

Customers' Satisfaction and Perception of the Quality of Services Offered By Selected Private Sector Banks in Karnataka State

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Abstract

The author has chosen a topic titled, "Customers motive behind savings in private sector banks in Karnataka state. The present study aims to analyze the motive of the custom for savings under private sector banks. At present most of the private sector banks offer various schemes to attract customers. This research study is based on the primary survey where data were collected from customers residing in the study area. The customers are classified based on Age, Gender, and Marital status.

Keywords: e-Bank Services, Savings, Customer Satisfaction report, Motivation.

INTRODUCTION

The Indian financial system consists of different financial institutions responsible for developing an economy and is broadly classified into Banking and Non-Banking institutions. The most important breakthrough was the nationalization of central 14 commercial banks with the primary objective of extending credit facilities to all economic segments and mitigating regional imbalances in the availability. After liberalization, several private sector and foreign banks were allowed to open their business in the Indian financial system and posed competition with Indian commercial banks. It categorized them as Public Sector Banks, Old Private Sector Banks, and Foreign Banks.

STATEMENT OF THE PROBLEM

The Indian banking industry is passing through a phase of the customers market. With the growing importance of banks, customers' needs and demands are also changing rapidly, and banks have to satisfy all customers belonging to different social groups. Nowadays, banks provide various services ranging from savings accounts to internet banking, granting loan

services to insurance, locker facilities to transfer money abroad. Therefore, banking has become very complex and requires specialized skills to move in tandem with the current transformations in the global banking system. Competition has been abolished within the banks operating in India. With the lowering of entry barriers and blurring product lines of banks and non-banks since the financial sector reforms, banks are functioning increasingly under competitive pressures. Hence, it is imperative that banks.

Maintain a loyal customer base. To achieve quality standards and improve their market and profit positions, many retail banks are directing their strategies towards increasing customer satisfaction and loyalty through improved service quality. Moreover, with the advent of international banking, the trend towards larger bank holding companies, and innovations in the marketplace, customers have more difficulty selecting one institution from another. Therefore, the current problem for the banking industry in India is to determine the dimensionality of customer-perceived service quality. If service quality dimensions can be identified, service managers should improve customer perceived quality during the service process and control the overall outcome. The

private sector banks functioning in this area contribute significantly to fulfilling the banking requirements of industrial units existing in this part and the people of this District. Hence the researcher attempts to find the answers to the following questions through the present research:

1. What is the level of satisfaction derived by the customers of the Private Sector Banks?
2. In Karnataka State on the services offered and the factors that influence the same?

What is the perception of the customers on the quality of services that have been

3. Rendered by the Private Sector Banks in Karnataka State?

SCOPE OF THE STUDY

The present study titled "Customer's satisfaction and Perception on the Quality of Services Offered by Private Sector Banks in Karnataka State" aims to probe into the level of satisfaction derived by the respondents on the various services that the Private Sector Banks has offered in Karnataka State and their perception on the quality of services provided by the Private Sector Banks in Karnataka State.

OBJECTIVES

The present study has the following objectives:

1. To present a sound theoretical framework relating to the origin, growth, and progress of India Banking Industry.
2. To measure the level of satisfaction derived by the respondents on the services Rendered by the Private Sector Banks in Karnataka State.
3. To assess the respondents' perception of the quality of the services offered by the Private Sector Banks in Karnataka State.
4. To offer suggestions for improving the satisfaction of the respondents concerning the services provided by

Private Sector Banks in Karnataka State and

5. To offer superior quality of services to the customers by the Private Sector Banks in Karnataka State.

HYPOTHESES

Hypotheses have been formulated in tune with the second and third objectives of the study that various independent variables relating to the sample respondents such as age, sex group of the respondents, marital status, and literacy level of the respondents, occupational quality of the respondents, family size of the respondents, monthly family income of the respondents, average monthly savings of the respondents, respondents' motive behind savings, bank in which the respondents have their accounts, type of account maintained by the respondents, purpose of opening the performance by the respondents, mode of operation of the charges by the respondents, period of association with banks, frequency of transactions held by the respondents with the banks, respondents' preferred mode of transaction, loan availed status of the respondents, level of confidence on the banks and the respondents' opinion on the overall services offered by these banks do not significantly influence the following dependent variables:

The level of satisfaction derived by the respondents on the various services offered by the Private Sector Banks in Karnataka State. The perception of the respondents on the services that the private sector banks have offered to their customers in Karnataka State.

METHODOLOGY

The present study is an empirical study in nature based on the survey method. The data required for carrying out the present study were collected in three stages. The researchers have used primary data collected from the selected sample respondents, published and unpublished data from various sources, and discussions with the officials of the concerned banks to carry out the present study.

In the first stage, primary data were collected from the selected sample respondents. The level of satisfaction derived by the respondents on the services offered by these banks and the perception of the respondents on the quality of services offered by the Private Sector Bank branches in Mysore were collected through interviewing the selected sample respondents with the help of the interview schedule specially designed for this purpose. The secondary data relating to the study, such as trends in the growth and progress of the Banking Sector in India, the performance of these banks, brief profile of these banks, and the variety of services that these banks have offered, were obtained from various published and unpublished records, annual reports, bulletins, booklets, journals, magazines, Etc., during the second stage of data collection. In the third stage, discussions were held by the researcher with the officials of the concerned banks to obtain a clear picture of the functioning and the various services these banks have offered to meet the demands of their customers. The discussions held by the researcher helped identify the problems of the study in a precise manner. The present study undertaken by the researcher is individual, customer-oriented, and the factors selected are personal.

SAMPLING DESIGN

A research design is an arrangement of conditions for collecting and analyzing data relevant to the research purpose with economy in procedure. The researcher has adopted an explorative and descriptive approach for studying the customer satisfaction and perception of quality service of the sample respondents.

The researcher has selected 250 bank customers as sample respondents for the present study.

A simple descriptive research design is used when data are collected to describe persons (Age, Gender, marital status, Etc., organizations, settings, or phenomena. For the initial problem identification stage, the researcher has used explorative research to identify and know the research problem's facts.

Include Karnataka State has the presence of 10 old Private Sector Banks such as Catholic Syrian Bank, City Union Bank, Karur Vysya Bank, Lakshmi Vilas Bank, Federal Bank, Dhanalakshmi Bank, ING Vysya Bank, Karnataka Bank, South Indian Bank, HDFC, ICICI, Indus Bank, Yes Bank, Axis Bank, and Kotak Mahindra Bank.

The researcher has considered these banks as sample units of the study. From each selected sample bank, 20 customers were selected as sample respondents of the study, and on the whole sample size is worked out of 250 customers of these banks. The respondents of the study were selected based on a simple random sampling method. From the selected sample respondents, the necessary primary data required in conducting the study were obtained.

THE FIELDWORK AND COLLECTION OF DATA

The fieldwork for the study was conducted during the period between July 2020 and December 2020. Personal interview with the selected sample respondents has been the principal tool employed by the researcher to collect the necessary data for the conduct of the present study. The researcher administered an interview schedule to collect and record the data required for the study from the selected sample respondents during the interview. The interviews with the selected sample respondents were held at the residence or workplace of the respondents following their convenience. The researcher has established the proper Support with the sample respondents before the commencement of the interview. The data obtained by the researcher during the time of the interview from the selected sample respondents were appropriately recorded in the interview schedule. After the interview, the researcher thoroughly checked the filled interview schedules to ensure the correctness, consistency, accuracy, and completeness of the data furnished by the respondents. On average, each interview took about 40 minutes. The data thus collected through the interview with the selected sample respondents were categorized

and posted in the master table for further processing.

FRAMEWORK OF ANALYSIS

The general analysis plan ranged from simple descriptive statistics, bivariate tests, and hypotheses to multivariate techniques. The extent of variation in the satisfaction derived by the respondents on the various functional aspects of these banks and the factors that influence the satisfaction derived by the respondents and the perception of the respondents on the quality of services offered by the private sector banks and the factors that influence the perception of the respondents on the quality of services offered by these banks have been analyzed.

The satisfaction derived by the respondents on the various functional aspects of these banks and the perception of the respondents on the quality of services offered by the private sector banks has been measured through the scales constructed for this specific purpose. These scales were constructed based on scoring for factors that contribute to the satisfaction derived by the respondents on the various services offered by the banks and the perception of the respondents on the quality of services offered by the private sector banks. Then the factor-wise analysis was made. The dependent variables, viz., the satisfaction derived by the respondents on the various functional aspects of the banks and the perception of the respondents on the quality of services offered by the banks, were related to various factors which influence these dependent variables. The mean and range scores of each group of the respondents on the various components were calculated. To find out the significance of the differences between the mean scores, analysis of variance has been employed. Contingency Tables have been formed, and the Chi-Square test has been applied for testing the association between the variables.

LIMITATIONS OF THE STUDY

The following are the limitations of the present study.

1. The study is confined only to the Private Sector Bank branches, which are functioning in Karnataka State
2. The study results cannot be generalized to other types of banks such as Public Sector banks and foreign banks, as the mode of operation and the nature of services offered by these banks differ between them.
3. The study covers only the Karnataka State, and hence the results may not be generalized to other parts of the country as there exists a difference in the socioeconomic profile of the respondents and the nature of the functioning of these banks.

SCOPE FOR FURTHER RESEARCH

There is scope for further research in an extension of the present research in the following areas:

1. A similar type of study can be undertaken to assess the customers' perception of the services of Public Sector Banks and other categories of banks in the same region and the other regions.
2. A comparative study can be undertaken to assess the perception of the customers on the services offered by Private Sector Banks, Foreign Sector Banks, and Public Sector Banks in the same region and the other regions.
3. A comparative study can be undertaken to assess the differences in the level of satisfaction derived by the customers of Private Sector Banks and other Domestic Sector Banks in the same region and the other regions.

CONCLUSION

The bank is a financial institution which deals in debts and credits. It accepts deposits, lends money, and also creates money. It bridges the gap between the savers and borrowers with more customer satisfaction and good perception towards banking services. Customer satisfaction and quality service are essential aspects in every industry, including the banking industry. Hence, the researcher's present study

has identified the customers' perception of the various services offered by the Private Sector Banks in Karnataka State and assessed their satisfaction with the various services and the factors that influence the satisfaction derived by the customers. By offering better, diversified, and customized products to fulfil the needs and wants of the customers, adopting an appropriate and reasonably stable policy towards the charges and costs, ensuring the effective utilization of the professional expertise possessed by the banks, to adopt sophisticated and user-friendly technologies and to create a trust in the minds of the customers on the bank will facilitate the banks to offer superior quality of services to the customers and offering an improved level of customer satisfaction. This present study may help the Private Sector Banks offer a superior quality of services to their customers and enhance their satisfaction with the functioning of these banks. The private sector banks fulfil their customers' requirements by these study findings and making their customers' dreams come true. Hence, the present study concludes that the Indian banking services are fast developing with the human touch of Private Sector banks in Karnataka.

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