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V Dhanavel Pandi
Research Scholar, Bharathiar
University, Coimbatore,
Tamilnadu, India

Dr. Revathi Murali
Assistant Professor,
Department of Commerce,
Dr. G. R. Damodaran College
of Science, Coimbatore,
Tamilnadu, India

A study on factors influencing customer satisfaction towards retail banking in commercial banks with special reference to Coimbatore district

V Dhanavel Pandi and Dr. Revathi Murali

Abstract

In recent Trend banking is regarded as a customer-oriented services industry and banks have started realizing that their business progressively more depends on the group of the customer service provided and overall satisfaction of the customer. Relationship marketing has turn into the most important feature to corporate banking success. Today, customers anticipate superior quality services from banks which, if satisfied, could result in appreciably enhanced customer satisfaction, and potentially retain them.

This study directs on bringing out the major factors that lead to customer satisfaction in retail banking in Coimbatore District, Tamil Nadu. It also leads to developing a theoretical framework of relationship marketing practices in Indian banks by capturing the perspectives of customers with respect to their satisfaction on various services. The findings revealed that customer satisfaction, a transaction-specific trait, is dependent on three different factors. It is clear that this research paper would help the banking organization not only in civilizing the overall level of customer satisfaction but also increasing the relationship between the banks and their customers, thereby helping the banks to preserve and enlarge their overall customer base.

Keywords: Corporate banking, relationship marketing, customer satisfaction, retail banking

1. Introduction

Retail banking has emerged as a new catchphrase in the Indian banking system. The naive definition of the term “Retail Banking” includes mutual funds, insurance products, debit cards, credit cards, retail loans, retail deposit schemes, pooling services including demat services and a swarm of other services fulfilling the needs of individual customers. It was clear from this list of accessible services that retail banking mainly includes various financial services and products forming part of the assets as well as the liabilities sector of the banks. It refers to taking mind of the banking needs of individual customers in an incorporated way.

2. Review of the literature

In the study made by Schoeffler, Buzzel, and Heany (1974)^[1] they attempted to identify the factors influencing the profits of the bank. In their study they came out with the interesting conclusion that there is a strong relationship but when the nature of service provided and the profit of the banks.

In the Cambridge seminar series (1981)^[2] a paper presented titled “The Banks and The Public” tried to study the customer services in banks with special references to united Kingdom. The study emphasized the varying functions of English Commercial Banks.

Parasuraman, Valarie A. Zeithamal and Leonard L. Berry (1985)^[3] in their study on “A Conceptual model of service quality and its implications for future research”, outlined the several propositions on consumers perceptions of service quality. There exist four key gaps on the service provider’s side that are likely to affect service quality as perceived by customers.

Correspondence
V Dhanavel Pandi
Research Scholar, Bharathiar
University, Coimbatore,
Tamilnadu, India

The gaps are 1) Not knowing what customers expect, 2) Not selecting the right service designs and standards, 3) Not delivering to service standards and 4) Not matching performances to promises.

Nandi G.N (1985)^[4] in his article entitled "Bank marketing-the problems of distribution", attempted on the various marketing techniques adopted by commercial banks for distribution of banking services. He experimented that as days go by, customer expectations are increasing - as a result customer's dissatisfaction increase to a great extent.

Archana Mathur (1988)^[5] in her article "Customer service in public sector banks- a comparative study", studied the problems faced by customers with regard to delayed service, lack of proper guidance and customer discrimination made by bank staff. Her suggestions given after the study was that banks can solve all the problems if banks can go in for automation, when discrepancies made by bank staff can be reduced to a great extent.

A Maiden attempt made by Zeinthamel, Parasuraman and Berry (1990)^[6] could established a positive linkage between service quality (SQ) and the performance of service industry Biswa N. Bhattacharya and B.K. Ghose (1990)^[7] in their article on "Marketing of banking services in the 90's – Problems and Perspectives", focused on the areas of problems and perspectives of marketing of banking services. They highlighted that the major challenged Indian banks have to face and the role of banks in relation to customer satisfaction. They concluded that banking in the 90's requires new market oriented service with a disciplined, dedicated, professional and committed manpower, specialized bank branches and strong marketing organization Stan Comber (1990)^[8] in his article "Banks designed by customers", observed that each dispensers and automated deposit facilities can take care of the normal business of bank reducing the bank employees work. He further stresses the need for bank staff to be trained to fully understand the product and to have a human approach towards the customer so that they can deliver the bank products according to the individual customer's needs.

3. Objectives of the study

1. To present the determinants of customer satisfaction in relation to commercial banks.
2. To measure the overall satisfaction of retail banking customers.

4. Scope of the study

The Indian banking is an essential component of the service industry. The share of banking and insurance within the service industry is very significant. Interest in the measurement of service quality is thus understandably high and the consistent delivery of superior service is the strategy that is increasing being offered as a key to service providers (like banks) to position themselves more effectively in the market place.

5. Conceptual definitions

5.1 Bank

A bank is a government-licensed financial institution whose primary activity is to act as a payment agent for customers' and to borrow and lend money. It is an organization for receiving, keeping, and lending money at interest. In order to make profits, modern banks generally "borrow short and lend long" (i.e. take money from depositors and lend that money for longer-term projects).

5.2 Banking

Currently, India has 96 scheduled commercial banks (SCBs) - 27 public sector banks, 31 private banks and 38 foreign banks. They have a combined network of over 53,000 branches and 17,000 ATMs.

5.3 Customer

This term refers to the individuals who have dealings with the banks either by way of having an account in the form of a deposit or by way of availing a loan facility or both.

5.4 Customer satisfaction

Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate.

6. Research methodology

The following methodology was applied in the study

6.1 Sample design

The primary objective of the study is to examine the customer awareness about and satisfaction with and levels on the services provided by the selected bank groups functioning in the Coimbatore District. Coimbatore District was selected due to its heavy concentration of these bank groups and strong industrial base i.e., engineering and textiles. The researcher has adopted Stratified Random Sampling Method for the purpose of data collection.

6.2 Data collection

For the purpose of studying the objectives of the study, a well framed closed ended questionnaire was framed separately for deposit holders and loan holders. The researcher has collected information from 360 deposit holders and 360 loan holders by giving equal importance to rural, semi-urban and urban areas.

6.3 Tools and techniques

To analyze the primary data, various statistical tools were applied. The use of these tools and techniques were recognized on the basis of the objectives framed for the present study. The following tools and techniques were applied for both deposit and loan holders.

- Percentage Analysis
- Chi-square analysis

6.4 Hypotheses

1. There is no significant relation between the environment factors and customer satisfaction among the State Bank of India group, Nationalised banks group and Private Banks group.
2. There is no significant relation between the operational factors and customer satisfaction among the State Bank of India group, Nationalized banks group and Private Banks group.
3. There is no significant relation between the staff related factors of banks and customer satisfaction among the State Bank of India group, Nationalized banks group and Private Banks group.

7. Data analysis and interpretation

7.1 Socio-economic factors

“Banking is concerned with change, adapting to change and creating change”- G.B.Glies

Indian Banking activity with its diversity in culture, habit of people, Socio-economic imbalances offers a really challenging task to the banking authorities in introducing Value-added services in commercial banks. The customer’s socio-economic background may be related to the following variables like:

- A. Gender, B. Age, C. Educational Status, D. Occupational Status, E. Annual Income,
- F. Martial Status, G. Residential Area H. Number of Accounts held by family members,
- I. Choice of the Bank, J. period of maintaining the account,
- K. Balance maintained in the account, L. Transaction in the bank M. time taken to deposit cash and make payment.

7.2 Simple percentage analysis

Simple percentage analysis is one of the basic statistical tools which is widely used in analysis and interpretation of primary data. It deals with the number of respondents response to a particular question in percentage arrived from the total population selected for the study.

Formula

$$\frac{\text{Number of respondents' response to a question}}{\text{Total number of samples selected for the study}} \times 100$$

It is one of the simple forms of analysis which is very easy for anyone to understand the outcome of the research. It is normally used by commercial research organizations and pictorially presented with different diagrams.

7.2.1 Gender

Table 1: gender of the respondents

Category	Gender	Sbi bank		Nationalized Bank		Private bank	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Deposit holders	Male	70	58.33	80	66.67	65	54.16
	Female	50	41.67	40	33.33	55	45.83
	Total	120	100	120	100	120	100
Loan holders	Male	70	58.33	80	66.67	65	54.16
	Female	50	41.67	40	33.33	55	45.83
	Total	120	100	120	100	120	100

Source: Primary Data

The above Table 1 shows that out of the total Deposit Holder respondents taken for the study, 58.33 per cent of the respondents prefer SBI bank group, 66.67 per cent of them prefer Nationalised bank group and 54.16 per cent of the respondents prefer Private bank group and they belong to the male category and 41.67 per cent of the respondents prefer SBI bank group, 33.33 per cent of them prefer Nationalised bank group and 45.83 per cent of the respondents prefer Private bank group and they belong to the female category. The majority of respondents are belonging to male category.

The above Table 1 shows that out of the total Loan Holder respondents taken for the study, 58.33 per cent of the respondents prefer SBI bank group, 66.67 per cent of them

prefer Nationalised bank group and 54.16 per cent of the respondents prefer Private bank group and they belong to the male category and 41.67 per cent of the respondents prefer SBI bank group, 33.33 per cent of them prefer Nationalised bank group and 45.83 per cent of the respondents prefer Private bank group and they belong to the female category. The majority of respondents are belonging to male category.

In this district, the female population has just now started taking up dual career for economic independence status. So compared to males, the female respondents are less under both Loan Holders and Deposit Holders.

7.2.2 AGE

Table 2: Age of respondents

Category	Age	SBI bank		Nationalized bank		Private bank	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Deposit holders	Below 25 yrs	10	8.33	5	4.17	15	12.50
	25-35 yrs	15	12.50	10	8.33	30	25.00
	35-45 yrs	45	37.50	35	29.17	20	16.67
	45-55 yrs	30	25.00	60	50.00	40	33.33
	Above 55 yrs	20	16.67	10	8.33	15	12.50
	Total	120	100	120	100	120	100
Loan holders	Below 25 yrs	24	20.00	16	13.33	28	23.33
	25-35 yrs	28	23.33	12	10.00	8	6.67
	35-45 yrs	16	13.33	24	20.00	36	30.00
	45-55 yrs	36	30.00	56	46.67	40	33.33
	Above 55 yrs	16	13.33	12	10.00	8	6.67
	Total	120	100	120	100	120	100

Source: Primary Data

Table – 2 shows that, majority of the sample respondents of Deposit Holders are in the age group of 45 Years - 55 Years. It perhaps indicates that the young and energetic in the age

group of 35 Years - 45 Years are more innovative and enterprising than others.

Table – 2 shows that, majority of the sample respondents of Loan Holders are in the age group of 45 Years - 55 Years, and hence it can be concluded that this age group dominates the other age groups in the use of value-added service in banking activities. It perhaps indicates that the young and energetic in the age group of 35 Years - 45 Years are more innovative and enterprising than others.

Hence it can be concluded that age group of 45 Years - 55 Years dominates the other age groups in the use of value-added service in banking activities. It is a good and changing trend to be appreciated.

7.2.3 Educational status

Table 3: Educational status of respondents

Category	Educational status	Sbi bank		Nationalised bank		Private bank	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Deposit holders	Primary level	35	29.16	15	12.50	15	12.50
	Higher secondary	10	08.33	30	25.00	30	25.00
	Graduate	65	54.18	45	37.50	35	29.16
	Post graduate	0	0	15	12.50	20	16.67
	Professional	10	08.33	15	12.50	20	16.67
	Total	120	100	120	100	120	100
Loan holders	Primary level	16	13.33	24	20.00	12	10.00
	Higher secondary	40	33.33	28	23.33	48	40.00
	Graduate	52	43.33	32	26.67	40	33.33
	Post graduate	8	6.67	24	20.00	16	13.33
	Professional	4	3.34	12	10.00	4	3.34
	Total	120	100	120	100	120	100

Source: Primary Data

The above Table – 3 indicates that only the SBI bank group has only 29.16 per cent of Deposit Holder respondents are having primary level of educational status, 8.33 per cent of sample respondents are having higher secondary level education, 54.18 per cent belongs to graduate level, and 8.33 per cent are professionals. The Nationalised bank group has 12.50 per cent of Loan Holder respondents are having primary level of educational status, 25.00 per cent of sample respondents are having higher secondary level education, 37.50 per cent belongs to graduate level, and 12.50 per cent are only at post graduate level and 12.50 per cent are professionals. The Private bank group has 12.50 per cent of Loan Holder respondents are having primary level of educational status, 25.00 per cent of sample respondents are having higher secondary level education, 29.16 per cent belongs to graduate level, and 16.67 per cent are only at post graduate level and 16.67 per cent are professionals. The above Table – 3 indicates that the SBI bank group has only 13.33 per cent of Loan Holder respondents are having primary level of educational status, 33.33 per cent of sample respondents are having higher secondary level education,

43.33 per cent belongs to graduate level, and 6.67 per cent are only at post graduate level and 3.34 per cent are professionals. The Nationalised bank group has 20.00 per cent of Loan Holder respondents are having primary level of educational status, 23.33 per cent of sample respondents are having higher secondary level education, 26.67 per cent belongs to graduate level, and 20.00 per cent are only at post graduate level and 10.00 per cent are professionals. The Private bank group has 10.00 per cent of Loan Holder respondents are having primary level of educational status, 40.00 per cent of sample respondents are having higher secondary level education, 33.33 per cent belongs to graduate level, and 13.33 per cent are only at post graduate level and 3.34 per cent are professionals. Hence, it is concluded that a majority of the sample respondents are graduates which is more than sufficient in using Value-added services in banking more effectively. They can be a guiding factor for others.

7.2.4 Occupational status

Table 4: Occupational status of respondents

Category	Occupational Status	SBI bank		Nationalized bank		Private bank	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Deposit holders	Government employees	40	33.33	15	12.50	10	8.33
	Private employees	20	16.67	20	16.67	30	25.00
	Businessmen	15	12.50	15	12.50	25	20.83
	Professionals	5	4.17	30	25.00	25	20.83
	Others	40	33.33	40	33.33	30	25.00
	Total	120	100	120	100	120	100
Loan holders	Government employees	20	16.67	24	20.00	28	23.33
	Private employees	32	26.67	32	26.67	28	23.33
	Businessmen	24	20.00	16	13.33	20	16.67
	Professionals	0	0	16	13.33	12	10.00
	Others	44	36.67	32	26.67	32	26.67
	Total	120	100	120	100	120	100

Source: Primary Data

Table – 4 reveals the occupation wise distribution of Deposit Holder respondents. Out of 120 respondents of SBI bank group, 40 who account for 33.33 per cent of the total Government Employees, 16.67 per cent of the totals are Private Employees, 12.50 per cent are Businessmen, 4.17 per cent are Professionals and 33.33 per cent are from different occupations. Next are Nationalised bank group of respondents with Government Employees at 12.50 per cent, followed by Private employees at 16.67 per cent, business men at 12.50 per cent, professionals at 25.00 per cent and from different occupations at 33.33 per cent. Private bank group respondents with Government Employees at 8.33 per cent, followed by Private employees at 25.00 per cent, business men at 20.83 per cent, professionals at 20.83 per cent and from different occupations at 25.00 per cent

Table – 4 reveals the occupation wise distribution of Loan Holder respondents. Out of 120 respondents of SBI bank group, 20 who account for 16.67 per cent of the total Government Employees, 26.67 per cent of the totals are

Private Employees, 20.00 per cent are Businessmen, and 36.67 per cent are from different occupations. Next are Nationalised bank group of respondents with Government Employees at 20.00 per cent, followed by Private employees at 26.67 per cent, business men at 13.33 per cent, professionals at 13.33 per cent and from different occupations at 26.67 per cent. Private bank group respondents with Government Employees at 23.33 per cent, followed by Private employees at 23.33 per cent, business men at 16.67 per cent, professionals at 10.00 per cent and from different occupations at 26.67 per cent

From this it is clear that more people from different occupations are more concerned with Value- added services provided which are useful and time saving in the busy world. It shows that different occupants are using the Value-added services provided by Banks.

7.2.5 Annual income

Table 5: Annual income of respondents

Category	Annual income	SBI bank		Nationalised bank		Private bank	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Deposit holders	LESS THAN RS.50,000	25	20.83	10	8.33	30	25.00
	RS.50,001 TO RS.1,00,000	30	25.00	40	33.33	35	29.16
	RS.1,00,001 TO RS.1,50,000	45	37.50	40	33.33	20	16.67
	Above RS.1,50,000	20	16.67	30	25.00	35	29.16
	Total	120	100	120	100	120	100
Loan holders	LESS THAN RS.50,000	20	16.67	24	20.00	8	6.67
	RS.50,001 TO RS.1,00,000	56	46.66	28	23.33	44	36.67
	RS.1,00,001 TO RS.1,50,000	20	16.67	28	23.33	32	26.67
	Above RS.1,50,000	40	33.33	36	30.00	24	20.00
	Total	120	100	120	100	120	100

Source: Primary Data

The table - 5 clearly shows that 20.83 per cent of the respondents belong to income level of less than Rs.50,000, 25.00 per cent of the respondents belong to the income level of Rs.50,001 to Rs.1,00,000, 37.50 per cent of the respondents belong to income level of Rs.1,00,001 to Rs. 1,50,000, and remaining 16.67 per cent of the respondents belong to the high income level of above Rs.1,50,000 under SBI bank group. 8.33 per cent of the respondents belong to income level of less than Rs.50,000, 33.33 per cent of the respondents belong to the income level of Rs.50,001 to Rs.1,00,000, 33.33 per cent of the respondents belong to income level of Rs.1,00,001 to Rs. 1,50,000, and remaining 25.00 per cent of the respondents belong to the high income level of above Rs.1,50,000 under Nationalised bank group. 25.00 per cent of the respondents belong to income level of less than Rs.50,000, 29.16 per cent of the respondents belong to the income level of Rs.50,001 to Rs.1,00,000, 16.67 per cent of the respondents belong to income level of Rs.1,00,001 to Rs. 1,50,000, and remaining 29.16 per cent of the respondents belong to the high income level of above Rs.1,50,000 under Private bank group. Majority of the respondents of the Deposit Holders belong to the income level of Rs.50,001 to Rs.1,00,000 and Rs.1,00,001 to Rs. 1,50,000.

The table - 5 clearly shows that 16.67 per cent of the respondents belong to income level of less than Rs.50,000, 46.66 per cent of the respondents belong to the income level of Rs.50,001 to Rs.1,00,000, 16.67 per cent of the respondents belong to income level of Rs.1,00,001 to Rs. 1,50,000, and remaining 33.33 per cent of the respondents

belong to the high income level of above Rs.1,50,000 under SBI bank group. 20.00 per cent of the respondents belong to income level of less than Rs.50,000, 23.33 per cent of the respondents belong to the income level of Rs.50,001 to Rs.1,00,000, 23.33 per cent of the respondents belong to income level of Rs.1,00,001 to Rs. 1,50,000, and remaining 30.00 per cent of the respondents belong to the high income level of above Rs.1,50,000 under Nationalised bank group. 6.67 per cent of the respondents belong to income level of less than Rs.50,000, 36.67 per cent of the respondents belong to the income level of Rs.50,001 to Rs.1,00,000, 26.67 per cent of the respondents belong to income level of Rs.1,00,001 to Rs. 1,50,000, and remaining 20.00 per cent of the respondents belong to the high income level of above Rs.1,50,000 under Private bank group. Majority of the respondents of the Loan Holders belong to the income level of Rs.50,001 to Rs.1,00,000.

7.3 Chi-square analysis

The chi-square test is an vital test amongst the several tests of significance developed by statisticians. Chi-square, symbolically written as X^2 , is a statistical measure used in the framework of sampling analysis for comparing a variance to a theoretical variance. It is a non-parametric test, "it could be used to find out if categorical data shows dependency or the two classifications are independent. It can also be used to make comparisons between theoretical populations and actual data when categories are used". Thus, the chi-square test is applicable in large number of

problems. The test is a technique through the use of which it is probable for all researchers to do the following¹⁰.

1. To test the goodness of fit,
2. To test the significance of association between two attributes and
3. To test the homogeneity or the significance of population variance.

Table 6: Chi-square analysis between the environment factors and customer satisfaction among selected bank groups

S.no	Personal factors	State bank group				Nationalized bank group				Private bank group			
		Value	Df	P-value	S/ns	Value	Df	P-value	S/ns	Value	Df	P-value	S/ns
1	Atmosphere in the bank												
	Pearson chi-square	34.49	9	.000*	S	33.20	9	.000*	S	32.49	6	.000*	S
	Likelihood ratio	41.22	9	.000		28.21	9	.001		36.42	6	.000	
	Linear-by-linear association	.013	1	0.910		3.00	1	.083		4.37	1	0.037	
	No. Of valid cases	120		.002		120				120	6	.000	
2	Layout of the bank												
	Pearson chi-square	26.56	9	.000*	S	30.25	6	.000*	S	65.43	6	.000*	S
	Likelihood ratio	33.16	9	.111		25.66	6	.000		75.29	1	.551	
	Linear-by-linear association	2.55	1			4.98	1	0.026		0.36			
	No. Of valid cases												
3	Lobby hours												
	Pearson chi-square	44.70	9	.000*	S	57.60	6	.000*	S	56.57	6	.000*	S
	Likelihood ratio	50.03	9	.000		70.85	6	.000		65.77	6	.000	
	Linear-by-linear association	3.65	1	.056		46.81	1	.000		3.62	1	.057	
	No. Of valid cases	120				120				120			
4	Bank parking space												
	Pearson chi-square	59.96	12	.000*	S	46.18	9	.000*	S	45.24	9	.000*	S
	Likelihood ratio	62.33	12	.000		52.24	9	.000		59.32	9	.000	
	Linear-by-linear association	8.22	1	.004		.004	1	.952		0.031	1	.860	
	No. Of valid cases	120				120				120			
5	Location of the bank												
	Pearson chi-square	79.60	9	.000*	S	53.90	12	.000*	S	67.09	9	.000*	S
	Likelihood ratio	56.58	9	.000		59.67	12	.000		79.40	9	.000	
	Linear-by-linear association	2.67	1	.102		3.44	1	.064		10.04	1	.002	
	No. Of valid cases	12				120							
6	Clean facilities												
	Pearson chi-square	91.36	12	.000*	S	75.76	12	.000*	S	63.82	12	.000*	S
	Likelihood ratio	107.42	12	.000		83.84	12	.000		79.85	12	.000	
	Linear-by-linear association	1.47	1	.225		12.73	1	.000		3.13	1	.077	
	No. Of valid cases	120				120				120			

Source: primary data, s – significant ns – not significant ** $p < 0.05$ * $p < 0.01$

From the above table - 6, it is clear that, the p-value is less than 0.01 ($P < 0.01$), the null hypothesis is rejected at 1 per cent level of significance. There is significant relation between the environment factors like atmosphere in the bank, layout of the bank, lobby hours, bank parking space, location of the bank, clean facilities and customer satisfaction among the Nationalised banks. Since, the p-value is less than 0.01 ($P < 0.01$), for the state bank group, the null hypothesis is rejected at 1 per cent level of significance. There is significant relation between the environment factors like layout of the bank, lobby hours, atmosphere in

the bank, and location of the bank, bank parking space, clean facilities and customer satisfaction. For the private banks, p-value is less than 0.01 ($P < 0.01$), the null hypothesis is rejected at 1 per cent level of significance. There is significant relation between the environment factors like atmosphere in the bank, layout of the bank, lobby hours, bank parking space, location of the bank, clean facilities and customer satisfaction. Overall, environment factors and customer satisfaction among the State Bank of India group, Nationalised banks and Private Banks are statistically significant.

Table 7: Chi-square analysis between routine operational factors and customer satisfaction among selected bank groups

S.no	Personal factors	State bank group				Nationalized bank group				Private bank group			
		Value	Df	P-value	S/ns	Value	Df	P-value	S/ns	Value	Df	P-value	S/ns
1	Bank hours												
	Pearson chi-square	134.00	12	.000*	S	80.80	9	.000*	S	35.28	6	.000*	S
	Likelihood ratio	83.68	12	.000		58.49	9	.001		41.44	6	.000	
	Linear-by-linear association	35.03	1	.000		12.67	1	.000		1.11	1	0.293	
	No. Of valid cases	120				120				120			
2	Waiting period in the line												
	Pearson chi-square	104.18	12	.000*	S	103.09	12	.000*	S	57.39	9	.000*	S
	Likelihood ratio	85.67	12	.000		79.02	12	.000		70.67	9	.000	
	Linear-by-linear association	20.16	1	.000		8.39	1	0.004		0.116	1	0.733	
	No. Of valid cases	120				120				120			
3	Accuracy in transactions												
	Pearson chi-square	79.00	12	.000*	S	89.53	9	.000*	S	36.11	9	.000*	S
	Likelihood ratio	57.79	12	.000		71.26	9	.000		37.35	9	.000	

	Linear-by-linear association	0.312	1	.576		39.05	1	.000		0.000	1	1.000	
	No. Of valid cases	120				120				120			
4	Quickly rectifying transaction errors												
	Pearson chi-square	86.22	9	.000*	S	105.39	12	.000*	S	53.22	9	.000*	S
	Likelihood ratio	61.92	9	.000		84.94	12	.000		63.84	9	.000	
	Linear-by-linear association	16.51	1	.000		9.79	1	.002		0.162	1	.688	
	No. Of valid cases	120				120				120			
5	Time taken in opening an account												
	Pearson chi-square	73.99	12	.000*	S	121.98	12	.000*	S	26.32	6	.000*	S
	Likelihood ratio	50.37	12	.000		102.75	12	.000		3274	6	.000	
	Linear-by-linear association	2.95	1	.086		47.73	1	.000		3.35	1	.067	
	No. Of valid cases	120				120				120			
6	Easy & accuracy of statement												
	Pearson chi-square	91.46	12	.000*	S	59.38	12	.000*	S	13.29	6	.039**	S
	Likelihood ratio	70.67	12	.000		62.27	12	.000		17.63	6	.007	
	Linear-by-linear association	14.80	1	.000		11.72	1	.001		2.34	1	.126	
	No. Of valid cases	120				120				120			

Source: primary data s – significant ns – not signif 12 icant ** $p < 0.10$ ** $p < 0.05$ * $p < 0.01$

From the above table - 7, it is clear that, the p-value is less than 0.01 ($P < 0.01$), the null hypothesis is rejected at 1 per cent level of significance. There is significant relation between the routine operational factors like bank hours, waiting period in the line, accuracy in transactions, quickly rectifying transaction errors (if any), time taken in opening an account and easy & accuracy of statement and customer satisfaction among the Nationalised banks. Since, the p-value is less than 0.01 ($P < 0.01$) for the State Bank group, the null hypothesis is rejected at 1 per cent level of significance. There is significant relation between the regular operational factors of banks like waiting period in the line, accuracy in transactions, bank hours, quickly rectifying transaction errors (if any), time taken in opening an account and easy &

accuracy of statement and customer satisfaction. For the private banks, the p-value is less than 0.01 ($P < 0.01$), the null hypothesis is rejected at 1 per cent level of significance except for easy & accuracy of statement which is rejected at 5 per cent level of significance ($P < 0.05$). There is significant relation between the routine operational factors of banks like waiting period in the line, quickly rectifying transaction errors (if any), bank hours, accuracy in transactions, time taken in opening an account and easy & accuracy of statement and customer satisfaction among the private banks. Overall, routine operational factors of banks and customer satisfaction among the State Bank of India group, Nationalised banks and Private bank are statistically significant.

Table 8: Overall chi-square analysis between staff factors and customer satisfaction among selected bank groups

S.no	Personal factors	State bank group				Nationalized bank group				Private bank group			
		Value	Df	P-value	S/ns	Value	Df	P-value	S/ns	Value	Df	P-value	S/ns
1	Courteous/friendly people												
	Pearson chi-square	17.61	6	.007*	S	71.79	12	.000*	S	85.07	12	.000*	S
	Likelihood ratio	20.90	6	.002		67.50	12	.000		107.57	12	.000	
	Linear-by-linear association	0.80	1	.372		2.51	1	.113		1.50	1	.221	
	No. Of valid cases	120				120				120			
2	Availability of answer to questions												
	Pearson chi-square	32.11	12	.001*	S	18.54	6	.005*	S	61.11	9	.000*	S
	Likelihood ratio	36.91	12	.000		21.04	6	.002		68.62	9	.000	
	Linear-by-linear association	7.00	1	.008		2.35	1	.125		0.23	1	.634	
	No. Of valid cases	120				120				120			
3	Explains things clearly & correctly												
	Pearson chi-square	22.24	9	.008*	S	47.65	9	.000*	S	38.86	6	.000*	S
	Likelihood ratio	25.97	9	.002		53.86	9	.000		46.71	6	.000	
	Linear-by-linear association	7.06	1	.008		7.05	1	.008		0.06	1	.815	
	No. Of valid cases	120				120				120			
4	Responsive to customers needs/wants												
	Pearson chi-square	45.88	9	.000*	S	74.94	9	.000*	S	19.91	6	.003**	S
	Likelihood ratio	50.78	9	.000		55.93	9	.000		25.32	6	.000	
	Linear-by-linear association	0.52	1	.469		10.39	1	.001		0.25	1	.618	
	No. Of valid cases	120				120				120			
5	Accuracy in completing transaction												
	Pearson chi-square	46.53	9	.000*	S	73.22	9	.000*	S	18.57	6	.005**	S
	Likelihood ratio	51.44	9	.000		79.12	9	.000		19.80	6	.003	
	Linear-by-linear association	3.58	1	.058		0.024	1	.877		4.73	1	.030	
	No. Of valid cases	120				120				120			
6	Speed of handling transaction												
	Pearson chi-square	84.13	9	.000*	S	94.30	9	.000*	S	37.91	6	.000*	S
	Likelihood ratio	55.53	9	.000		70.49	9	.000		46.01	6	.000	
	Linear-by-linear association	9.80	1	.002		27.13	1	.000		1.98	1	.160	
	No. Of valid cases	120				120				120			

Source: primary data, s – significant, ns – not signif 12 icant, ** $P < 0.10$ ** $P < 0.05$ * $P < 0.01$

Table 9: Chi-square analysis between staff factors and customer satisfaction among selected bank groups

S.no	Personal factors	State bank group				Nationalized bank group				Private bank group			
		Value	Df	P-value	S/ns	Value	Df	P-value	S/ns	Value	Df	P-value	S/ns
7	Speed of the services	14.19	6	.028**	S	38.51	9	.000*	S	28.56	6	.000*	S
	Pearson chi-square	14.19	6	.028**	S	38.51	9	.000*	S	28.56	6	.000*	S
	Likelihood ratio	17.52	6	.008		43.21	9	.000		27.50	6	.000	
	Linear-by-linear association	2.80	1	.094		2.38	1	.123		.035	1	.853	
	No. Of valid cases	120				120				120			
8	Knowledge of the employees	33.33	9	.000*	S	38.40	9	.000*	S	68.41	9	.000*	S
	Pearson chi-square	33.33	9	.000*	S	38.40	9	.000*	S	68.41	9	.000*	S
	Likelihood ratio	36.43	9	.000		47.01	9	.000		77.70	9	.000	
	Linear-by-linear association	.42	1	.519		.54	1	.464		18.16	1	.000	
	No. Of valid cases	120				120				120			
9	Behaviour of the bank staff	45.33	9	.000*	S	50.53	9	.000*	S	41.62	9	.000*	S
	Pearson chi-square	45.33	9	.000*	S	50.53	9	.000*	S	41.62	9	.000*	S
	Likelihood ratio	45.65	9	.000		53.81	9	.000		45.91	9	.000	
	Linear-by-linear association	1.36	1	.244		15.32	1	.000		6.13	1	.013	
	No. Of valid cases	120				120				120			
10	Courtesy of the employees	79.69	9	.000*	S	57.22	9	.000*	S	23.56	9	.005**	S
	Pearson chi-square	79.69	9	.000*	S	57.22	9	.000*	S	23.56	9	.005**	S
	Likelihood ratio	55.82	9	.000		62.04	9	.000		24.11	9	.004	
	Linear-by-linear association	19.33	1	.000		13.11	1	.000		.030	1	.863	
	No. Of valid cases	120				120				120			
11	Sincerity in problem solving	64.97	6	.000*	S	61.59	6	.000*	S	56.00	9	.000*	S
	Pearson chi-square	64.97	6	.000*	S	61.59	6	.000*	S	56.00	9	.000*	S
	Likelihood ratio	71.14	6	.000		68.48	6	.000		76.23	9	.000	
	Linear-by-linear association	9.46	1	.002		3.64	1	.056		.037	1	.848	
	No. Of valid cases	120				120				120			
12	Promptness of the services	51.47	9	.000*	S	45.43	9	.000*	S	109.61	9	.000*	S
	Pearson chi-square	51.47	9	.000*	S	45.43	9	.000*	S	109.61	9	.000*	S
	Likelihood ratio	61.63	9	.000		66.13	9	.000		129.09	9	.000	
	Linear-by-linear association	22.99	1	.000		1.73	1	.188		.215	1	.643	
	No. Of valid cases	120				120				120			

Source: primary data s – significant ns – not significant ** $p < 0.10$ * $p < 0.05$ * $p < 0.01$

Table 10: Overall chi-square analysis between staff factors and customer satisfaction among selected bank groups

S.no	Personal factors	State bank group				Nationalised bank group				Private bank group			
		Value	Df	P-value	S/ns	Value	Df	P-value	S/ns	Value	Df	P-value	S/ns
13	Individual attention of the employees	52.50	6	.000*	S	80.43	9	.000*	S	31.24	9	.000*	S
	Pearson chi-square	52.50	6	.000*	S	80.43	9	.000*	S	31.24	9	.000*	S
	Likelihood ratio	55.24	6	.000		95.67	9	.000		38.95	9	.000	
	Linear-by-linear association	0.17	1	.679		14.08	1	.000		.000	1	1.000	
	No. Of valid cases	120				120				120			
14	Reliability of the employees	75.44	12	.000*	S	64.64	12	.000*	S	32.09	9	.000*	S
	Pearson chi-square	75.44	12	.000*	S	64.64	12	.000*	S	32.09	9	.000*	S
	Likelihood ratio	68.08	12	.000		71.81	12	.000		42.35	9	.000	
	Linear-by-linear association	21.42	1	.000		32.90	1	.000		.000	1	1.000	
	No. Of valid cases	120				120				120			
15	Understanding of your need	56.30	12	.000*	S	66.12	12	.000*	S	61.67	12	.000*	S
	Pearson chi-square	56.30	12	.000*	S	66.12	12	.000*	S	61.67	12	.000*	S
	Likelihood ratio	54.39	12	.000		64.56	12	.000		74.17	12	.000	
	Linear-by-linear association	2.39	1	.122		.021	1	.884		.092	1	.762	
	No. Of valid cases	120				120				120			

Source: primary data s – significant ns – not significant ** $p < 0.10$ * $p < 0.05$ * $p < 0.01$

From the above table - 8, 9&10 it is clear that, the p-value is less than 0.01($P < 0.01$), the null hypothesis is rejected at 1 per cent level of significance. There is significant relation between the staff factors like courteous/friendly people, availability of answer to questions, explains things clearly and correctly, responsive to customers needs/wants, accuracy in completing transaction, speed of handling transaction, speed of the services, knowledge of the employees, behaviour of the bank staff, courtesy of the employees, sincerity in problem solving, promptness of the services, individual attention of the employees, reliability of the employees and understanding of your need and customer satisfaction among the Nationalised banks. Since, the p-

value is less than 0.01($P < 0.01$) for the State Bank group, the null hypothesis is rejected at 1 per cent level of significance except for speed of the services which is rejected at 5 per cent level of significance (0.028, $P < 0.05$). There is significant relation between the staff factors and customer satisfaction. For the private banks, the p-value is less than 0.01($P < 0.01$), the null hypothesis is rejected at 1% level of significance. There is significant relation between the staff factors and customer satisfaction. Overall, staff factors and customer satisfaction among the State Bank of India group, Nationalised banks and Private bank are statistically significant.

8. Findings

8.1 Percentage analysis

- In this district, the female population has just now started taking up dual career for economic independence status. So compared to males, the female respondents are less under both Loan Holders and Deposit Holders.
- The respondent of the age group of 45 Years - 55 Years dominates the other age groups in the use of value-added service in banking activities. It is a good and changing trend to be appreciated.
- Majority of the sample respondents are graduates which is more than sufficient in using the services in banking more effectively. They can be a guiding factor for others.
- Majority of the Deposit Holder and Loan Holder respondents are from different occupations are more concerned with services provided which are useful and time saving in the busy world. It shows that different occupants are using the services provided by Banks.
- Majority of the respondents of the Deposit Holders belong to the income level of Rs.50,001 to Rs.1,00,000 with 35.6 per cent. Majority of the respondents of the Loan Holders belong to the income level of Rs.50,001 to Rs.1,00,000 and Rs.1,00,001 to Rs. 1,50,000 with 29.2 per cent respectively.

8.2 Chi-square analysis

- Personal factors like gender, age, educational status, occupational status, area of residence are also related with level of satisfaction towards Value-added services.
- Respondents belonging to different income groups have the same opinion on Value-added services provided.
- Respondents of different gender, age groups, occupational status also have their own opinion on Value-added services improving the Banks' image. Also the respondents irrespective of their marital status, income level and area of residence also stated that Value-added services have improved the image of Banks.
- Personal factors like gender, age, educational status are closely related with factors considered for the investment decision like safety with Value-added services. Generally all category of respondent have preferred safety of funds, quality of service provided for their investment decisions. Affordable commission and personal attention are not considered important for making investment decisions.

9. Suggestions

- In today's competitive environment, Banks will have to strive to attract and retain customers by introducing innovative products, enhancing the quality of customer service and marketing a variety of products through diverse channels targeted at specific customer groups. They have to meet the customer expectations on service and various Value-added services provided.
- The bankers have to take a comprehensive view of their delivery channels. Integrated Delivery channels could further enhance successful adoption of technology like e-mail, i-banking, ATMs etc. Advertising the products and explaining the products elaborately will help in attracting more and more people. They must be

gradually shifted from the concept of Brick Banking to Click Banking.

- The changes in the Banking and financial sector require a fundamental shift in skills required for Banking. To meet increased competition, the need for specialised banking functions, using IT as a competitive tool is required.
- With the increasing market orientation of the financial system and to face competition and benefits accrued by technological developments, banks are making increased use of outsourcing for reducing costs and increasing efficiency

10. Conclusion

Value-added services is undeniably a central service provided by Banks in today's fast Changing and global scenario. Thus Banks no longer stay glued to their chairs waiting for customers, but engage in personal selling and aggressive advertising to woo and retain their customers. The study reveals that there are vast opportunities as well as challenges for Value-added services provided by banks in India. It is found that due to technological innovations and significant change in demographic profile of customers, there is huge market potential lying ahead.

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