

# Customer Satisfaction towards Modern Banking Services of Banks with Special Reference to Vellore

V. S. Sivaprakash, S. Venkatesh

**Abstract:** *In the present day competitive banking atmosphere, banks recurrently assess their services and products for providing superior services and innovative products to their customers. At the same time, the demand for modern services is continuously mounting among all the segments of customers. The banks are using new and modern means for not only to absorb but also to hold the customers and attain competitive advantage over their rivals through making customers satisfied and loyal. The findings explicate that customers of banks are satisfied with internet banking, on-line banking, electronic transfer, core banking, inter bank transfer and utility payment services. There is significant difference between satisfaction towards banking services of banks and profile of customers. The satisfaction towards banking services of banks is positively, significantly and moderately inter related with loyalty of customers.*

**Key Words:** *Customer, Bank, Satisfaction, Service*

## I. INTRODUCTION

The Indian banking sector has undergone tremendous transformation due to financial sector reform and this leads to opening up of banks and also new challenges for banking operations across the types of banks (Nawaz, 2017). In such crucial times of increasing and sharp competition, it is very urgent and imperative that banks have to maintain their customer base (Abdul, 2015). To accomplish this and to increase their performance, banks have to create their strategies, policies and programmes towards enhancing satisfaction of customers noticeably (Mahalakshmi and Sarvanaraj, 2011). Banks adopt modern technologies in the current days banking operations for increasing efficiency in operations and improve satisfaction of customers (Ganapathi, 2016) and also providing customized and modern services and products to customers.

In the present day competitive banking atmosphere, banks recurrently assess their services and products for providing superior services and innovative products to their customers. At the same time, the demand for modern services is continuously mounting among all the segments of customers (Agarwal, 2012). Extreme competition among different types of banks has modified the structure of the Indian banking sector. The banks are using new and modern means for not only to absorb but also to hold the customers and attain competitive advantage over their rivals through making customers satisfied and loyal. Thus, it is important to study satisfaction of customers towards modern banking services of banks in Vellore district.

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## II. METHODOLOGY

The present investigation is done in Vellore district and 150 customers of banks are selected through random sampling method. Percentages are calculated to know profile of customers. Mean and standard deviation are computed for satisfaction of customers towards modern banking services of banks. T-test and ANOVA test are used to find difference between customers Profile and satisfaction towards modern banking services of banks. The correlation analysis is used to study inter relation between satisfaction towards modern banking services of banks and loyalty of customers.

## III. ANALYSIS AND INTERPRETATION

### 3.1. Customers profile

The Customers profile of Banks is disclosed in Table1

**Table-1. Customers Profile**

Profile	Number of Customers	Percentage
<b>Sex</b>		
Male	82	54.67
Female	68	45.33
<b>Age</b>		
21 – 30 years	53	35.33
31 – 40 years	64	42.67
41 – 50 years	33	22.00
<b>Qualification</b>		
Secondary	27	18.00
Higher Secondary	35	23.33
Diploma	31	20.67
Graduation	57	38.00
<b>Monthly Salary (Rs.)</b>		
Less than Rs.25,000	28	18.67
Rs.25,001 – Rs.30,000	60	40.00
Rs.30,001 - Rs.35,000	36	24.00
More than Rs.35,000	26	17.33

54.67 per cent of customers of banks are males, and 45.33 per cent of them are females. 42.67 per cent of customers are in the age group of 31 – 40 years, 22.00 per cent belongs to the age group of 41 – 50 years. The findings explain that 38.00 per cent of them are graduates, 18.00 per cent of them are secondary education and 40.00 per cent of them are having monthly income of Rs.25,001 – Rs.30,000, 17.33 per cent of them are having

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monthly income of more than Rs.35,000.

## 3.2. Satisfaction of Customers towards Modern Banking Services of Banks

The satisfaction of customers towards modern banking services of banks is given in Table-2.

**Table-2. Customers satisfaction towards Modern Banking Services of banks**

Modern Banking Services	Mean	Standard Deviation
Home Banking	3.37	0.91
Internet Banking	3.76	0.88
Tele-Banking	3.35	0.99
On-line Banking	3.92	0.86
Mobile Banking	3.38	0.95
Electronic Transfer	3.70	0.79
Core Banking	3.96	0.80
SMS Banking	3.39	0.93
Inter Bank Transfer	3.74	0.84
Utility Payment Services	3.88	0.87

The customers of banks are satisfied with internet banking, on-line banking, electronic transfer, core banking, inter bank transfer and utility payment services, while, they are neutral with home banking, tele-banking, mobile banking and SMS banking.

## IV. CUSTOMERS PROFILE AND SATISFACTION TOWARDS MODERN BANKING SERVICES OF BANKS

To identify difference between customers profile and satisfaction towards modern banking services of banks, T-test and ANOVA test are carried out and the results are shown in Table-3.

**Table-3. Customers Profile and Satisfaction towards Modern Banking Services of banks**

Particulars	t-Value / F-Value	Sig.
Gender and Satisfaction towards Modern Banking Services of banks	5.974** (t-value)	.000
Age Group and Satisfaction towards Modern Banking Services of banks	8.460**	.000
Education and Satisfaction towards Modern Banking Services of banks	9.215**	.000
Monthly Income and Satisfaction towards Modern Banking Services of banks	8.738**	.000

\*\* Significant at 1 % level

The F-values and T-value and are significant one per cent level elucidating significant difference exists in satisfaction towards modern banking services of banks among profile of customers. Therefore, rejects null hypothesis.

## V. INTER RELATION BETWEEN SATISFACTION TOWARDS MODERN BANKING SERVICES OF BANKS AND LOYALTY OF CUSTOMERS

The inter relation between satisfaction towards modern banking services of banks and loyalty of customers was deliberate by correlation analysis and the result is shown in Table-4.

**Table-4. Inter Relation between Satisfaction towards Modern Banking Services of banks and Loyalty of Customers**

Particulars	Correlation Co-efficient
Satisfaction towards Modern Banking Services of banks and Loyalty Of Customers	0.57**

\*\* Significant at 1 % level

The correlation co-efficient between satisfaction towards modern banking services of banks and customers Loyalty is 0.57, it is moderately and Positively inter related with each other at 1 per cent level of significant. So, reject null hypothesis .

## VI. CONCLUSION

The results elucidate the customers of banks are satisfied with internet banking, on-line banking, electronic transfer, core banking, inter bank transfer and utility payment services. The findings show evidence of that there is significant difference between satisfactions towards modern banking services of banks and profile of customers. The satisfaction towards modern banking services of banks is positively, significantly and moderately inter related with loyalty of customers. Therefore, banks should improve services of home banking, tele-banking, mobile banking and SMS banking to enhance loyalty of customers and drag more customers in the coming years towards them.

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