

To Study the Echelon of Consumer Contentment in Provision to Quality and Other Banking Services

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Abstract— *Banking services play a very major role in funding in every individual's life, as an investment is the lifeblood of any business, and these reservoirs (Banks) plays a very important role when it comes to financial services. In India the banks are majorly divided into Public Sector Banks and Private Sector Banks. The purpose of this study is to know whether the services provided increases customer satisfaction and customer loyalty. Now a day there are many public and private banks offering many banking services to attract and retain customers and provide them satisfaction at different parts in terms of managing and expanding their organizations, a study was conducted and secondary data is used for measuring that why after using almost similar nature of products by all the banks I.e. PSBs or PvSBs, public sector banks still lack behind. Recommendations have also been made as to how these banks can improve their quality of banking services to their customers because if the customer is not satisfied, then there are chances of diminution of the bank. This paper is basically focused on the urban and semi-urban areas for measuring the quality of customer services.*

Keywords— Consumer Satisfaction, Public Sector Banks, Private Sector Banks, Quality of service

I. Introduction

The term banking is very important in terms of growth and increases in the level of GDP of the economy, and Indian Banking system comprising of about 18 public sector banks and 22 private sector banks not only this there are other companies also which are providing banking services such

as NBFCs Non-Banking Financial Companies, Regional Rural Banks, etc, thus all play a very dominant role in growing the economy, and when it comes to growing the economy there is always a contemplation of consumers as all these banking services are for consumers and if the consumer is not satisfied with the services being offered by the bank, then he or she can easily shift their home bank or branch to other bank or branch. Few years before when there was no private sector bank in Indian Economy, there is not much requirement of reservoir services but in the present scenario where there are more private sector banks the public sector banks have to face a hard and a strong antagonism with private banks, which is more into providing ease of services to the consumers.

Business can grow if its consumers are not satisfied with the work being executed or the services being accessible. The private sector banks are the banks that are excelling in providing services to the patrons and public sector banks are still sheathing at the back.

These 18 public sector banks if want to grow have to compete with private sectors in terms of providing services, not only in terms of quality but also in terms of providing products similar to that of private sector banks to grow and compete for public sector banks.

II. REVIEW OF LITERATURE

(S. Sharma et al., 2014) examined this paper, it is examined that the importance of customer relationship management in

banking services. This paper was based on the perception of consumers, the quality of service banks offer and e-banking services delivered to customers. The hypothesis was also been made in terms of gender difference, the emergence of safety, level of understanding. CRM strategies were made important in terms of quality of services.

(Padhy et al., n.d.) in the year 2011, examined that the service sector is having greater importance over the past decade and his paper examined the service quality, GAPS model, SERVQUAL leads to different approach to to provide quality improvement. He has discussed about service quality and consumer satisfaction from the banks it's measurement of quality.

(Khondaker, 2010) In the year 2010 identified the variables as a corporate mechanism for state owned bank as a case of Bangladesh, and he has used quantitative research is used to collect and analyses the quality offered by state banks and also the future scenario his paper was based on primary and secondary sources of collection of data.

(Tomorrow, n.d.) Vijay M. K. in his paper examined that what are the various alternative banking channels available for the customer satisfaction and he has examined by collecting data from primary sources and analyzed the overall banking products and services and made a strong relationship among age, education, profession and gender differentiation.

(G. Sharma & Malviya, 2014) she examined that what are the quality services been provided to consumers in case of internet banking services in Madhya Pradesh. Primary data is been recovered from Indore district of MP. Taken various hypotheses and were based on ease of use in internet banking services provided by various banks.

(Rahman et al., n.d.) That year examined the quality of services offered by standard chartered bank and mentioned the important ways to measure the service quality in context of Bangladesh. SERVQUAL, his research was based on primary source of data.

(Studies, n.d.) Manvinder S. P. in his paper analyzed the satisfaction derived to customer in case of ICICI Bank with reference to ATMs and impact on overall performance and opinions of the bank customers and understood the level of satisfaction and various policy recommendations for ICICI Bank. And also the suggestions to improve the service quality of the ATMs provided by ICICI Bank.

III. RESEARCH GAPS

In the above-stated review of literature, it is clear from the fact that PSBs (Public Sector Banks) are far lagging in terms of providing quality of services to their customers when compared with Private Sector Banks, thus the above authors did not discuss anything about the facts of types of quality services these banks provide and their difference in ways of lending these banks offers. In profundity research is not been made as to which bank weather it is public or private which is better in terms of services and customer fulfillment

level. The above researchers didn't discuss the fact of losses been put up with and expectations of astonishing events.

IV. OBJECTIVES:

- To study which bank provides better services to consumers among private and public sector banks
- To study the level of satisfaction being derived from their home branch and whether the customers are happy with the services or not.
- To study the future of this banking sector in terms of services and customer satisfaction which diverse growth.

V. Methodology

Customer's preferred bank, and the customer's opinion as to which banking sector is best in terms of services. Secondary data is been used in writing this paper which bank is preferable to work with and which bank is not.

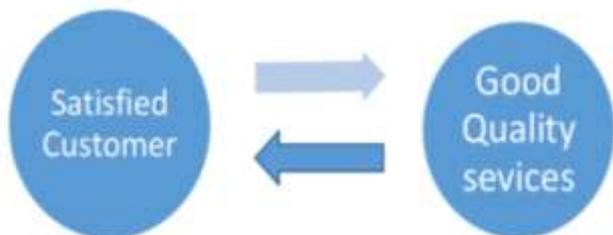
It is been seen from the facts that no doubt till 2014-15 there was a growth of public sector banks, but with the emergence of private sector banks with the latest and advance technology, the consumers are shifting from public to private sector banks.

Banking Industry and the service industry are directly linked with each other, in other words they are directly proportional to each other, and Boom in the banking industry is somewhat because of this service industry only. As in the present scenario, tune-up commerce that is the banks, clientele continues to be the most important and well-known primary factor for the banking industry and these consumer services would be one of the most important factors in humanizing profitability for the banks. Client and client-related services are very multifaceted in the natural world and energetic in terms of achievement and come within reach of these customers. Banking segment in India approximating understand a rapidly varying marketplace, innovative and up to date technologies, economic reservations, varying and more challenging customer services and above all ferocious antagonism has presented a changeable set of confrontations for them. For the banks, to confront the upcoming changes in the evolution of banking,

- The private sector banks are performing well in terms of providing the services, but there is still a huge gap among the services which are been offered among both public and private sector banks.
- The private banks plays a very important in making continuous updates or continuous Changes in the banking sector from time-to-time but the constant new update in terms of quality and customer service proves to be bit challenging task for public sector banks as they have to study, re-measure their services and customer satisfaction if they want to grow in the market.

- This is said to be a successful in the market as the public and private sector lenders which is Banks are not only required to have their concentration in attracting new customers but they are also required to work on how they can able to keep their existing customers satisfied with them throughout, as it is obvious that the cost of attracting new customers is far more than cost of retaining of existing customer.

Diagram No. 1



From Diagram No. 1, The banking industry is a completely customer based sector, as it is for the benefit of the customers, and the above diagram truly illustrates that a satisfied customer is one who receives the good quality of services and on the other hand, good quality of services leads to a satisfied customer.

Nearly banks in a whole offer almost identical services whether it is private sector banks or public sector banks, but to gain an added advantage over the other bank as they could do is with the way to expand their artifact to improve beyond their main services to take account of additional features and value which private sector banks are doing very well and are far ahead than public sector banks. In today's time customers are ready to pay more if they are receiving better and quick services without facing any problem as finance is the lifeblood of every business, and banks play a most important role.

Keeping in mind the customer services, the study related to the customer satisfaction and services, the study showed that there has been a relation to 40% of customers toggles their bank branch for the reason that they considered being poor service and this has been seen more in case of public sector banks as the bankers are not able to meet the rising demands of the customer. Customer contentment is always alive a reason why the customers ready to either stay or leave an organization. This is why these banks required happening to get merged including all the information that they have about their customers from many different-different touch-points in order to create a complete profile on each of them engaged with the Bank.

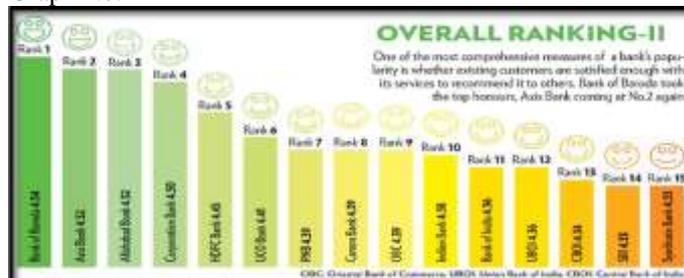
Today's banks are providing a better brand image to their customers in order to have better and endless choices before

them as to which bank to choose and which not to choose. Aspects such that the enlargement in the technique of doing work, globalization, and improved consumer mobility by increasing technological advancement that have changed the way people use these services from their home bank branch. And in order to do this, it is important that banks have a comprehensive understanding of their customers' morals, positions, and various requirements. They need to see how the customers use to see these as the services that these banks are offering and the representation that they have of the bank in itself. In such a scenario, branding can be a key differentiator. And differentiators can be what make a brand. "Thus the branding has been done more prominently in the case of these private sector banks like HDFC Bank, Axis Bank, ICICI bank, etc which are far better and beyond the reach from the public sector banks like PNB Bank, UCO Bank, SBI Bank, Syndicate Bank, etc."

These banks are involved in selling of different products and various other services to their customers which leads to enhance the loyalty among the bank account holders as the details shows that, the cost incurred in cross-selling bank products to existing customer is too less or one-five the cost incurred for selling it to new ones.

Account holders trustworthiness leads to an increase in profits of banks by diminishing the cost of acquiring a new customer of a bank. Trustworthiness is not the same as just withholding. Trustworthiness is when customers decide to stay behind when there are additional choices accessible. Banks, therefore, need to comprehend why the customer decides to stay and build on that. It is no secret that Banks that have a strapping customer loyalty have in have frontage one of them, an open door to win more of their customers' business. "A study by Gallup found that the customers who are 'fully engaged' with a bank are way more likely to buy more products from the same bank than those customers that are just 'satisfied'" "Happy customers are a huge asset – they are brand ambassadors who will contribute immensely to enhancing brand value, increasing sales and corresponding profitability."

Graph No. 1

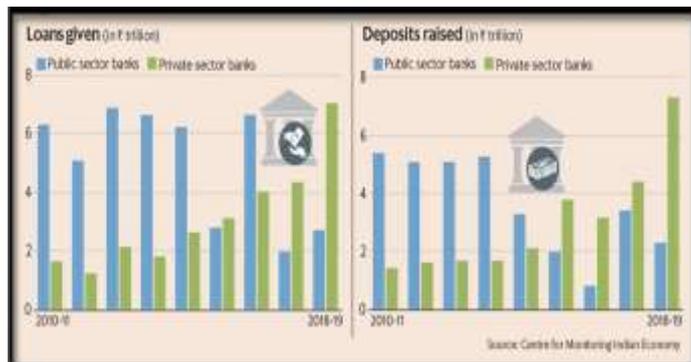


From the graph No. 1, it is clear from the fact that, it is only private sector banks that are at the top, thus proving that later emergence of private sector in banking industry

From the above chart it is clearly showing that the overall ranking as given to both Public and Private sector banks to their customers to provide them with better quality products

and services. The rating is showing that “bank of Baroda” is at the first place in providing good quality products and services, then after that it is, the Axis Bank, followed by Allahabad Bank, then Corporation bank at rank 4 in providing good quality products and services to their customers, then it comes the UCO Bank at 6th position, PNB Bank at 7th, on 14th Rank it comes the SBI Bank at the last it is Syndicate Bank with least services in terms of Banking Services.

Table No. 1



From the table no. 1, it is seen that

- From the year 2011 to the year 2015 there was a huge growth of public sector banks in comparison to private sector banks as PSBs were able to raise deposits of About 5 trillion and were able to give loans of about 6.2 trillion.
- After 2015 there has been a steady change in the trend, as customers were started poignant towards private sector banks, as they were providing better and opportune services to their customers, not in terms of deposits and extraction but also in other services as well, like easy and quick approval of loan and quick rectify of problems been faced by the customer.
- In the financial year 2019 there was a reverse scenario as compared with public sector banks, the graph shows that total loans given by private sector banks have amounted to 7.3 trillion and on the other hand public sector banks were having only 2.3 trillion. While private sector banks raised deposits of worth Rs. 7.1 trillion while on the other hand it was only 2.7 trillion in the case of public sector banks.

The recommendations for retaining their clients/customers

Retention of Bank account holders

The productive and the most important strategies been discussed below are:-

1. By recognizing their customers
Customizing the products for the consumers is a real meaning of current business houses, which states that you have to gain knowledge of every negligible details of your

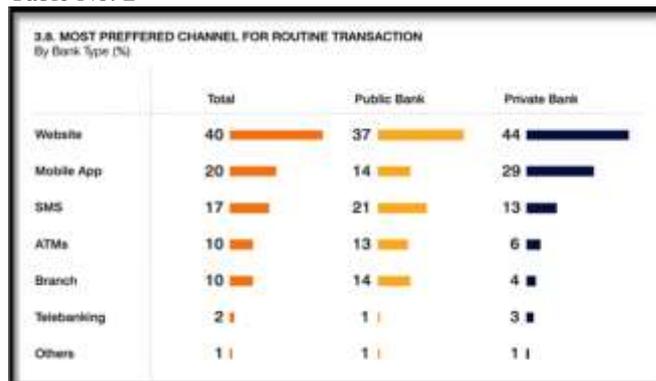
client’s banking necessities. Who is that individual is? Or what does your customer look forward towards you? Utilize one-on-one meeting, surveys, and feedback form to get valuable information and to gain knowledge as to how your consumers/clients perception & behave. From doing so, you will be able to manage and retain their customers.

2. By being honest with them and be clear
The most horrible thing which one can do is to over-promise in an endeavor to triumph over novel customers. This typically led to deficit and deprived liberation, thus responsible for the low level retention rate of the customers by the bank, A report demonstrate that 36 percent of the consumers opts to switch their providers because of high level of non satisfaction from the existing services providers i.e. their previous bank or bank branch.
Thus it is necessary to keep the conversation smooth and clean among the customer and the banker from the starting point only and also don’t hide things which are negligible to tell like any charges or any other thing in order to gain over to the consumers as clients will like more of honesty instead of hiding of the information.

3. By Taking customer services at the topmost level
By mortal well-bred and maintenance of promises which is one of the obligatory, but along with that it is keep hold of consumers requirement which you should require for taking extensive care of.

4. Offer VIP services to their loyal and elite customers
Offer VIP services to their consumers, as banks should not provide same services to same level of clients, thus a proper consistency is required in order to retain the acceptable number of reputed clients, so that more and beneficial services are to be provided to elite set of customers and no or hardly any service should be allowed to lower level customer.

Table No. 2



Source: www.businessstandards.com

From the table no. 2

- Seen that private sector banks are having added advantage over public sector banks not only in terms of services they offer but also the quality they are offering to their customers with ease of use at their home only.

- The website of the banks is more preferred in the case of private sector banks as compared to public sector banks, showing that private banks are having a better website as compared to PSBs.
- Mobile apps are also more preferred in the case of private banks as compared to public banks as they are having better and easy app development.
- The more time-consuming things which are ATMs and branches are more in case of public banks as compared to private as they are not having a well-developed website or mobile apps and which leads to an increase in time and money for the customers.

Thus from the above table it is been seen that public sector banks are not even providing better basic needs in terms of private sector banks and this is one of the major differences that customers are moving from public to private banks. And not only this, these private banks not having many charges in utilizing the services.

Graph No. 2



From graph 2, it is showing that, “The survey, carried out in 2015-2016 by Delhi-based firm Hexagon Consulting and the US-based American Customer Satisfaction Index (ACSI), polled close to 7,000 customers of these 12 banks across the country.”

As per the above survey, the customers are more satisfied with the foreign banks which are established in India, but this is not the situation everywhere as after the 3 foreign Banks it is only private banks whose services are reasonable or satisfactory in nature, naming from Kotak Mahindra Bank at 71 level out of 100 coming down to ICICI Bank at 70th level, Axis Bank at 68th level, Bank of Baroda and HDFC were also at 68th level in case of customer satisfaction after that it was Punjab National Bank at 67th level then it came down to Canara bank which is recently merged with Syndicate bank was at 66th level in consumer satisfaction and at the end it was SBI Bank at 62nd level for providing satisfied services to the customer

VI. FINDINGS

From the above paper, it is found that there was a complete monopoly type of services offered to the customers by the public sector banks till financial year 2015, but after ending of 2015, Indian Private sector banks have came up with their more services directly

benefiting to the consumers and as the Banking sector is a service based sector, so there has been a hike in quality of services for the customers and moreover customers are ready to pay the cost which they are getting from the banks. And also it is found that, these private sector banks are doing very well in differentiating among the customers they are providing services on the basis of ranking i.e. top ranking individuals are benefitted more as compared to bottom ranking customer, which helps them to easily retain their customers and are also able to attract new customers.

VII. PROPOSITIONS

Thus the quality of services plays a very prominent role in growing any business, and when it comes to banks and banking services

- Public sector banks have to grow their reach not in terms of ATMs and branches but also in terms of e-services where customers can easily access to banking 24*7 and these services are easily reached to the customers
- Most of the private banks are having a customer base who hardly visits their home branch and the employees feel a bit relaxed and they are having their online system so convenient that customers can do anything by sitting anywhere, which is not in case of public banks.
- In some cases, it is also seen that the public sector banks are providing services but there is no supervision that weather these services are working properly or not because it is seen that mostly off banking hrs the online services of public banks put some problem in the working which leads to delay in working and thus leads to huge losses.
- Term deposits are been opened on a single click from the mobiles or laptops in case of private banks and even at much higher rates at the rate which is been offered by public banks and this online opening of term deposits facility is somewhere lagging in case of public banks.
- Not only these Non-performing assets are far more in case of public sector banks and this somewhere hinders the problem of confidence among customers and not only this, after having so much of NPAs they create problems in granting loans which are not seen in case of private banks.

VIII. CONCLUSION

From the above discussion about the customer satisfaction and quality of service, it is said that among public and private sector banks, private sector banks are a way ahead in these parameters and are easily able to retain their existing customers and not only existing customers they are easily able to manage their new customers, as today customers are ready to pay for the services they are getting. It is seen from the above discussion that, public banks are making new

physical branches to spread worldwide, but they are not considering the fact that the customers today are lacking in time and these instead of providing distance services, they are making them visit the branch and do banking operations, which increases their time and money, not only this the process of time spend in finishing the task is higher than time taken by private banks.

So if in order to enhance the quality of services and level of customer satisfaction, the public sector banks have to follow the above stated measures in order to retain their existing customers and with this they can also able to have new customers in their branch or bank. And instead of treating every customer same, try to differentiate in case of various ranking of customers so that high priority of customers to be treated in best and VIP manner.

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