

A Statistical Analysis of Customer Satisfaction towards the Services Offered In Andhra Bank in Nellore City

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Abstract: In any industry customer satisfaction is considered to be the first priority. Banking industry is one such service industry which is expanding its wings across the globe. Banks are providing varied services to its customers where in the customer can get all his transactions done online at his convenience. The life styles of customers are changing so are their financial requirements. This article focuses on customer satisfaction towards the quality of services offered by various banks. A sample of 230 customers is taken for the survey using convenience sampling. A structured questionnaire is used to collect the data. Percentage analysis, chi-square and standard deviation are used to analyse the data. From the analysis it is found that most of the customers are satisfied with the services offered viz. Provision of savings account, ATM facility, different loans offered, online transaction facility, internet banking, sms facility etc. by the banks. However few customers expressed their dissatisfaction towards the credit card facility, too many formalities to issue a credit card, the credit period and credit limit.

Key words: Bank, customer, satisfaction, service, industry, tangibles.

Introduction:

1.1

“Customer is the King” this has been the motto of any business and every entrepreneur strives his best to make his customer happy. For this he strives to the maximum to satisfy his customers by developing new strategies, new products, new services and many more. Banking sector is one such service industry which is expanding its wings across the globe. Its main focus is to provide its services at its customer doorstep and maintain a healthy customer relationship. In these days customer relationship management is playing an

important role in the service industry. Due to the cut throat competition and changing tastes and preferences of the customers banking industry is coming out with innovative ideas and products every now and then.

Definitions:

Bank: An establishment authorized by a government to accept deposits, pay interest, clear cheques make loans, act as an intermediary in financial transactions, and provide other financial services to its customers

A bank is a financial institution licensed as a receiver of deposits.

Customer: A customer is an individual or business that purchases the goods or services produced by a business

Service: A type of economic activity that is intangible, is not stored and does not result in ownership. A service is consumed at the point of sale.

Satisfaction: Customer level of approval when comparing a product's perceived performance with his or her expectations. Also could refer to discharge, extinguishment, or retirement of an obligation to the acceptance of the obligor, or fulfilment of a claim. While satisfaction is sometimes equated with performance, it implies compensation or substitution whereas performance denotes doing what was actually promised.

Banking industry:

A bank is a financial institution which accepts deposits from the public and creates credit. Most of the banks are regulated. There are 14 nationalised banks. The banks provide many facilities to its customers which include personal banking, corporate banking, investment banking, private banking, insurance, consumer finance, foreign exchange trading, commodity trading, trading in equities, futures and options trading and money market trading. Due to the bottle neck competition banks are offering additional payment services to

its customers viz. ACH (Automated clearing house), EFTOPS, Telegraphic transfers and ATM's (Automated teller machines). The banks also provide loans like personal loans, vehicle loans, home loans, educational loans, gold loans etc.

1.2 Review of literature:

Vimi Jham & Kaleem Mohd Khan (2008), conducted a research topic entitled "Customer Satisfaction in the Indian Banking Sector" to identify the key elements for the success of any bank. For this they have surveyed 555 customers from 5 different banks to know the reasons for customer satisfaction. Factor analysis and ANOVA were used to analyse the data. It was found that customers are satisfied with the traditional facilities.

Deepti Kanojia & D.R. Yadav (2012) conducted a survey on "Customer Satisfaction in Commercial Banks : A Case Study of Punjab National Bank" to identify what is relevant to a successful relationship in banking. A sample of 100 customers were taken and convenience sampling method is used to collect the data. Percentage analysis was used to analyse the data. From the analysis it was found that most of the customers are using mobile banking and are satisfied compared to other banking like branch banking, internet banking and ATM banking.

George K Amoako (2011), conducted a survey on "Improving Customer Service in the Banking Industry-Case of Ghana Commercial Bank (GCB)-Ghana". The main objective of the research is 1. To examine the awareness of GCB in the banking industry 2. To find out if the target market is aware of the offerings of GCB 3. To examine the attitudes of the target market towards GCB in relation to its competitors. A sample size of 100 samples was taken. Stratified random sampling is adapted to collect the data. Three branches Management officials and customers of GCB bank are taken for the survey. The survey was conducted using a structured questionnaire.

1.3 Need and significance of the study:

Due to cut throat competition amongst various banks in Indian context with liberalization and privatization, there is a requirement to provide better value service to their customer so customer can become loyal. Now a day customer satisfaction and customer retention are the most important challenges faced by most of banking.

1.4 Scope of the study:

The study has been restricted to only four banks in Nellore city.

1.5 Objectives of the study:

1. To know the impact of demographic variables on consumer satisfaction towards the services offered by banks in Nellore city.
2. To assess the various important service quality dimensions in banking industry.
3. To measure the overall satisfaction level of customers towards the services offered by banks in Nellore city.
4. To provide suggestions to banks for better customer satisfaction.

1.6 Research methodology:

- Research design : Descriptive method
- Data Sources:
 - Secondary sources:
 - All the data regarding banks and theme are collected from the company web sites, bank brochures, news paper articles, financial magazines, marketing journals
 - Primary sources:
 - The primary data is collected from customers of Andhra Bank.
- Research approach : Survey method
- Research instrument : Structured questionnaire

Sampling:

- Sampling size : 230
- Sampling unit : The respondents include customers of Andhra Bank
- Sampling method: Convenience sampling
- Contact method : Personal interview

Statistical tools : Percentage analysis , Chi-square & Standard Deviation

Hypothesis :

- H01: Service quality rating is independent of age

- H02: Service quality rating is independent of income
- H03: Service quality rating is independent of Occupation
- H04: Customer satisfaction is independent of SERVQUAL dimensions

1.7 Limitations

- Lack of sufficient time to collect data from more customers
- Some of the customers were reluctant to give the information
- The survey was restricted to only 5 banks in Nellore city

1.8 Data Analysis:

1.8.1 Demographic variables:

Age:

Age	Overall service quality			Total
	Highly satisfied	satisfied	Highly dissatisfied	
31-40	39	0	19	58
41-50	19	77	0	96
51 & above	19	57	0	76
Total	77	134	19	230

Inference: From the analysis it was found that 77 respondents of the total sample are highly satisfied customers of which 39 respondents belong to the age group 31 – 40 yrs followed by 19 respondents in the age group 51 yrs and above. Fig 1 also conveys that 134 respondents are satisfied with the services offered of which 77 respondents belong to the age group of 41 – 50 yrs. It is found that 19 respondents are highly dissatisfied.

Chi-square Test reveals that p is less than 0.05 and the value shows that there is significant difference between the age and customer satisfaction levels.

Income:

Income	Overall service quality			Total
	Highly satisfied	satisfied	Highly dissatisfied	
1 - <5 laks	19	39	0	58
5 -<10 laks	39	38	0	77
10 & above	19	57	19	95
Total	77	134	19	230

Inference: From the above table it is inferred that 77 respondents of the total sample are highly

satisfied of which 39 respondents belong to the income group between 5 – 10 lakhs. 134 respondents are satisfied of which 57 respondents fall in the income group 10 lakhs and above.

Chi-square Test reveals that ‘p’ is less than 0.05 and the value shows that there is significant difference between income and satisfaction levels.

Occupation:

Occup	Overall service quality			Total
	Highly satisfied	satisfied	Highly dissatisfied	
Govt. Emp.	39	76	19	134
Pvt. Emp	0	39	0	39
Business Men	38	19	0	57
Total	77	134	19	230

Inference: From the above table it is inferred that 77 respondents are highly satisfied with their banks of which 39 customers are Government Employees followed by 38 respondents who are Businessmen. 134 respondents are satisfied with the services offered by their banks.

Chi-square Test reveals that there is a significant difference between the respondent’s profession and their satisfaction levels.

Overall customer’s satisfaction:

Fig. 1.4 portrays the summary of all the scales used in the study. From the table it can be inferred that the most important factor that customers look in the services offered by bank is the knowledge of the employees in providing the information to them as and when asked for (Mean = 2.58) . The mean is low for “I feel safe in my transactions with my bank” (mean = 1.59) which infers that the customers have least satisfaction towards the safety of transactions in bank.

Fig. 1.4 : Overall customer’s satisfaction towards the services offered by banks

Factor	Description	Mean	SD
Tangibles	Information Brochures / Pamphlets	1.92	0.65
	Water facilities	2.08	0.87
	Seating arrangement	1.92	0.76
	Ambience	1.67	0.62
Reliability	My bank has kept all its promises alive	2.33	0.85
	My bank shows sincere interest in solving my problems	2.25	0.59
	My bank delivers error free records	2	1.22

Responsiveness	Employees in my bank gives prompt service	2.33	0.74
	Employees in my bank are always willing to help me	2.33	0.74
	Employees in my bank will tell me exactly when the service will be performed	2.17	0.98
Assurance	The behaviour of employees in my bank will instil confidence to me	2.17	0.69
	I feel safe in my transaction with my bank	1.59	0.64
	Employees in my bank are consistency courteous with me	2.25	0.83
	Employees in my bank have the knowledge to answer my questions	2.58	0.95
Empathy	The employees of my bank understands my specific need	2.25	0.83
	My bank has operating hours convenient to all its customers	2	0.81
	My bank gives Individual attention	2.25	0.83

Findings:

From the analysis it is found that most of the customers are satisfied with the services offered by banks. However there are few customers who are not satisfied by the services offered.

- ❖ 75.2 % of the respondents are satisfied with the services

- ❖ 41.7% of the respondents are having their accounts since 5 yrs followed by respondents who have their account for more than 15 yrs.
- ❖ 75.2% of the accounts are savings account
- ❖ 57.8 % are happy with the recreation facilities.
- ❖ 83% of the customers feel that banks charge them for not maintaining the minimum balance.
- ❖ 58.7 % of the customers feel that they are given competitive interest by their banks.
- ❖ 91.7% of the customers have alternative bank accounts.
- ❖ Among the services offered by banks personalised services (41.7%) are given high priority and are on the top of the mind followed by wide branch network (41.3%).

- ❖ Most of the customers are satisfied with the various dimensions Tangibles (Information brochures – 80%; water facilities – 58.3% ; Seating arrangement – 74.7%; Ambience – 91.7%), Reliability (Promises are fulfilled – 58.2 %; Solving customer problems- 67%; Error free records – 75.2%), Responsiveness (Prompt service – 67%; willingness to help – 67%; Timely service – 75.2%), Assurance (Employee behaviour- 83.5%; Safe transactions- 91.8%; Employee courtesy levels – 66.9%; Employee Knowledge levels – 58.7%) & Empathy (Needs of customers – 83.5 % ; banking hours – 83.5%; Individual attention – 66.9 %) provided by banks.

- ❖ From the analysis it is found that 58.3 % respondents are satisfied with Andhra bank followed by 33.5% who are highly satisfied with the overall services provided by Andhra bank.

Suggestions:

- ❖ From the analysis most of the customers maintain savings account, which implies that the respondents are mostly government employees. Respondents who are businessmen have their accounts in private banks viz ICICI and Axis bank. It is suggested the it will be good if public sector banks can encourage the businessmen by providing the services amicable to the business sector customers as well.
- ❖ From the analysis it was found that 17% of the respondents feel that they are charged unnecessarily for not maintaining minimum balance in their account however due to high end technology that we have banking personnel can provide prior intimation to them

before taking an action so that the dissatisfaction levels can be reduced.

- ❖ Though respondents are happy with the services provided by the bank, still there are certain areas which are to be taken care of like living up to the promises made by the bank authorities to their customers, providing proper water facilities, employee behaviour towards their customers, improved employee knowledge levels, paying individual attention to the customers to meet their personal requirements etc. This will build trust, confidence and sense of belongingness in the minds of its customers.
- ❖ Andhra Bank has to revise its strategies in certain areas viz. ATM facilities, attending to customer needs, customer care centre operations, provision of recreation facilities etc. for better customer satisfaction.

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