A Survey of Customers in Delhi measuring Satisfaction in the Banking Industry

Dr. Parul Goel

Assistant Professor, Department of Commerce, Aditi Mahavidyalaya, University of Delhi, Delhi, India
Email - parul20goel@yahoo.co.in

Abstract: Satisfaction of customers is one of the things which most of the enterprises and organisations urge for. A significant level of customer satisfaction is among the most critical indicators of the business's future. Customers who are satisfied are also loyal and this ensures a consistent cash-flow for the business in the future. In addition, satisfied customers are often characterized as less-price sensitive and they are more partial to spend more on the products they have tried and tested before. So measuring customer satisfaction enables an organization to assess its performance and enables it to redesign its strategies. This paper discusses satisfaction of customers with respect to banking sector. A sample of 130 customers has been used in Delhi city by means of convenient sampling method. This study revealed that of customers are dissatisfied with most of the aspects of banking sector.

Key Words: Consumer, Satisfaction, Banking Industry, service.

1. LITERATURE REVIEW

Albro's (1999) study conducted in the context of U.S. banking sector customers revealed that 'correcting errors promptly', 'courteous employees' and 'professional behavior' are the most noteworthy characteristics that results in satisfaction. Moreover, customers rated provision of good, personal service are more important than convenience or products. Wan, W.W., Luk C.L and Chow, C.W.C. (2005) in their study of Hong Kong consumers also supported this view in their study. They also revealed in their study that companies that perform customers' satisfaction surveys periodically they are positively viewed more positively by consumers and are considered as the companies which care about their customers.

Matzler and Renzl (2006) proposed that banking institution should be 'customer driven' in order to gain competitive advantage which in turn is possible through exceeding the customer expectations. Institution can be customer oriented if it concentrates on providing excellent customer satisfaction via enrichment of information systems of the banks or good training procedure. It has been argued that the increase in customer services causes increase in cost of serving the customers but at the same time it leads to firms achieving superior profitability. In short, satisfied customers through word-of-mouth provide references to others meaning more business and more profitability. At the other end if the banks fail in delivering the desired satisfaction then customers will not vacillate to switch. In the long run, serving customer well pay off as revenue increases more than the increase in cost.

Service and satisfaction of customers are the differentiating factors for a firm. In a national survey of 814 banks Albro's (1999) argued that cross selling and up selling depends on the level of customer satisfaction. satisfaction scores and customer's repurchase intentions were found to be highly correlated. Customers strengthened the need on the part of banks to go for 'after banking' i.e., to focus on their satisfaction in such a way so as to retain them (Olorunniwoand Hsu, 2006 ; Spiteri and Dion, 2004).

This paper stressed on the importance of measuring customer satisfaction which in turn is helpful in overcoming the weakness and development of sound strategies in banking sector. The objective of the customer satisfaction survey is focused on the assessment of the critical satisfaction dimensions. It is not only important to measure customer satisfaction in the banking sector but it is imperative to conduct such studies on longitudinal basis so as to measure satisfaction of consumers over a period of time.

2. MEASUREMENT OF CUSTOMER SATISFACTION:

To gauge satisfaction of customers five dimensions i.e., personnel of the bank, products, image of the bank, service and access have been used in the present study. The same dimensions were used in the study of Mihelis et al. (2001) and Goel (2016).

Service: It ascertain consumer data regarding the complexity of service processes, the waiting time (queue, telephone, etc.), and the information provided (delivering information in an comprehensible way, clarifying the service and other significant factors, educating about new products, etc.).

Products: This deals with the products and services offered (cost, variety, refund, special services, etc.) by the banking sector.

Access: This measures branches location, inconveniences faced by consumers in the service system (strikes, damaged ATMs, etc.) and network expansion of the banks.

Personnel of the bank: This measure embraces all the features about personnel (responsiveness, communication, skills and knowledge and collaboration with customers, friendliness, etc.).

Image of the bank: Image of the bank is measured through the appearance of the banks, trustworthiness of the bank (name, reputation), technological superiority as well as ability to satisfy customers' needs in future (Mihelis et al., 2001).

3. RESULTS AND DISCUSSION:

The presented survey took place at various locations in the area of Delhi City using convenience sampling. The survey was conducted during the period January – Feburary, 2017. More than 250 questionnaires were distributed but only 130 were found to be useful for the present study. A five point Likert scale (-2 to 2) was used for eliciting consumer responses, with '-2' standing for 'very dissatisfied' and '2' for 'very satisfied' with each of the statements.

Table 1

SERVICE	Mean	Standard Deviation
Level of Satisfaction with		
Average waiting time	0.289	1.37
Process adopted for providing the services	0.31	1.45
Information received from the banks (new products, account statement etc.)	0.11	1.41

Note: Responses were received on a 5-point Likert scale ranging from -2 to 2, where '-2' stands for 'Very Dissatisfied' and '2' for 'Very Satisfied'.

Respondents reported ambivalent views about the waiting time for receiving the services, new products knowledge, account statement etc., procedure adopted for delivering services (Table 1).

Table 2

IMAGE	Mean	Standard Deviation
Level of Satisfaction with		
Ability of the banks to satisfy future needs	0.21	1.39
Appearance of the banks	-1.20	3.41
Trustworthiness of banks	1.55	0.91
Technological excellence of banks	-0.80	0.84

Note: Responses were received on a 5-point Likert scale ranging from -2 to 2, where '-2' stands for 'Very Dissatisfied' and '2' for 'Very Satisfied'.

It can be inferred from Table that respondents are uncertain about satisfaction of their future needs, dissatisfied with the appearance of the banks, technological excellence and most of the respondents are satisfied with trustworthiness of banks.

Table 3

ACCESS	Mean	Standard Deviation
Level of Satisfaction with		
Bank's network (branches, ATMs etc.)	1.21	0.67
Location of the banks	1.38	0.97
Smoothness in the working of the service system (absence of damaged ATMs, strikes etc.)	-0.88	1.41

Note: Responses were received on a 5-point Likert scale ranging from -2 to 2, where '-2' stands for 'Very Dissatisfied' and '2' for 'Very Satisfied'.

It can be seen from Table that respondents are satisfied with the banks network judged through branches and ATMs, location of the banks but dissatisfied with smoothness in the working of the service system measured through absence of damaged ATMs, strikes etc.

Table 4

PERSONNEL	Mean	Standard Deviation
Level of Satisfaction with		
Friendliness of the personnel with the customers	-0.55	0.98
Ability of the personnel to understand and satisfy the needs of the customers	-0.98	1.31
Responsiveness of the personnel	-1.21	1.25
Knowledge and skills of the personnel	-0.18	1.61

Note: Responses were received on a 5-point Likert scale ranging from -2 to 2, where '-2' stands for 'Very Dissatisfied' and '2' for 'Very Satisfied'.

Table indicates that most of respondents are dissatisfied with the Friendliness, responsiveness, awareness and skills to satisfy the needs of the customers.

Table 5

PRODUCTS	Mean	Standard Deviation
Level of Satisfaction with		
Charges of various products and services provided	-0.12	0.91
Interest rate provided	-0.45	0.56
Variety of the offered products and services	-0.98	1.67

Note: 1. Responses were received on a 5-point Likert scale ranging from -2 to 2, where '-2' stands for 'Very Dissatisfied' and '2' for 'Very Satisfied'.

2. Banks's special products (factoring and leasing etc.) dropped because majority of consumers did not answer this item.

Consumers reported their dissatisfaction with products and services offering charges, interest rate provided, and assortment of services provided by banks. It can be clearly seen from above Table that respondents are dissatisfied with this aspect of banks.

4. CONCLUSION:

In modern world, service sector plays noteworthy role along with manufacturing and other sectors. One of the vital sectors of an economy to perform well is banking sector. Bank is considered as the "lifeblood" of an economy. Due to financial liberalization and deregulation competition among banks has increased. The Indian banking has witnessed a sea change in the wake of various reforms and industry is facing stiff competition and advancement in technologies. Every banker tries to provide superior services to keep their customer satisfied. It can be easily concluded from the survey that majority of the consumers are dissatisfied with the various dimensions of banking sector.

It can be concluded that respondents are satisfied with the banks network judged through branches and ATMs, location of the banks, trustworthiness of banks. On the other hand, consumers are dissatisfied with products and services offering charges, interest rate provided, and assortment of services provided by banks, friendliness, responsiveness, awareness and skills to satisfy the needs of the customers, smoothness in the working of the service system measured through absence of damaged ATMs, strikes etc., appearance of the banks, technological excellence. Respondents reported ambivalent views about the waiting time for receiving the services, new products knowledge, account statement etc., procedure adopted for delivering services. These findings offer a great opportunity to the banking sector to reorient their strategies in the favour of consumers and win their confidence in the long run.

In future longitudinal research covering wider geographical area and covering other aspects like e-banking can be conducted.

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