



## A study of customer perception towards banking services of selected banks

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### ABSTRACT:

In this paper data are collected for 200 respondents to know the perceptions towards banking services in Nadiad, Gujarat, India. It is observed that majority of respondents having saving accounts and they are interested in using ATM facilities of the bank. 92% respondents are satisfied or highly satisfied with financial transaction with their bank, 95.5% respondents are satisfied or highly satisfied with behaviour of the staff of the bank. Most of the respondents are satisfied with overall services quality of the bank. For testing relationship between various factors chi-square test is used. The findings of chi-square test shows that (i) there is no association between gender and opinion about behaviour of bank's staff (ii) there is no association between gender and opinion about location of bank. The results obtained from the study will help the bank to take necessary actions to improve the service quality and achieve the customer satisfaction.

**KEYWORDS:** Banking services, Financial transactions, Satisfaction level, Chi-square test.

**INTRODUCTION:** Bank is a financial institution that performs several functions like accepting deposits, lending loans, agriculture and rural development etc. Bank plays an important role in the economic development of the country. It is necessary to encourage people to deposit their surplus funds with the banks. These funds are used for providing loans to the industries thereby making productive investments. A bank is a financial intermediary that accepts deposits and channels those deposits into lending activities. They are the active players in financial market. The essential role of a bank is to connect those who have capital with those who seek capital. After the post economic liberalization and globalization, there has been a significant impact on the banking industry. Banking in India in the modern sense originated in the last decades of the 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770.

The largest bank, and the oldest bank is the State Bank of India. It originated as the Bank of Calcutta in June 1806. The Reserve Bank of India was established in 1935. These nationalised banks are the majority of lenders in the Indian economy. The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those which are included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refers to both scheduled and non-scheduled commercial banks which are regulated under the Banking Regulation Act, 1949.

Gronroos, (1990) suggested that quality is defined from the user's perspective wherein goods and services exceed the customer's expectations. Parasuraman et. al. (1985) suggest that customer's perception regarding service quality depends upon the gap that exists between what the customers expect and what they receive in the service. Sureshchandar et al. (2003) found that customer's perceptions are affected by the technological aspects of service delivery. The technological attributes were considered as the core attribute of banking service and human elements were given less importance in evaluating the service. They suggest that systematisation and technological factors affected customer's choice for banks. In a recent study on public and private banks in India. Shamdasani, P., Mukherjee, A. and Malhotra, N. (2008) studied the Antecedents and consequences of service quality in consumer evaluation of self-service internet technologies. Zhu, J.D-S. And Lin, C-T. (2010) studied the antecedents and consequences of e-service quality for online banking. There are multiple factors affecting customer's attitudes and perceptions regarding service quality in banks.

**OBJECTIVES OF THE STUDY:**

1. To analyse the customer perception.
2. To study the customer's opinion about banking services.
3. To know the satisfaction level of the customer

**HYPOTHESIS:**

1.  $H_0$ : There is no association between gender and opinion about behavior of bank's staff.
2.  $H_0$ : There is no association between gender and opinion about location of bank

**SCOPE OF THE STUDY:**

The study encompasses customer service quality of two type of banks namely private & public banks of Nadiad city. The customers belong to various professions, various areas, of both genders with varied income group and various age group. Study can be done over the Gujarat state and also private and nationalize banks should be cover.

**LIMITATION OF THE STUDY:**

1. The study is limited to the study of expectations and perceptions of customers having an account in private & public banks.
2. The sample size may not represent the entire population of customers of Nadiad city to draw a conclusion.

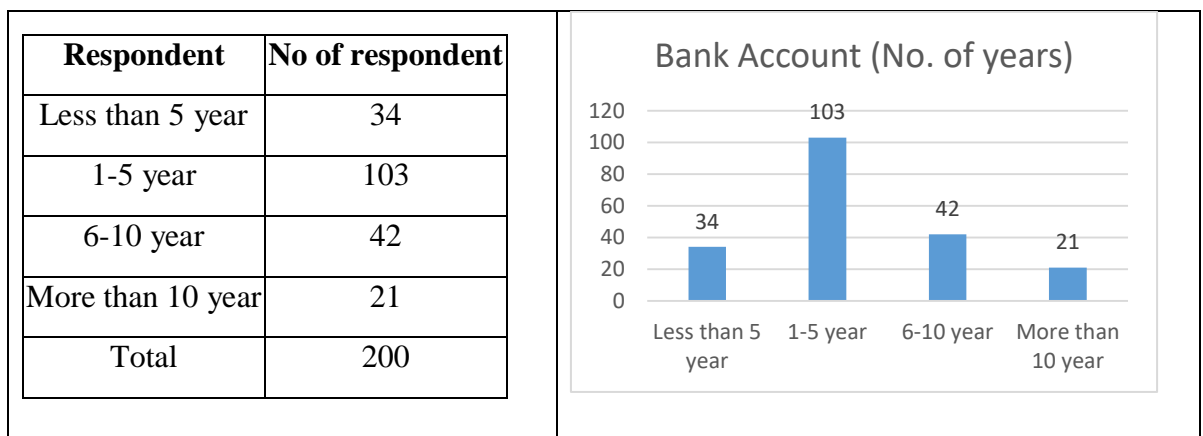
**RESEARCH METHODOLOGY:**

Research Design	Descriptive in Nature
Sampling Frame	People of Nadiad having Accounts in different banks
Sampling Unit	Existing customers of selected "public & private sector banks"
Sampling Size	200
Sampling Method	Convenience sampling
Nature of Data	Primary as well as secondary data were collected from respondents and journals and from previous research related to Banking services.

Method of Data Collection	Personal interview with respondents
Type of Questionnaire	Structured questionnaire with suitable scaling.
Type of Questions	Open ended, closed ended, Likert scale and multiple choice questions.
Pre-testing of questionnaire	Pre-testing questionnaire was done among selected respondents on judgement basis and corrections were made in the questionnaire, wherever required.
Statistical tools used	Chi-square test

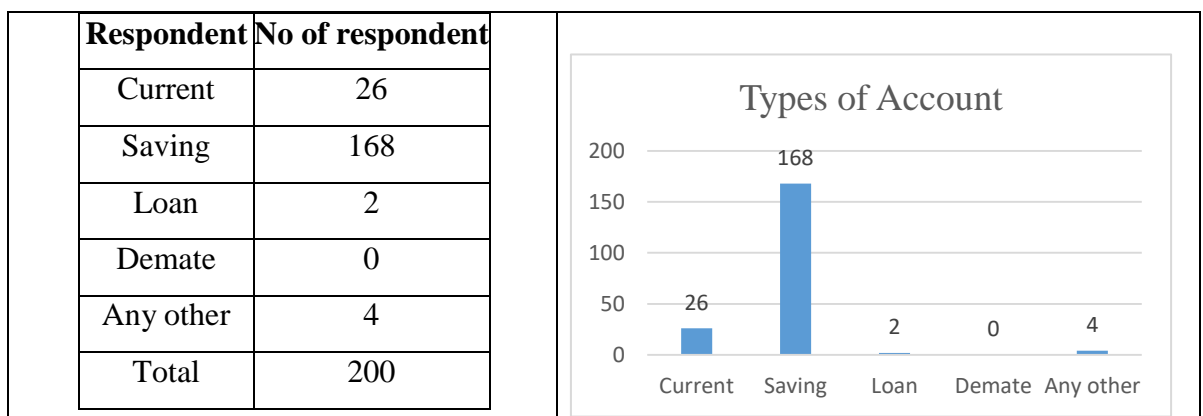
**DATA ANALYSIS AND INTERPRETATION:**

**Table 1: BANK ACCOUNT (IN YEARS)**



As per the above graph there are no. of customer maintain the account from the minimum 1 year and maximum for the 5 year. And there are less customer which have account more than 10 year.

**Table 2: TYPES OF ACCOUNT**



Above graph shows that major respondents having saving accounts in the bank.

**Table 3: IMPORTANT FACILITIES IN THE BANK**

Respondent	No of respondent
Loan	20
Overdraft	14
ATM	94
Locker	51
Any other	21
Total	200

The graph shows that respondent are mostly using the ATM services compare to other services. But there are only 14 respondents which use the overdraft services.

**Table 4: SATISFACTION LEVEL OF FINANCIAL TRANSACTION**

Respondent	No of respondent
Highly dissatisfied	5
Dissatisfied	2
Neither satisfied nor dissatisfied	9
Highly satisfied	155
Satisfied	29
Total	200

Graph shows that the people are highly satisfied with the financial transaction with their bank. But there are 5 respondent are dissatisfied with the financial transaction of the bank. so overall respondent are satisfied with financial transaction with their bank .

**Table 5: SATISFACTION LEVEL WITH STAFF**

Respondent	No of respondent
Highly dissatisfied	3
Dissatisfied	1
Neither satisfied nor dissatisfied	5
Highly satisfied	161
Satisfied	30
Total	200

As per the above graph there are overall respondent are satisfied with the behaviour of bank’s staff. But there are 3 respondents are not satisfied with the behaviour of the bank’s staff if they have bed experience from the bank’s staff or any

other reason. Therefore they are dissatisfied.

**Table 6: OVERALL SERVICE QUALITY**

Quality	No of respondent
Poor	4
Average	14
Good	69
Very good	73
Excellent	40
Total	200

The above graph shows that most of the customers are satisfied with overall service quality of the bank. But there are 4 respondents are given their opinion poor they are not satisfied with the services quality of the bank.

**Table 7: CHI-SQUARE TEST**

Sr. No.	$H_0$	$\chi^2$ value	Sig.
1	There is no association between gender and opinion about behaviour of bank's staff	8.740	0.068
2	There is no association between gender and opinion about location of bank	3.842	0.428

From the above table, it was found that null hypothesis (1) is accepted ( $p > 0.05$ ) and it was concluded that There is no association between gender and opinion about behaviour of bank's staff. It was also found that null hypothesis (2) is also accepted ( $p > 0.05$ ) and it was concluded that there is no association between gender and opinion about location of bank.

**FINDINGS:**

1. Majority of respondents have saving account in the bank compared to other types of accounts.
2. Most of the customers use ATM services compared to other services.
3. 184 out of 200 i.e. 92% respondents are satisfied or highly satisfied with financial transaction with their bank.
4. 191 respondents out of 200 i.e. 95.5% respondents are satisfied or highly satisfied with behaviour of the staff of the bank.
5. There is no association between gender and opinion about location of bank

**CONCLUSION:**

1. The banks have organized by positioning the staff to meet the needs of the customers in a highly customized and responsive manner. The ultimate, in customer satisfaction, is giving customers exactly what they want.
2. The bank should continuously monitor and evaluate the services offered by them to the customers and they should keep themselves ahead of their own competitors.
3. Customer satisfaction is the key to keep the existing customers. Customer satisfaction must be matching or greater than the importance level.
4. The results obtained from the study will help the bank to take necessary

actions to improve the service quality and achieve the customer satisfaction.

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