



A STUDY ON CUSTOMER SATISFACTION TOWARDS FINANCIAL SERVICES AT SELECT BANKS

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Abstract

In today's digital world, providing an exceptional customer experience is a key differentiator for banks in the financial services industry, regardless of whether the service is traditional banking, short- or long-term insurance. A positive customer experience can not only attract new customers but also increase loyalty, retention, and advocacy, ultimately driving growth and profitability. The importance of customer experience in the financial services industry cannot be overstated. In fact, a study by PwC found that 73% of customers rate experience as an important factor in their purchasing decisions. Moreover, a separate study by Forrester Research found that companies with higher customer experience scores tend to have higher revenue growth rates than their competitors. One of the biggest challenges facing financial services companies today is meeting the rapidly evolving consumer behaviour and preferences. Customers expect fast, convenient, and personalised services that are available 24/7, across multiple channels and devices. Failure to meet these expectations can result in negative customer experiences, which can lead to lost revenue, reputation damage, and increased churn rates. Providing an exceptional customer experience is crucial for financial institutions to remain competitive and meet customer expectations in today's digital world. By investing in customer experience strategies, financial institutions can enhance customer satisfaction, loyalty, and advocacy, which can drive growth and profitability.

Keywords: banks, customer, financial, expectations

Introduction

After liberalization, privatization and globalization (LPG) policy enactment, Indian banking industry has undergone tremendous qualitative changes. International banks are coming to market, which are competing with local banks irrespective with that they are private sector banks or public sector. Various banks are available with new offers, schemes, and services with wide range of products. Customer has range of choices where proper information can be gathered at cheap cost, and can take the advantage of such competitiveness. In the era of globalization customer has more rights to choose right product according their profile, opportunities available for their money. Customer are now demanding multiple channels through which they can interact with their providers including (i) Face to face contact (ii) Phone (iii) Websites e-mail mobile device etc. Which has forced the banking sector to explore new distribution channels, so that ordinary customer which have more information about multiple banking products than even before. This is aimed not only to present the customer from taking their business elsewhere but also to ensure that they are offered the product and services that are most appropriate and most likely to result in new revenue for the bank.

There is a phenomenal change and paradigm shift towards customer focus over the past five decades. The banking business found standing on the pillars of customer's satisfaction it is pertinent that policy makers and branch manager think over the problem on priority basis.

METHODOLOGY

Sample design

For the purpose of the present study, 300 sample customers are selected from four banks at a rate 150 respondents per bank. The list of select banks includes ICICI and HDFC, and located in Hyderabad and Secunderbad. The sample respondents are drawn on the basis stratified random sampling methods. The criteria of stratification are occupation and type of account.

SOURCES OF DATA

The present study made use of both primary and secondary sources of data. The secondary sources of data include the reports of state level bankers committee. The primary sources of data are directly collected from the respondents by administering questionnaire.

SCOPE OF THE STUDY

The scope of the present study is confined to examine the customer satisfaction in select banks. It does not cover the management and financial performance of select banks.

Results and discussion

CUSTOMER OPINION ON THE QUALITY OF THE SERVICES PROVIDED

Researchers looked at how happy customers were with the help they received from the respondents. Using a survey or other research tool, we asked the participants how satisfied they were with the assistance they got. Participants were asked to tick one of five boxes based on how much they agreed with each statement. This is how we examined the data. To begin, we scored each component from 1 (very pleased) to 7 (very dissatisfied) based on the satisfaction ratings we had determined by assigning equal weights to the replies from 1 (very satisfied) to 5 (satisfied) to 5 (neutral) to 5 (dissatisfied).

Table : ICICI Bank Customers' Overall Satisfaction with the Services They've Used

Compan yHelp	Extrem ely Satisfied	Content ed	Amoral	Dis- contente d	Highly Dis- satisfied	Mean Score	Mean average	Rank
Sports equipme nt	5	4	3	2	1			
ATM Service	65 (325)	197 (788)	78 (234)	-	-	1347	3.96	1
Home Loan	3 (15)	9 (36)	16 (48)	2 (4)	-	103	3.43	4

Personal Loan	6 (30)	14 (56)	8 (24)	10 (20)	-	130	3.42	5
Net Banking	48 (240)	93 (372)	45 (135)	6 (12)	-	759	3.95	2
Phone Banking	12 (60)	35 (140)	14 (42)	2 (4)	-	246	3.90	3
Credit Cards	4 (20)	11 (44)	41 (123)	15 (30)	3 (3)	220	2.97	7
Loan against securities	2 (10)	5 (20)	6 (18)	-	2 (2)	50	3.33	6

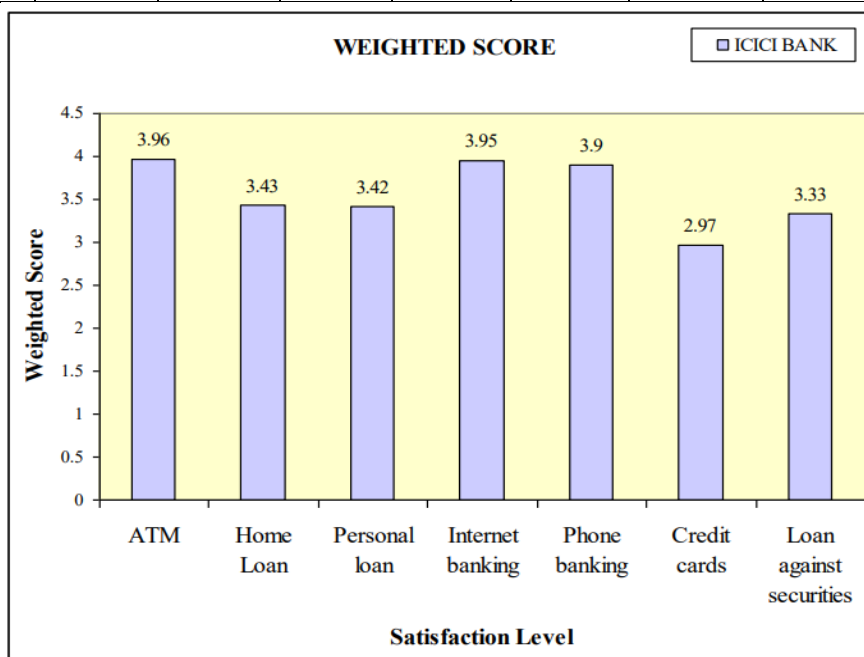


Table and Figure show that seventy-nine-point zero six percent of those who used an ATM agreed that the service was satisfactory. With the highest weighted average score (3.96), ATMs were deemed superior to other banking options such as online banking (3.95), telephone banking (3.90), house loans (3.43), personal loans (3.42), secured loans (3.33), and credit cards (2.97). ICICI Bank customers were more positive with the bank's ATM service than their credit cards. It's possible that this is because to the sky-high interest rates that banks charge on the cr. amount. Many of their customers have expressed gratitude for the service they got.

Table : HDFC Bank Customers' Level of Satisfaction with the Services They've Used

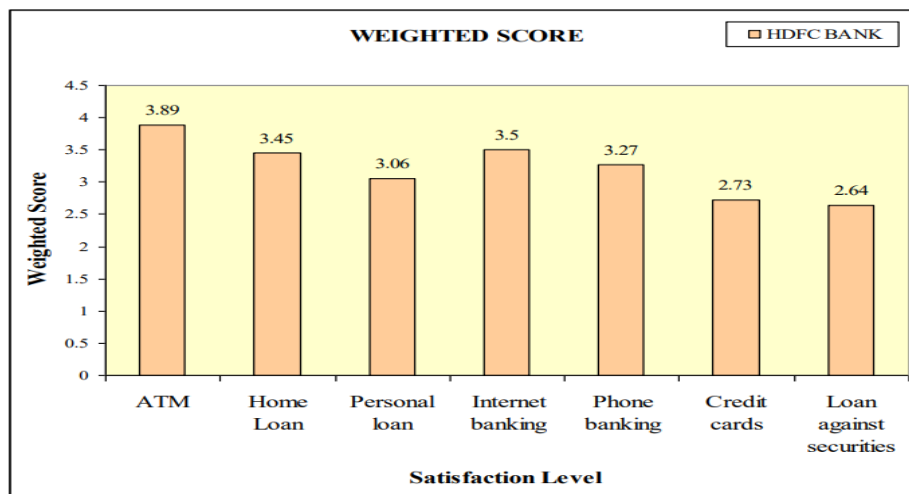
Service Help	Highly Contented	Contented	Neutral	Dis-satisfied	Highly Dis-satisfied	Weighted Score	Weighted average	Rank
Weights	5	4	3	2	1			
ATM service	58 (290)	115 (460)	84 (252)	-	-	1002	3.89	1

Home Loan	8 (40)	19 (76)	50 (150)	-	-	266	3.45	3
Personal loan	2 (10)	12 (48)	38 (114)	12 (24)	-	196	3.06	5
Internet banking	24 (120)	30 (120)	54 (162)	16 (32)	-	434	3.50	2
Phone banking	11 (55)	22 (88)	12 (36)	25 (50)	-	229	3.27	4
Credit cards	6 (30)	13 (52)	16 (48)	-	20 (20)	150	2.73	6
Loan against securities	2 (10)	3 (12)	12 (36)	-	8 (8)	66	2.64	7

Initial Records

Please take note that the numbers in brackets denote weighted scores.

Most respondents (67.32%) said they were satisfied with ATM service, which is reflected in the high weighted average (3.89 out of a possible 5.00) given to this category in both the table and the figure. Internet banking came in second, followed by home loans (3.45 out of a possible 5.00) and phone banking (3.27 out of a possible 5.00).



Graph

Overall, HDFC Bank clients were pleased with the assistance they received. Therefore, it is safe to say that the consumers of the private sector banks included in the survey were happy with the services they received. For banks' future expansion, this is encouraging news.

How Happy Customers Are with The Service They Receive Customers were polled on their opinions of their bank's quality of service, with each choice serving as a proxy for how satisfied they were with that service. The stated statement,

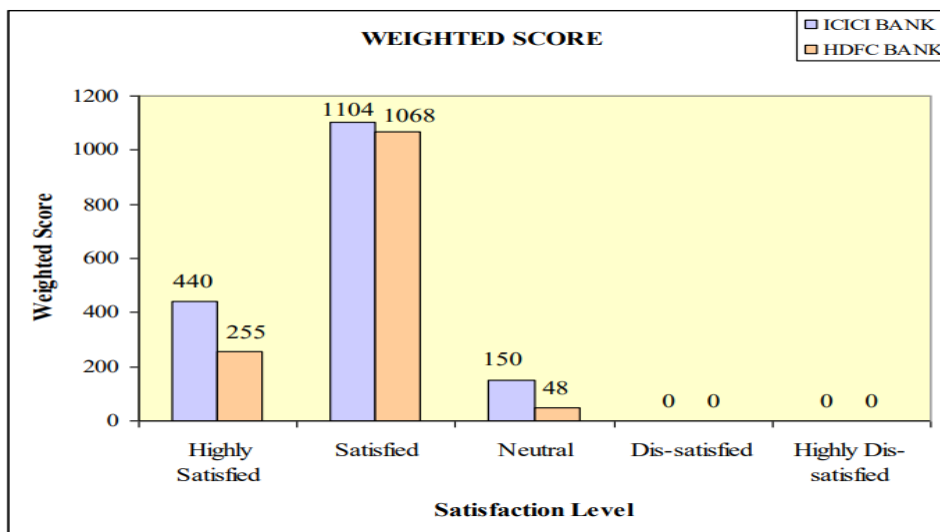
Table 5.21 General Gratification Level around the Excellence of Facilities

Bank	Highly Satisfied	Satisfied	Neutral	Dis-satisfied	Highly Dis-satisfied	Weighted Score	Weighted Average
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Weights	5	4	3	2	1		
ICICI	88 (440)	276 (1104)	50 (150)	-	-	169 4	4.09
HDFC	51 (255)	267 (1068)	16 (48)	-	-	137 1	4.10

Initial Records

The numbers in brackets indicate weighted scores, so keep that in mind.



The table shows that 582 people out of 748 were in agreement that their bank's services were high-quality. In a survey conducted by HDFC Bank, 95.21 percent of customers (318 out of 334) reported being happy with the service they received. According to the same data set, a total of 264 (or 63.77%) of the 414 ICICI Bank respondents agree with the statement. What this indicates is that HDFC bank clients are happier with the level of services they get than ICICI bank customers. The 2 test was used to compare how satisfied customers of each bank were with the services they received.

The chi-square statistic

Pearson chi-square	Intended price of χ^2	Degree-of-freedom	Bench cost of χ^2
	19.174	4	9.4877

Table value for two with four degrees of freedom at the 5% level is 9.4877. The null hypothesis is rejected, and it is feasible to infer that customers are significantly happier with the level of service provided by one bank than by the other since the estimated value of 2 is 129.622, which is more than the table value. Curiously, not a single respondent who was given their view of either of the two private sector banks included in the study felt their replies were adequate. The information in tables 4.1.28–4.1.37.

Conclusion

Customer Satisfaction in a banking sector is the most imperative criteria and resources for assessing and fulfilling clients and in this way builds the customer loyalty and normal standard for dependability of clients . Among the service quality determinants Tangibility, Responsiveness, Reliability, Assurance, Empathy have constantly assumed a crucial part, in this paper an endeavor is made to discover the effects of Service Quality measurements on Customer Satisfaction for the investigation it is discover that substantial quality dependability, responsiveness and affirmation significantly affect Customer Satisfaction. The most important takeaways from the collected, presented, and evaluated data are discussed here. ICICI Bank and HDFC Bank are two of the biggest private banks in India. These two banks provide a broad range of goods and services in this market to cater to their clients' demands. The findings revealed that savings accounts were the most popular choice for participants to save and manage their money.

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