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CUSTOMER SATISFACTION ON BANKING SECTOR ON RURAL AREA IN ANDHR PRADESH: A STUDY OF CHITTOOR DISTRICT

Dr.B.Umamaheswari

HOD, Department of Commerce, SGS Arts College (A) TTD, Tirupati, Andhra Pradesh

Abstract

The banking sector like many other financial service industries is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers and the changing climate has presented an unprecedented set of challenges. Banking is a customer oriented service. Constant research is recommendable as customer needs and expectations constantly changes over time and new technological inventions and products keeps on changing. The present study has some limitations and it is very essential to recognize them to re- fine future researches. First the study is limited in three cities which do not represent the all branches and outlets across the country. Second, the survey questionnaire was given during bank hours; respondents may not have had time to respond because of the lack of time, stress and pressure at work. For the future research, more related attributes can be added to make the survey more precise and more applicable to the banking industry. The research form can take the same method as this research or modified to fit the own criteria more specifically. The further research should be conducted continuously being based on both employee and customer satisfaction and then the data should be stored in their in-house system over time in order to monitor the changes. Customers are fairly satisfied with the scheme of loan products of banking sector. Most people are still unknown about the provided scheme or it could be as if the process to get loan from bank is too difficult. The bank should study more about the matter. Customers seem to be very satisfied regarding the deposit product however employee con tact relationship seems to be poor. The main focus of this paper customer satisfaction on banking sector in Andhra Pradesh: A Study of Chittoor district.

Key Words: Banking, Financial, Customers, Relationship, Products, Recommendable.

INTRODUCTION

Customer service proves to be one of the most important factors governing business. Today business organizations are more customers-focused than ever before since customer satisfaction is a competitive advantage which is sustainable over the long term (Schnaars, 1991). The business organizations to create healthy customer relationships should always focus on listening to customers' expectations, requirements, complaints and needs. Making polite suggestions, delivering promises and taking extra effort such as building an efficient customer service team are the right practices to retain them for a long period. Satisfied customers mean a long term profitable business since they stay loyal to the business.

Customer satisfaction in the banking industry plays a vital role to create a healthy business status being service based industry. In any service based industry customer service is at highest priority. Customer service can be provided by well trained person in planned systematic manner or can be provided by means of well planned self-service. In banking industry customers are more directly linked with the banks' personnel for any kind of services or products. Therefore, banks should always focus on training its front desk staffs to provide quality service knowing their expectations and wants.

Theoretical framework of this research is centred to service quality created by satisfied employee to meet up customers' expectations. The study employs Gap Model of Customer Satisfaction to find out the gap between customers' perception and expectation, Herzberg two factor theory to find the level of employee satisfaction analysing their different motivational and de-motivational factors, Profit chain Model to show the relationship between satisfied employees and created quality service to meet customers' expectation and ISO Guideline to show and measure different attributes of customer satisfaction. (Gumesson, 2002)¹



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CUSTOMER SATISFACTION IN BANKING SECTOR

Customer satisfaction can't be limited to short term strategy it's a long term strategy of any firm. It has been increasingly popular due to its helpful attribute towards judgment of the customer preferences and choices. It simplifies the decision maker role and helps to take any major or minor decision to cater customer. (Schnaars, 1991)²

When expectation of customers is matched the resultant feeling is satisfaction and when expectation does not match than the resultant feeling is dissatisfaction. Some of the scholars believes that it can also be called as motivation. (Engel et al. 1990)³

Customer satisfaction can be improved by strong communication to customer. A firm should know what customer expectation are and implement their expectation to make the customer satisfied. (Customer Satisfaction, 2007)⁴ There should be a broad level of surveys, customer feedback collected to random set of people in a frequent interval times. Customer satisfaction is an innovative process as product differentiation and presenting it in a unique flavour thus add more value towards the mind of customer.

REVIEW OF LITERATURE

The research studies in the field of banking sector of customer satisfaction the main review of literature as follows:

Md. Mobarak Karim, Md. Abdul Latif Mahmud (2018)⁵, in their article entitled "Customer Satisfaction in Banking Sector: A Case Study on Janata Bank Limited ", it can be concluded that Customer satisfaction has become important issue of bank industry to achieve goals of the bank. The success or failure of every organization depends on customer satisfaction. Despite competition among banks in Bangladesh the Janata Bank Limited has achieved good reputation around Bangladesh. It has to compete with not only State-owned bank but also private commercial banks. Though the Janata Bank Limited has lack behind in many sectors such as online banking but still people are investing in this bank because of its good reputation.

Aayasha Nawaz and Dr. Deepak Mishra (2018)⁶ in their article entitled "Customer Satisfaction in Banking Industry: A Case Study", it is concluded that Customer satisfaction is one of the major parameters for the service providers in the Indian banking sector. Indian retail banks would be able to face the competition better if the requirements and the expectations of the customers are known. This necessitates the understanding of the factors contributing to customer satisfaction. Although existing studies have tried to understand the factors, the determination of the factors has been done based on existing models of customer satisfaction. This required an exploratory study to find the factors contributing to customer satisfaction in retail banking. From the existing literature, none of the previous researchers seem to have done it for the retail banking sector.

OBJECTIVES OF THE STUDY

The main objectives of this project work are to study socio-economic information and customer satisfaction on banking sector. The objectives of the study are as follows

1. To study the socio economic profile of the bank account holders.
2. To study the customers satisfaction on rural areas towards banking services.

RESEARCH METHODOLOGY

This study reveals that the socio economic profiles of the bank account holders and customer satisfaction towards banking services. The sample data size consists of 20 respondents from Chittoor District and data have been collected during the period from June 2023 to July 2023. The collected data tabulated, analysed and interpreted with the help of percentages for the analysis.



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DATA SOURCES

The data required for the study have been collected from both primary and secondary sources. The Primary data have been collected through the interview schedule methods from the bank account holders. The secondary data have been collected from different sources like journals, magazines, books and various websites.

SOCIO ECONOMIC PROFILE OF THE BANK ACCOUNT HOLDERS

Before presenting the main theme of the paper a back-drop of the sample respondents is presented in the following primary data. This to study the socio economic profile of the bank account holders and to study the customers' satisfaction towards banking services. Location of the respondents is presented in the Table 1

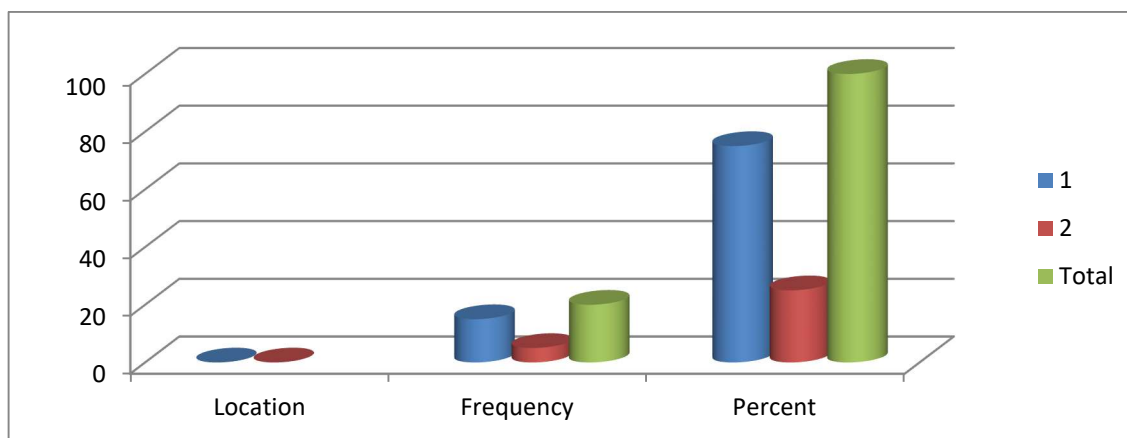
Table 1: Location of the Respondent

S. No	Location	Frequency	Percent
1	Rural	15	75.0
2	Urban	5	25.0
Total		20	100.0

Source: Field Survey

Table 1 show that the location of the respondents rural and urban areas in banking sector in rural and urban areas. Among 20 sample respondents 15 (75.0 per cent) respondents are having the rural area and 5 (25.0 per cent) are having urban area. It is concluded that majority of the sample respondents are rural areas.

Graph 1.a Location of the Respondent



Source: Table 1

The Gender is presented in the table 2



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Table 2: Gender

S. No	Gender	Frequency	Percent
1	Male	14	70.0
2	Female	6	30.0
Total		20	100.0

Source: Field Survey

Table 2 shows that the gender of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 14 (70.0 per cent) respondents are having the male and 6 (30.0 per cent) are having female. It is concluded that majority of the sample respondents are male population in areas. The age is presented in the Table 3

Table 3: Age

S. No	Age	Frequency	Percent
1	20 to 30 Years	5	25.0
2	31 to 40 Years	8	40.0
3	41 to 50 Years	4	20.0
4	Above 51 Years	3	15.0
Total		20	100.0

Source: Field Survey

Table 3 shows the age groups of the respondents of banking sector in rural and urban areas. Among 20 sample respondents highest of 8 (40.0 per cent) respondents are having the 31 to 40 years and lowest of 3 (15.0 per cent) is respectively. It is concluded that majority of the sample respondents are 40 per cent of the high income customers. The educational qualifications are presented in the Table 4

Table 4: Educational Qualifications

S. No	Education	Frequency	Percent
1	illiterate	3	15.0
2	SSC	11	55.0
3	Intermediate	4	20.0
4	Graduate	2	10.0
Total		20	100.0

Source: Field Survey



Table 4 shows that the educational qualifications of the respondents in banking sector in rural and urban areas. Among 20 sample respondents illiterates are 3 (55.0 per cent), SSC is 11 (55.0 per cent), intermediate is 4 (20.0 per cent) and Graduate is 2 (10.0 per cent). It is concluded that majority of the sample respondents are SSC qualification in areas.

CUSTOMERS SATISFACTION ON RURAL AREA TOWARDS BANKING SERVICES

Overall satisfaction is presented in the table 5

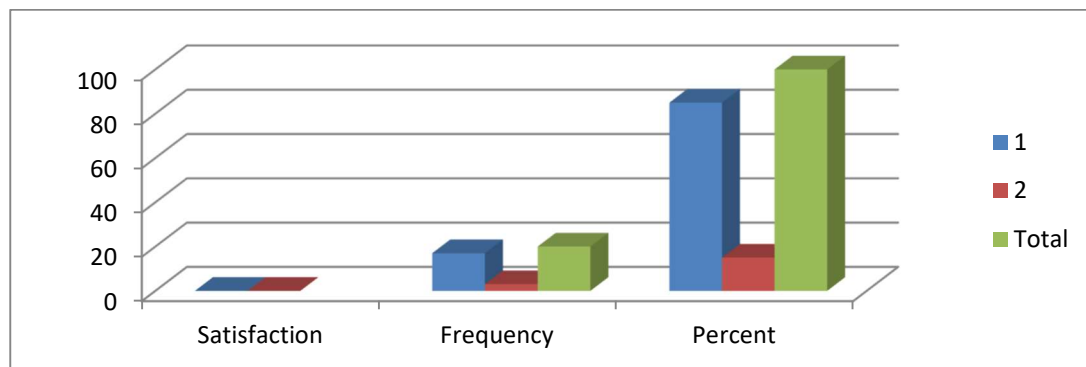
Table 5: Overall Satisfaction

S. No	Satisfaction	Frequency	Percent
1	Yes	17	85.0
2	No	3	15.0
Total		20	100.0

Source: Field Survey

Table 5 show that the overall satisfaction of the respondents banking sector in rural and urban areas. Among 20 sample respondents 17 (85.0 per cent) respondents are having the high satisfied and 3 (15.0 per cent) are not satisfied of the banking sector. Overall satisfaction graph is presented in 5.a

Graph 5.a Overall satisfaction



Source: Table 5

The Satisfaction on ATM Services is presented in the table 6

Table 6: Satisfaction on ATM Services

S. No	Satisfaction	Frequency	Percent
1	Yes	19	95.0
2	No	1	5.0
Total		20	100.0

Source: Field Survey



Table 6 shows the satisfaction on ATM services of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 19 (95.0 per cent) respondents are having the highly satisfied and 1 (5.0 per cent) are not satisfied of the banking ATM services. It is concluded that majority of the population of ATM services are very satisfied. The Satisfaction on online banking Services is presented in the Table 7

Table 7: Satisfaction on Online Banking Services

S. No	Satisfaction	Frequency	Percent
1	Yes	4	20.0
2	No	16	80.0
Total		20	100.0

Source: Field Survey

Table 7 shows the satisfaction on online banking services of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 4 (20.0 per cent) respondents are satisfied and 16 (80.0 per cent) are not satisfied of the online banking services. It is concluded that majority of the population is online banking services are not satisfied. The Satisfaction on Payment Apps is presented in the Table 8

Table 8: Satisfaction on Payment Apps

S. No	Satisfaction	Frequency	Percent
1	Yes	16	80.0
2	No	4	20.0
Total		20	100.0

Source: Field Survey

Table 8 shows the satisfaction on payment apps of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 16 (80.0 per cent) respondents are satisfied and 4 (20.0 per cent) are not satisfied of the payment apps. It is concluded that majority of the population is payment apps are not satisfied. The Satisfaction on Banking Charges is presented in the Table 9

Table 9: Satisfaction on Banking Charges

S. No	Satisfaction	Frequency	Percent
1	Yes	15	75.0
2	No	5	25.0
Total		20	100.0

Source: Field Survey



Table 9 shows the satisfaction on banking charges of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 15 (75.0 per cent) respondents are satisfied and 5 (25.0 per cent) are not satisfied of the banking charges. It is concluded that majority of the population on banking charges are not satisfied. The Satisfaction on internet on savings is presented in the table 10

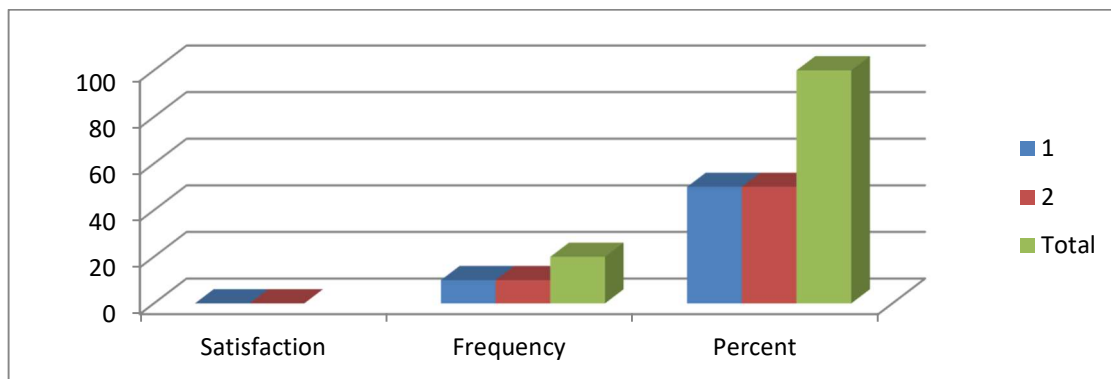
Table 10: Satisfaction on Interest on Savings

S. No	Satisfaction	Frequency	Percent
1	Yes	10	50.0
2	No	10	50.0
Total		20	100.0

Source: Field Survey

Table 10 shows the satisfaction interest on savings of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 10 (50.0 per cent) respondents are satisfied and 10 (50.0 per cent) are not satisfied of the interest on savings. It is concluded that fifty per cent of the population on interest on savings are not satisfied.

Graph 10.a Satisfaction on Interest on Savings



Source: Table 10

The Satisfaction on Deposits and Withdraws is presented in the Table 11

Table 11: Satisfaction on Deposits and Withdraws

S. No	Satisfaction	Frequency	Percent
1	Yes	16	80.0
2	No	4	20.0
Total		20	100.0

Source: Field Survey



Table 11 shows the satisfaction on deposits and withdrawals of the respondents of banking sector in rural and urban areas. Among 20 sample respondents 16 (80.0 per cent) respondents are satisfied and 4 (20.0 per cent) are not satisfied on the deposits and withdrawal. It is concluded that majority of the population with regard to deposits and withdrawals are satisfied. The Satisfaction on Loan Facilities is presented in the Table 12

Table 12: Satisfaction on Loan Facilities

S. No	Satisfaction	Frequency	Percent
1	Yes	7	35.0
2	No	13	65.0
Total		20	100.0

Source: Field Survey

Table 12 showsof the satisfaction on Loan Facilities of the respondents banking sector in rural and urban areas. Among 20 sample respondents 7 (35.0 per cent) respondents are satisfied and 13 (65.0 per cent) are not satisfied of the Loan Facilities. It is concluded that majority of the population on Loan Facilities are not satisfied.

SUMMARY OF FINDINGS

- Among 20 sample respondents 15 (75.0 per cent) respondents are from the rural areas and 5 (25.0 per cent) are from urban areas. It is concluded that majority of the sample respondents are from rural areas.
- Among 20 sample respondents 14 (70.0 per cent) respondents are of the male and 6 (30.0 per cent) are of female. It is concluded that majority of the sample respondents are male population in areas.
- Among 20 sample respondents highest of 8 (40.0 per cent) respondents are in the 31 to 40 years age group and lowest of 3 (15.0 per cent) is respectively. It is concluded that majority of the sample respondents are 40 per cent of the high income of customers.
- Among 20 sample respondents 13 (65.0 per cent) respondents are the married and 7 (35.0 per cent) are unmarried. It is concluded that majority of the sample respondents are married population in areas.
- Among 20 sample respondents 19 (95.0 per cent) respondents are high satisfied and 1 (5.0 per cent) are not satisfied of the banking ATM services. It is concluded that majority of the population is ATM services are very satisfied.
- Among 20 sample respondents 4 (20.0 per cent) respondents are satisfied and 16 (80.0 per cent) are not satisfied on the online banking services. It is concluded that majority of the population on online banking services are not satisfied.
- Among 20 sample respondents 16 (80.0 per cent) respondents are satisfied and 4 (20.0 per cent) are not satisfied of the payment apps. It is concluded that majority of the population on payment apps are not satisfied.
- Among 20 sample respondents 15 (75.0 per cent) respondents are satisfied and 5 (25.0 per cent) are not satisfied of the banking chargers. It is concluded that majority of the population on banking charges are not satisfied.
- Among 20 sample respondents 10 (50.0 per cent) respondents are satisfied and 10 (50.0 per cent) are not satisfied on the interest on savings. It is concluded that fifty per cent of the population on interest on savings are not satisfied.
- Among 20 sample respondents 16 (80.0 per cent) respondents are satisfied and 4 (20.0 per cent) are not satisfied of the deposits and withdrawals. It is concluded that majority of the population is deposits and withdrawals satisfied.
- Among 20 sample respondents 7 (35.0 per cent) respondents are satisfied and 13 (65.0 per cent) are not satisfied of the Loan Facilities. It is concluded that majority of the population on Loan Facilities are not satisfied.



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CONCLUSION

It is concluded that the Customers are fairly satisfied with the scheme of loan products of Banks. Most people are still unknown about the provided schemes or it could be as if the process to get loan from bank is too difficult. The bank should study more about the matters. Customers seem to be very satisfied regarding the deposit product however employee contact relationship seems to be poor. Either the employees may not be well trained to serve customers in right way or time to serve many customers in a day could be the main reason behind the dissatisfied customers. Customer education is simply the process by which people are taught about various goods and services in detail so that the customer would get the maximum satisfaction and utilization of it. There are lots of advantages of consumer education such as it acts as feedback for the business, the interaction between consumer and producer helps to standardize the products and services in Chittoor district of Andhra Pradesh. Among 20 sample respondents 19 (95.0 per cent) respondents are highly satisfied and 1 (5.0 per cent) are not satisfied of the banking ATM services. It is concluded that majority of the population is ATM services is very satisfied. Among 20 sample respondents 4 (20.0 per cent) respondents are satisfied and 16 (80.0 per cent) are not satisfied on the online banking services. It is concluded that majority of the population is online banking services is not satisfied. Among 20 sample respondents 16 (80.0 per cent) respondents are satisfied and 4 (20.0 per cent) are not satisfied of the payment apps. It is concluded that majority of the population payment apps not satisfied.

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