality at banks.

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