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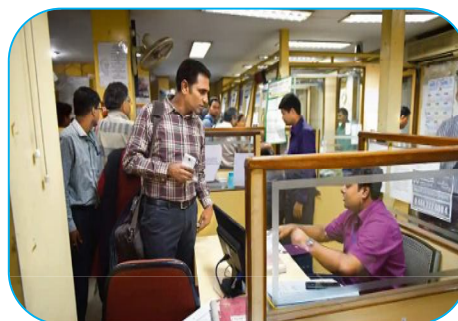
## FACTORS AFFECTING SATISFACTION LEVEL OF BANK CUSTOMERS

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### 1.0 ABSTRACT

*The purpose of this study was to determine factors that influence customer satisfaction in the banking sector. Research questions for this study are as follows: impact of different factors on banker-customer relationship? Factors affecting satisfaction level of the bank customers? The research design to be adopted for the study is the descriptive survey research design. The population of the study is 400 Bank customers. Stratified sampling and simple random sampling techniques were adopted for the study. Data analysis was conducted using Statistical Package for Social Services (SPSS) for descriptive inferential statistics. Study findings show that factors relating to various banking services have an influence on consumer satisfaction.*



**KEYWORDS:** Customer Satisfaction, Banking Sector.

### 2.0 INTRODUCTION

Globalization of the world economy has increase pressure on business competitiveness and sustainability. Organizations have to keep reinvent their business processes, procedures, policies, and their market niche, as a way of staying relevant and sustainable. To remain sustainable, organizations have to be profitable, and equally, have to gain sizeable control of their market in terms of the products and services they are offering on the market. As such, the threat of new entrants particularly with multinationals have organizations are continuously forcing organizations into strategic reinventions as a way of dealing with the global pressure to offer products and services at the global market standards. Many organizations are therefore pointing to customer satisfaction as a way of developing and differentiating their services from their competitors, and also as a tool for developing competitive advantage.

The last several years saw the rise of Customer Relationship Management (CRM) as important business approach. CRM is a strategy that goes beyond increasing transaction volume. Its objectives are to increase profitability, revenue and customer satisfaction. To achieve CRM, a companywide set of tools, technologies and procedures promote the relationship with the customer to increase sales. Nowadays with advancing information technology, there are modern systems that can help to increase the organization power with the purpose of decreasing internal expenses, making better interaction with the environment and finally obtaining the economic profit. Customer relationship management is considered to be one of the above-mentioned tools, which as a business strategy, has tendency to select and manage the most valuable relationships with the customers. Customer relationship management

consists of three components, i.e., customer, relationship and management: It tries to show a single view to its customers, while looking for a customer-centric viewpoint.

The importance of satisfying customers cannot be overstated. Retention of customers is significantly superior to acquisition. As a result, retaining customers is critical for any business. In a business, it becomes crucial to satisfy customers. How satisfied are customers? It is referred to as a communication terminal that assists you in determining whether or not a company's goods or services meet or exceed customer expectations. The customer's needs, wants, and desires are often what define the product or service. Customers' satisfaction is important because it helps executives and business owners control and grow their businesses. In a market where businesses will compete for customers, customer satisfaction is seen as a key differentiator, which is another advantage. Kotler's ability to identify opportunities for process improvement, product advancement, assessment, and incentive schemes makes consumer data valuable. In addition, it is essential to guarantee that the survey projects fully concentrate on client-important issues.

In other words, customer dissatisfaction is an unwelcome fulfillment, while customer satisfaction can be defined as happy responses that a customer enjoys. A quality assessment of the products, facilities, and procedures is required for every customer experience. The importance of satisfying customers cannot be overstated. The item or administration can frequently be characterized as need might arise, wants, and wishes. Customers' satisfaction is important because it helps executives and business owners control and grow their businesses. Customer satisfaction has improved over time as a result of the country's ability to utilize extensive atomization, service customization, and online real-time banking experiences. This is another advantage because it is seen as a key differentiator in a competitive market environment, where businesses will compete for customers.

### 3.0 REVIEW OF LITERATURE

Lin *et al.*, (2010) revealed that a positive and direct relationship exists between customer loyalty and customer behaviour; and the positive and significant relationship between CV and customer behaviour can be developed through mediators such as customer satisfaction and customer loyalty. Krishnamoorthy and Srinivasan (2013) revealed that there is a significant impact on tangibility, perceived price and fairness, decision convenience and customer relationship management in the banking sector. Krishnamoorthy (2014) revealed that 'Commitment', 'Competence', 'Relationship Quality' and 'Customer Experience' dimensions of CRM were found to positively affect customer satisfaction. Furthermore, 'Trust', 'Competence', 'Commitment' dimensions of CRM were found to be positively impacted the customer loyalty. Hassan *et al.*, (2015) concluded that CRM enhances productivity, superior employee's morale in the mean while it improves the in-depth customer knowledge and also higher customer satisfaction to improved customer Loyalty. Nyadzayo and Khajehzadeh (2016) found that indirect effect of customer satisfaction on customer loyalty via CRM quality is stronger when perceived brand image is high than when it is low. Ashraf (2018) indicated that there is no significant difference between public sector and private sector bank in the customer relationship management strategies and level of customer satisfaction. Ajmal and Rehman (2019) focused on measuring customer satisfaction in the result of Bank's CRM efforts and found that the selected banks apply the CRM components and found that these are positively associated with customer satisfaction. Nguyen and Ali (2021) stated that cloud customer relationship management (CRM) has emerged as an innovative tool to augment the customer satisfaction and performance of banking systems.

### 4.0 RESEARCH METHODOLOGY

This paper is based on the analysis of primary data. This data has been collected through a survey of retail banking customers with the help of a structured questionnaire. Total 400 respondents were selected based on Stratified sampling and simple random sampling technique.

## OBJECTIVES OF THE STUDY

- Impact of different factors on banker-customer relationship
- Factors affecting satisfaction level of the bank customers

## 5.0 DATA ANALYSIS & INTERPRETATION

### 5.1 Impact of Different Factors on Banker-Customer Relationship

**Table 5.1: Information regarding impact of different factors on banker-customer relationship**

<b>Impact of Different Factors on Banker-Customer Relationship</b>	<b>Mean</b>	<b>SD</b>	<b>Min.</b>	<b>Max.</b>
ATM Facility	1.7	0.88	1	3
Demat Facility	3.0	1.20	2	5
Service Variety	2.9	0.64	2	4
Ambience	3.4	0.49	3	4
Parking Facility	3.7	1.16	2	5
Loan Facility	2.4	1.29	1	4
Interest Rates	2.4	0.90	1	4
Safety Vaults	2.4	0.49	2	3
Bank Image	2.9	0.99	1	4
Number of Branches	3.4	1.40	1	5
Credit Card/ Debit Card Facility	2.1	0.99	1	3
Club Membership	3.1	0.99	2	4
Advertisement	3.3	1.16	2	5
Location	3.3	0.70	2	4
Banking Hours	3.6	1.29	1	5
Holiday service	2.1	1.12	1	4
Door Service	2.3	1.03	1	4
Speedy Operations	2.9	0.99	1	4
Simplicity in Procedures	2.9	0.99	1	4
Computerized Services	3.6	1.29	1	5
Quality of Services	2.7	1.58	1	5
Bank Charges	2.7	1.03	1	4
Internet Banking	2.6	0.73	1	3
Mobile Alerts	2.9	0.99	1	4
Handling Complaints	3.3	1.58	1	5
Secrecy/ Security	2.3	1.03	1	4
Transparency	2.7	0.70	2	4
Personal Touch	3.1	0.64	2	4
Attentiveness	3.6	0.90	2	5
Responsiveness	3.4	1.18	2	5
Courteous Service	2.4	1.05	1	4
Reliability	2.7	0.88	2	4
Trust Worthiness	2.7	0.88	1	4
Replying to queries	3.1	0.83	2	4
Experienced Personnel	2.0	1.07	1	4
Timely Service	2.6	0.73	2	4
Keeping up promises/ Time Schedules	3.0	0.53	2	4

SD- Standard Deviation; Min.- Minimum; Max.- Maximum

Above Table 5.1 demonstrates opinion of bank customers regarding impact of different factors on banker-customer relationship. The opinions of bank customers were taken by using five-point scale, which starts with highly satisfied and ends with Not Satisfied option. It is evident from the information in the Table that mean rank provided by customers regarding impact of ATM facility on banker-customer relationship is  $1.7 \pm 0.88$  (ranged between maximum 3 and minimum 1). Mean rank provided by customers to impact of Demat facility on banker-customer relationship is  $3.0 \pm 1.20$  (ranged between maximum 5 and minimum 2). Mean rank provided by customers to impact of Service variety on banker-customer relationship is  $2.9 \pm 0.64$  (ranged between maximum 4 and minimum 2). Mean rank provided by customers to impact of ambience on banker-customer relationship is  $3.4 \pm 0.49$  (ranged between maximum 4 and minimum 3). Mean rank provided by customers to impact of parking facility on banker-customer relationship is  $3.7 \pm 1.16$  (ranged between maximum 5 and minimum 2). Mean rank provided by customers about impact of loan facility on banker-customer relationship is  $2.4 \pm 1.29$  (ranged between maximum 4 and minimum 1). Mean rank provided by customers about impact of interest rates on banker-customer relationship is  $2.4 \pm 0.90$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of safety vaults on banker-customer relationship is  $2.4 \pm 0.49$  (ranged between maximum 3 and minimum is 2). Mean rank provided by customers about impact of bank image on banker-customer relationship is  $2.9 \pm 0.99$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of number of branches on banker-customer relationship is  $3.4 \pm 1.40$  (ranged between maximum 5 and minimum is 1). Mean rank provided by customers about impact of credit card/debit card facility on banker-customer relationship is  $2.1 \pm 0.99$  (ranged between maximum 3 and minimum is 1). Mean rank provided by customers about impact of club membership on banker-customer relationship is  $3.1 \pm 0.99$  (ranged between maximum 4 and minimum is 2). Mean rank provided by customers about impact of advertisement on banker-customer relationship is  $3.3 \pm 1.16$  (ranged between maximum 5 and minimum is 2). Mean rank provided by customers about impact of location on banker-customer relationship is  $3.3 \pm 0.70$  (ranged between maximum 4 and minimum is 2). Mean rank provided by customers about impact of banking hours on banker-customer relationship is  $3.6 \pm 1.29$  (ranged between maximum 5 and minimum is 1). Mean rank provided by customers about impact of holiday service on banker-customer relationship is  $2.1 \pm 1.12$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of door service on banker-customer relationship is  $2.3 \pm 1.03$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of speedy operations on banker-customer relationship is  $2.9 \pm 0.99$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of computerized services on banker-customer relationship is  $3.6 \pm 1.29$  (ranged between maximum 5 and minimum is 1). Mean rank provided by customers about impact of quality of services on banker-customer relationship is  $2.7 \pm 1.58$  (ranged between maximum 5 and minimum is 1). Mean rank provided by customers about impact of bank charges on banker-customer relationship is  $2.7 \pm 1.03$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of bank charges on banker-customer relationship is  $2.6 \pm 0.73$  (ranged between maximum 3 and minimum is 1). Mean rank provided by customers about impact of internet banking on banker-customer relationship is  $2.9 \pm 0.73$  (ranged between maximum 3 and minimum is 1). Mean rank provided by customers about impact of mobile alerts on banker-customer relationship is  $2.9 \pm 0.99$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of handling complaints on banker-customer relationship is  $3.3 \pm 1.58$  (ranged between maximum 5 and minimum is 1). Mean rank provided by customers about impact of secrecy/security on banker-customer relationship is  $2.3 \pm 1.03$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of transparency on banker-customer relationship is  $2.7 \pm 0.70$  (ranged between maximum 4 and minimum is 2). Mean rank provided by customers about impact of persona touch on banker-customer relationship is  $3.1 \pm 0.64$  (ranged between maximum 4 and minimum is 2). Mean rank provided by customers about impact of attentiveness on banker-customer relationship is  $3.6 \pm 0.90$  (ranged between maximum 5 and minimum is 2). Mean rank provided by customers about impact of responsiveness on banker-customer relationship is  $3.4 \pm 1.18$  (ranged

between maximum 5 and minimum is 2). Mean rank provided by customers about impact of courteous service on banker-customer relationship is  $2.4 \pm 1.05$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of reliability on banker-customer relationship is  $2.7 \pm 0.88$  (ranged between maximum 4 and minimum is 2). Mean rank provided by customers about impact of trust worthiness on banker-customer relationship is  $2.7 \pm 0.88$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of replying to queries on banker-customer relationship is  $3.1 \pm 0.83$  (ranged between maximum 4 and minimum is 2). Mean rank provided by customers about impact of experienced personnel on banker-customer relationship is  $2.0 \pm 1.07$  (ranged between maximum 4 and minimum is 1). Mean rank provided by customers about impact of timely service on banker-customer relationship is  $2.6 \pm 0.73$  (ranged between maximum 4 and minimum is 2).

## 6.0 CONCLUSIONS

### 6.1 Impact of Different Factors on Banker-Customer Relationship

- Factors such as ATM Facility, Credit Card/ Debit Card Facility and Holiday service have high impact on banker-customer relationship. However, Service Variety, Loan Facility, Interest Rates, Safety Vaults, Bank Image, Door Service, Speedy Operations, Simplicity in Procedures, Quality of Services, Bank Charges, Internet Banking, Mobile Alerts, Secrecy/ Security, Transparency, Courteous Service, Reliability, Trust Worthiness, Experienced Personnel as well as Timely Service have moderate impact on banker-customer relationship.

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