

Satisfaction of Businessmen towards Services of Public Sector Banks in Dharwad District

Dr. A.S. Shiralashetti

Professor, Dept of Commerce, Karnatak University, Dharwad, Karnataka State -580003

Abhaykumar Gasti

Research Scholar, Dept of Commerce, Karnatak University, Dharwad, Karnataka State -580003

Abstract

Public sector banks have been facing the competition not only from new generation banks of India but also from foreign banks to liberalization, privatization and globalization. The expectations of the users of services have been rising continuously as compared to past. In view of this, public sector banks have to meet the rising expectations of users of banking services. The present study is based on both primary and secondary data. The primary data were collected from 250 businessmen of Dharwad district. The secondary data were collected from reports of district lead banks and books and journals. The study attempted to examine the level of satisfaction of businessmen towards the services of public sector banks in Dharwad district of Karnataka state.

1. Introduction

Financial sector reform measures and deregulation of banking sector heralded major breakthrough in banking operations which led to the emergence of new generation private sector banks and foreign banks with sophisticated technology and value-added services. Absolutely regulated 'seller market' has been shifted to deregulated 'customers market'. The continuous deregulation has made the banking market enormously competitive with greater autonomy, operational flexibility, decontrolled interest rate and liberalized norms for foreign exchange. The deregulation coupled with decontrol of interest rates has led to the entry of number of private and foreign players in the banking industry. At the same time, reduced corporate credit off take due to sluggish economy has resulted in large number of competitors battling for the same pie. In this deregulated hypercompetitive and turbulent environment, the pace of customers' expectations are accelerating. The Public Sector Banks, which enjoyed privileged status during the pre-liberalization era, were suddenly pushed through competitive ambience, especially in the context of opening up of floodgate to the private sector and foreign banks in India. These new sets of banks brought technology based services that intensified the intra and inter-competition and challenged the old generation banking operations in India. Banking sector reforms over a decade have not made any significant improvement in the service performance of public sector banks (Mathur, 2002). Customers are more or less dissatisfied with the services offered by the banks. Many of the branches of PSBs have old, worn out interior, which has affected the efficiency, diligence and gracefulness of the staff in carrying out the assigned work and customers are to wait for a long time to get their work done (Raul, 2005).

Today's customers are well informed than that of yester years and have acquired the products and services, which they desire. Recently, their demand is infinite and their requirements are plenty. Banking has been transformed into a "buyers" market, where customers are given the choice to select products and services of large number of banks which are similar. Service quality excellence is the great differentiator which attracts and regains the users of banking services. It also leads to customer's satisfaction, profitability in banks and increases customers' loyalty. Customer retention is the foundation for a growing market. Operations of new generation banks are mostly confined to urban areas and cities. They are providing the benefits of information technology based products and services better as compared to public sector banks. Investors have also become very sensitive to their returns. It is a challenge for both private and public sector banks to meet the investor's expectations and also plough back profits for increasing the strength of the institution. Of late, customers approach the quasi-judicial authorities, like Banking Ombudsman and Consumer Redressed Forums for establishing their rights at the slightest provocation. Not only this, customers are also becoming increasingly conscious of their rights and are demanding services more than ever. The demographic shifts in terms of income levels and cultural shifts in terms of life style aspirations are changing the profile of the Indian consumers. Based on these facts, the consumers represent market for vital range of products and services. In view of this, banks need to strengthen their existing services delivered in an innovative and cost effective way and to introduce new services supported by new technology.

2. Statement of the problem:

The Public sector banks have been facing fierce competition due to the entry of new generation private sector and foreign banks. The application or use of technology for the qualitative transformation in the process of banking service is necessary and quite natural, since the market is competitive and the customers are receptive.

Consumerism has taken a new shape. The needs and requirements of the customers are developing and expanding very fast. In this complex and fast changing environment, the only sustainable competitive advantage for public sector banks is to give the customers an optimum blend of technology and traditional services. Meeting the competition and the customer requirements are the priorities of public sector banks. Hence, the research problem is stated as “**Satisfaction of Businessmen towards Services of Public Sector Banks in Dharwad District- A Study**”.

3. Objectives of the study:

The main objectives of the study are;

1. To examine the level of satisfaction of businessmen towards the services of public sector banks
2. To offer useful suggestions to policy makers and bankers.

4. Hypotheses of the study:

H_0 : the businessmen in the district are dissatisfied towards the services of public sector banks

H_a : the businessmen in the district are satisfied towards the services of public sector banks

5. Research Methodology:

The methodology of the study is based on both the primary and secondary data. The primary data were collected through well-framed and structured questionnaires from 250 sample respondents of Dharwad district. Simple random sampling method was used to collect the responses from the banks' customers and accordingly 250 businessmen were selected from five taluks of Dharwad district. The data collected were analysed by using Likert's Five Point Scale to examine the level of satisfaction of farmers towards the services of banks. The voluminous data collected were processed by using SPSS 21.0 version to make the analysis precise and accurate. The secondary data were also collected from books, journals, news papers, etc, for the purpose of the study.

6. Analysis of satisfaction of businessmen:

It is clear from table 1 that all businessmen are using the modern technology like internet at home email, ATM/Debit card, e-payment and electronic fund transfer for performing the banking transactions whereas their usage of credit card, online banking and internet at home still less. However, the overall usage of technology by the sample employees has good because the calculated value is higher than the benchmark (i.e.3). This indicates they tech savvy customers and accordingly they use Technology for their banking transactions

Table 2 clears that out of 1500 responses from 250 sample businessmen on frequency of use banking services per week, 305 responses for non regularity in use, 326 responses for 1-2 times use, 404 responses for 2-5 use, 357 responses for 6-10 time use and 108 responses for more than 10 time use. This indicates that majority of businessmen are using the modern services of banks frequently.

Table 3 reveals that the sample businessmen have satisfied towards Pay and withdrawal Slip, waiting hall, drinking water, seating arrangements, news papers and magazines, lighting, ventilation, hygiene, fan, AC, parking and help desk in banks whereas for other facilities they are dissatisfied. This signifies that the bankers have to provide better facilities like toilet, Wi-Fi, parking and canteen facility to attract more number of customers. Further, in total, as the calculated value (i.e. 3.35) by using Likert's scale is higher than the critical value (i.e. 3), they have satisfied.

Table 4 reveals that the sample businessmen have satisfied towards information in accounting opening form like personal information, mode of operation, number of photos, number of signatures, number of nominee signatures, number of ID proofs, and PAN cards, etc, whereas they are dissatisfied towards information like, linking of accounts, details of other operated accounts, non-availability of clear declaration, details of sources of income, details of assets owned and details of introducers account, etc. Further, the users are satisfied about the overall contents of account opening form in the study area.

It is clear from table 5 that the sample businessmen have satisfied towards behaviours of officers in the banks at the time of opening of bank accounts like conversion with greeting, offer to sit, communication in local languages, asks your requirements, responsive time, tone of replies to queries, explain the services of banks and their benefits and end of conversation with gratitude, etc, whereas they are dissatisfied towards officers' behaviours like, explains the contents of declaration, explaining the contents of accounting opening form and helps in filling the form, etc. Further, the users have satisfied towards the total behaviours of officers of banks at the time of opening bank account in the study area.

It is evident from table 6 that the sample businessmen have satisfied towards information provided by the officers regarding loan sanction and recovery such as better loan facility, recovery installments, matching of recovery of amount to income, recovery harassment, recovery charges, recovery time, etc. However, they have dissatisfied towards time to sanction loan, rules and regulations, number of visits to managers, collateral security documentation, blank undertakings, service charges, interest rates, surety, time to provide account details, supply of due intimation, recovery intimation. But, the overall, they have dissatisfied towards the information services

of loan sanction and recovery in the study area.

It is evident from table 7 that the sample businessmen have satisfied towards the components of ATM services like promptness in card delivery, availability of fund at ATM, quality of notes, and network connectivity whereas they have dissatisfied towards the ATM services like number of transaction per month, locations, Queue at ATM and services charges. However, in total, they have satisfied towards the components of ATM services in the study area.

It is evident from table 8 that the sample businessmen have satisfied towards account information, balance enquiry, transfer of money from account to account, due installment enquiry, working for 24x7 hours whereas they have dissatisfied towards the network traffic, statement request and services charges. However, in total, they have satisfied towards the components of internet banking in the study area.

Table 9 depicts that the sample businessmen have satisfied towards only language choices whereas they have dissatisfied towards all other components of telephone banking services like peasant musical background, reasonable number of voice prompts, clear instructions, voice directions, services charges, and clear information. This indicates that they totally dissatisfied towards components of telephone banking services in the study area.

Table 10 clears that the sample employees have satisfied towards all components like SMS alerts, transaction status, expensive and service charges and they dissatisfied only towards prepaid mobile charges. This signifies that they have satisfied towards the components of mobile banking.

7. Suggestions:

- Improving the quality of infrastructure.
- Provision of hygiene facilities
- Getting only minimum required information in account opening form.
- Improving the recovery procedures
- Improving the service facilities at ATMs
- Improving the facilities of internet banking
- Improving the facilities of telephone and mobile banking.
- Developing customer relationship
- Continuous measurement of customers' satisfaction

8. Conclusion

The Indian Banking Industry has undergone radical changes due to liberalization and globalization measures undertaken since 1991. Today, Indian Banking Industry is one of the largest in the world. There has been a great surge in efficient customer services. Highly satisfied and delighted customers are vital assets for the banks in the emerging IT era. The courtesy, accuracy and speed are like crown factors for a bank. With little or no distinction in the product offerings, these factors makes lot of services differentiation in rendering services that in turn helps lot to improve customer satisfaction. It is very essential and important that all bank groups should put in place the right kind of policies, procedures and systems to improve the customer services. Further, the efficiency of banking sector largely depends upon how best it can deliver services to its target customers. In order to survive in this competitive environment and provide substantial customer satisfaction, the banks are now required to improve the quality of services regularly.

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Table 1: Level of Usage of Technology by Businessmen

Facilities	VH	H	M	L	VL	Calculated value
Connected to the Internet at home to do their financial transactions	98	61	32	51	8	3.76
Use e-mail	108	104	21	14	3	4.20
ATM/ Debit card service	105	91	38	1	15	4.08
Credit card service	51	49	130	17	3	3.51
Online Banking Services	85	67	90	5	3	3.90
E- Payment	61	108	61	19	1	3.84
Electronic Fund Transfer/NEFT/ RTGS	107	111	27	2	3	4.27
Total	615	591	399	109	36	3.94

Source; Primary Data (Description for the above table)

Table 2: Frequency of use Banking Services per week by Businessmen.

Particulars	Not Regularly	1-2 times	2-5 times	6-10 times	> 10 times	Total
Branch Banking	19	38	97	91	5	250
ATM	5	25	107	79	34	250
Internet Banking	8	10	61	108	63	250
Telephone Banking	201	24	21	4	0	250
Mobile Banking	67	104	37	40	2	250
Credit Card	5	125	81	35	4	250
Total	305	326	404	357	108	1500

Source; Primary Data (Description for the above table)

Table 3: Level of Satisfaction of Businessmen towards Facilities in Bank

Facilities	HS	S	AS	LS	DS	Calculated value
Pay and Withdrawal Slip	91	79	43	19	18	3.82
Waiting Hall	28	104	92	20	6	3.51
Drinking Water	7	66	121	34	22	3.01
Seating arrangement	63	71	105	8	3	3.73
News Paper	29	77	109	31	4	3.38
Magazine	37	83	84	37	9	3.41
Lighting	127	61	47	13	2	4.19
Ventilation	86	69	53	42	0	3.80
Hygiene	59	101	29	53	8	3.60
Toilet	8	27	42	159	14	2.42
Wi-Fi	16	35	50	88	61	2.43
Fan	113	49	70	13	5	4.01
AC	128	61	42	7	12	4.14
Canteen	3	21	79	44	103	2.11
Parking	21	27	37	129	36	2.47
Help Desk	69	76	38	53	14	3.53
Total	885	1007	1041	750	317	3.35

Source; Primary Data (Description for the above table)

Table 4: Level of Satisfaction of Businessmen towards Account Opening Form

Facilities	HS	S	AS	LS	DS	Calculated Value
Personal information	134	62	32	19	3	4.22
Nominee information	29	91	53	70	7	3.26
Linking of Accounts	0	2	38	41	169	1.49
Mode of Operation	67	106	29	33	15	3.71
Details of other operated accounts	0	8	30	171	41	2.02
Non availability of clear declaration	38	49	61	25	77	2.78
Number of Photos	55	60	101	26	8	3.51
Number of Signatures	49	79	117	4	1	3.68
Number of Nominees signatures	72	96	38	39	5	3.76
Number of ID's (Proofs)	88	45	62	43	12	3.62
Details of Source of Income	9	39	26	167	9	2.49
Details of Assets Owned	0	9	51	108	82	1.95
PAN	91	77	16	58	8	3.74
Introducers	0	7	30	191	22	2.09
Total	632	730	684	995	459	3.02

Source; Primary Data (Description for the above table)

Table 5: Level of Satisfaction of Businessmen towards behavior of officers at the time of Opening of Bank Account

Facilities	HS	S	AS	LS	DS	Calculated Value
Start Conversion with Greeting	51	79	88	18	14	3.54
Offer to Sit	96	102	38	10	4	4.10
Communicate in Regional Language	107	70	50	21	2	4.04
Ask Your Requirement	68	115	49	17	1	3.93
Issue the Application Form	135	70	26	4	15	4.22
Explains Content of the Account Opening Form	2	31	29	78	110	1.95
Explain the content of Declaration	6	42	77	62	63	2.46
Helps in filling Forms	25	36	49	109	31	2.66
Responsive Time	15	42	42	137	14	2.63
Tone of reply to queries	62	105	55	21	7	3.78
Explains Services of Banks	93	71	67	10	9	3.92
Explains benefits of Bank Services	58	108	32	49	3	3.68
End Conversion with Greeting	105	83	59	3	0	4.16
Total	823	954	661	539	273	3.47

Source; Primary Data (Description for the above table)

Table 6: Level of Satisfaction of Businessmen towards Information Provided by Bankers regarding Loan Sanction and Recovery

Facilities	HS	S	AS	LS	DS	Calculated Value
Information relating to better loan facility	61	100	39	41	9	3.65
Explains Rules and Regulations of Banks	37	26	51	121	15	2.80
Time taken to Sanction Loan	0	5	19	167	59	1.88
Frequency of Meeting Manager to Avail Loan	0	0	34	201	15	2.08
Amount of Loan Sanction (Less than Projected)	0	10	40	98	102	1.83
Collateral Security	0	0	21	142	87	1.74
Documentation	0	0	0	201	49	1.80
Procedures	0	0	19	171	60	1.84
Blank Undertakings (Bond Paper Amount)	0	0	16	28	206	1.24
Fees of Services	2	38	101	69	40	2.57
Interest Rates	11	31	57	93	58	2.38
Surety	8	27	49	128	38	2.36
Recovery Installments	42	65	89	7	47	3.19
Matching of Recovery of Amount to Income	30	81	64	61	14	3.21
Time to Provide Account Details	15	27	104	16	88	2.46
Supply of Due Intimation	13	16	40	142	39	2.29
Recovery Intimation	16	50	33	119	32	2.60
Recovery Harassment	37	78	70	25	40	3.19
Recovery Charges	91	64	78	10	7	3.89
Recovery Time	19	41	141	20	29	3.00
Total	382	659	1065	1860	1034	2.50

Source; Primary Data (Description for the above table)

Table 7: Level of Satisfaction of Businessmen towards ATM services

Components	HS	S	AS	LS	DS	Calculated Value
Promptness of Card Delivery	96	108	34	12	0	4.15
Availability of Fund	109	78	60	3	0	4.17
Number of Transaction / month	0	0	34	198	18	2.06
Quality of Note (Currency)	147	94	5	4	0	4.54
Continently Located	0	19	50	157	24	2.26
Queue	8	47	51	81	63	2.42
Network connectivity	37	29	116	51	17	3.07
Service Charges	18	31	97	101	3	2.84
Total	415	406	447	607	125	3.19

Source; Primary Data (Description for the above table)

Table 8: Level of Satisfaction Businessmen towards Internet Banking

Components	HS	S	AS	LS	DS	Calculated Value
Account information	91	88	64	6	1	4.05
Balance Enquiry	104	71	52	21	2	4.02
Account to Account Transfer	128	68	41	13	0	4.24
Network Traffic	0	6	71	148	25	2.23
Due installment enquiry	121	54	51	20	4	4.07
Statement request (by email, fax)	62	19	40	111	18	2.98
Working 24*7 hours	96	100	34	20	0	4.09
Service Charge	15	21	37	164	13	2.44
Total	617	427	390	503	63	3.52

Source; Primary Data (Description for the above table)

Table 9: Level of Satisfaction of Businessmen towards Telephone Banking Services

Components	HS	S	AS	LS	DS	Calculated Value
Pleasant musical background	0	5	41	98	106	1.78
Reasonable number of voice prompts	21	19	11	187	12	2.40
Clear instructions	0	31	48	125	46	2.26
Voice directions	0	8	17	201	24	2.04
Provide additional options	0	15	71	108	56	2.18
Service charges	0	0	51	140	59	1.97
Clear information	0	0	24	108	118	1.62
Language choice	87	102	36	21	4	3.99
Total	108	180	299	988	425	2.28

Source; Primary Data (Description for the above table)

Table 10: Level of Satisfaction of Businessmen towards Mobile Banking Services

Components	HS	S	AS	LS	DS	Calculated Value
Prepaid mobile recharge	8	39	10	137	56	2.22
SMS alerts	102	61	74	13	0	4.01
Transaction status	37	109	98	4	2	3.70
Expensive	67	49	106	20	8	3.59
Service charge	52	141	25	30	2	3.84
Total	266	399	313	204	68	3.47

Source; Primary Data (Description for the above table)