

An Analysis of Consumers Satisfaction towards Services of Indian Banks: A Study in Moradabad District

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Abstract

Customer satisfaction play a vital role in each and every organization. Without the consumer satisfaction cannot imagine success of any organization. Customers should be satisfied with the products manufactured by manufacturing firms, particularly the product's quality and pricing. The banking sector is a service sector that offers a variety of financial services to its consumers. The Indian banking industry operates in accordance with the Reserve Bank of India's guidelines. Because the banking sector is a service industry, consumer satisfaction is important to its success. This research intends to analyse of consumers satisfaction towards services of Indian banks. For this purpose, we have an analytical study of Indian Banks which provided services in Moradabad district. To find out the Consumer Satisfaction from Banking Services. To determine the majority of services availed by banking consumers. This study is based upon the primary data and secondary data sources. Primary data collected from the banking consumers of different areas of Moradabad district. There were 200 banking customers who responded properly to the questionnaire's questions. Questionnaire to determine the level of satisfaction of banks consumers in a variety of aspects. This research paper study also Likert scale analysis to find out the consumer satisfaction. RBI report analysed for consumer complaint.

Key Words: Customers Satisfaction, Banking Industry, Indian Banks, Moradabad District, Likert Scale.

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1. INTRODUCTION

Banks are playing a vital role in the development of the economy by providing their services. An organisation that receives, lends, exchanges and safeguards money is known as a bank. Banks may also issue notes and engage in other financial transactions. Businesses and social activities all rely on it. Services in the Indian banking sector have been rapidly evolving, creating a highly competitive and complicated industry that is constantly improving. There has been a rise in their workload as a result of India's economic growth and the improvement in its business environment. These improvements are compelling the banks to restructure themselves in order to manage with the present conditions. Banks provides services to its consumers and consumer satisfaction are important for the development of the banks. Consumer satisfaction is significant for the future development of the bank and country's economy too. This article framed to an analysis of the consumer satisfaction level on banking services. Day by day increases rush in the bank due to consumer is standing in the queue to long wait to their number. It is made workload on the employees of the bank and workload negatively change the behavior of bank's employees and waiting line also create negative behavior of consumers also create dissatisfaction of the consumer from services.

Consumer satisfaction has two aspects: first consumer expectations, and second high quality and timely services delivered by the bank, all of which impact customer happiness. "Customer satisfaction refers to how satisfied the customers are, with the product or service they receive from a particular agency especially banking industry. The banks like other business organization develops innovative sales techniques and advanced marketing tools to gain supremacy namely ATM, Mobile banking, net banking and through banking apps designed for each banks. Now-a-days, banks aim to provide all banking product and service under one roof and their endeavor is to be customer perception and expectation, hence the present study is carried out".

2. OBJECTIVES OF THE STUDY

The research is carried out with a various objective in mind. Aside from that, there are a few key reasons for conducting research:

- To find out the consumer satisfaction from banking services.
- To determine the majority of services utilised by banking consumers.

3. REVIEW OF LITERATURE

Ali, Anis & Ratwani, Babita (2017). According to the findings of this study, the majority of Indian banking consumers are happy with the services provided by banks. Few consumers are unsatisfied due to personnel' lack of response and empathy in urban and rural branches. Customers are unsatisfied with banks because of their specific demands and a lack of care or personalized attention from bank workers. As a result, there is room for more study on the particular demands of customers and the behavioral issues that staff face while communicating with them about banking services.

Iqbal, M & Indradewa, Rhian (2021). According to the research, reliability and empathy are crucial factors in a customer's decision to keep their bank account with the public sector. Because public sector banks outperform private sector banks in terms of perceived service quality parameters such as dependability and empathy. In the case of private sector banks, they are not up to the mark with the perceived service quality element such as Reliability in order to win the

customer's heart; however, if they enhance service quality factor such as Reliability, the customer will be more loyal to them. As a result, public and private sector banks must focus more on service quality factors such as Tangibility and Reliability in the future days to avoid customers switching to other banks.

Nawaz, Aayasha & Mishra, Deepak (2018). This study tries to explore the concept of customer happiness and the factors influencing customer satisfaction in Indian banking using qualitative method. Customer satisfaction is a key indicator for the service providers in the Indian banking industry. Indian retail banks would be better positioned to compete if the needs and expectations of their clients were recognized. This needs a comprehension of the elements that contribute to consumer happiness. Although previous research attempted to explore the causes, the components were determined using current customer satisfaction models.

Jindal, M., & Saxena, S. (2019). It was attempted to examine customer service with the use of thirteen different questions. Questions included the availability of various types of forms, employee assistance in filling out forms, Bank Statement printing facility, debit cards, passbook, cheque book delivery service, and depositing services. Waiting line in the bank is justified, providing service within reasonable time, ATM Machines availability and cash available in Machine, Bank Branch infrastructure, Parking facility, Service charges. In this study respondents, 86% of customers have saving bank accounts.

Jain, Vipin et. al. (2019). The study indicates majority private sector banks available in the banking sector, but most of the people have trust with the ICICI Bank Ltd. The ICICI Bank Ltd. tried to keep the faith of customers. Senior citizen is more passionate to public sector banks, while youngsters like private sector banks. This gap of problem must be recognized by ICICI Bank Ltd. And tried to be fulfilled. The facilities of banks should be enhanced in rural areas by ICICI Bank. To expand its consumer base, ICICI Bank Ltd. must aim to make policies and programs more accessible to those with lower incomes. It is necessary to change the strategies regarding loan prepayment in order to avoid the additional load of penalty on the consumer.

4. RESEARCH METHODOLOGY

This research is based upon the primary data and secondary data sources. Primary data collected from the banks consumers of distinct areas of Moradabad district. There were 200 banking customers who responded to all of the information contained in the questionnaire according to their mind set. Questionnaires were designed to ascertain the consumers satisfaction level of the bank consumers in several categories. Questionnaire contains demographic information and responses of questions. It is tried to perceive the satisfaction of different consumers from different services of Public and Private sector Banks. And Secondary data collected from various journals, articles, newspapers, Banks annual report and some other useful website such as RBI official website.

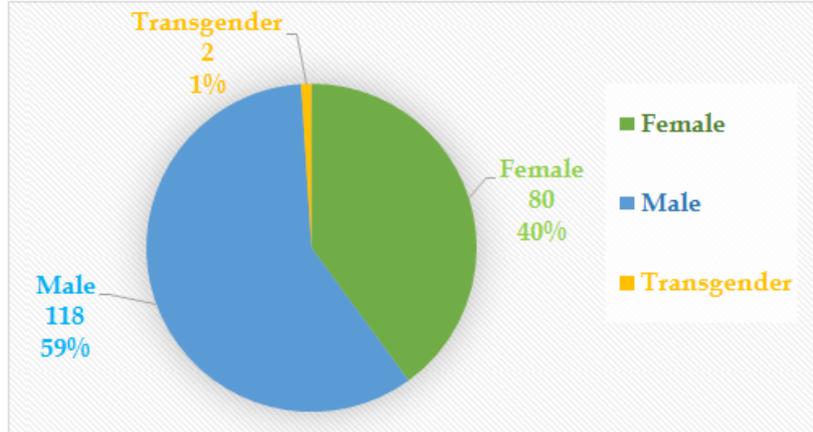
5. DATA ANALYSIS

Table: 1, Classification of Respondents on the Basis of Gender

Gender	Frequency	Percentage	Cumulative Percentage
Female	80	40	40
Male	118	59	99

Transgender	2	1	100
Total	200	100	

Pie Chart: 1, Classification of Respondents on the Basis of Gender

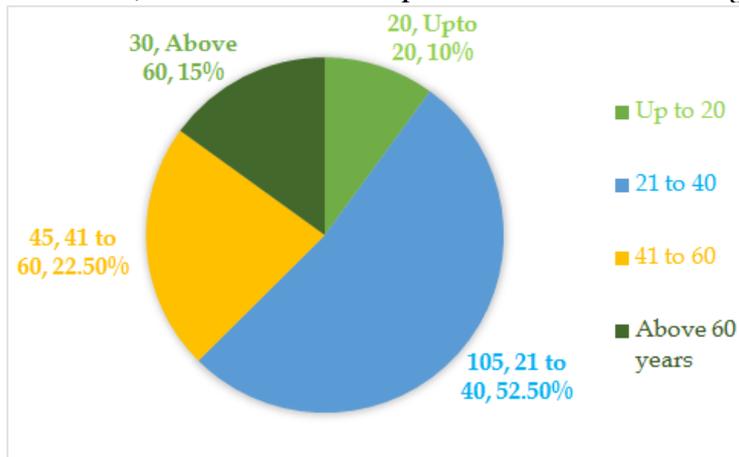


From the Pie Chart 1, Out of 200 respondents 80 females with 40%, and 59% 110 males participated. Along with this, there were 2 transgenders out of 200. Which is engaged with 1% only.

Table: 2, Classification of Respondents on the Basis of Age

Age Groups	Frequency(f)	Percentage	Cumulative Percentage
Up to 20	20	10	10
21 to 40	105	52.5	62.5
41 to 60	45	22.5	85
Above 60 years	30	15	100
Total	200	100	

Pie Chart: 2, Classification of Respondents on the Basis of Age

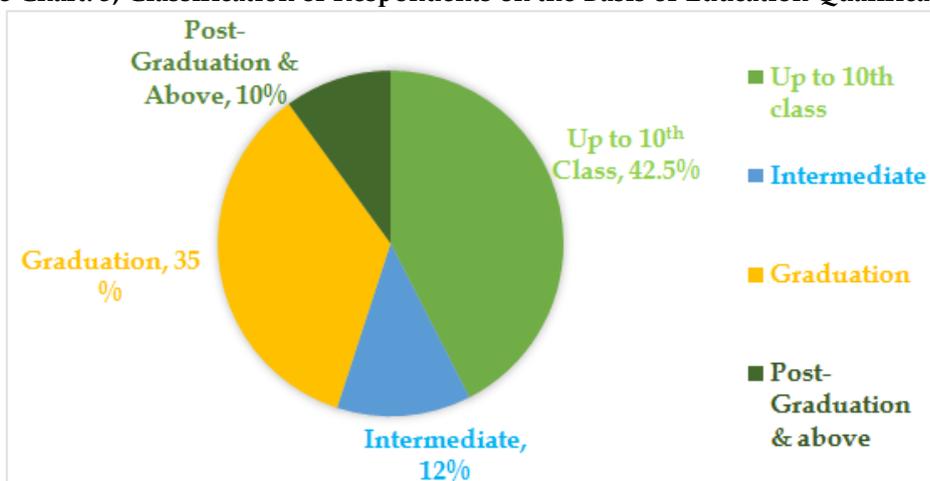


From the Pie Chart 2, mostly respondents from 21-40 years age group with the percentage of 52.5%. after that 41-60 years age group participated. At lowest up to 20 years age group participated. So, analysis of table and pie chart below, most of the bank accounts belonged to the 21-40 year age group. Senior citizen also participated in this survey with the percentage of 15%.

Table: 3, Classification of Respondents on the Basis of Education Qualification

Education Qualifications	Frequency	Percentage	Cumulative Percentage
Up to 10 th class	85	42.5	42.5
Intermediate	25	12.5	55
Graduation	70	35	90
Post-Graduation & above	20	10	100
Total	200	100	

Pie Chart: 3, Classification of Respondents on the Basis of Education Qualification

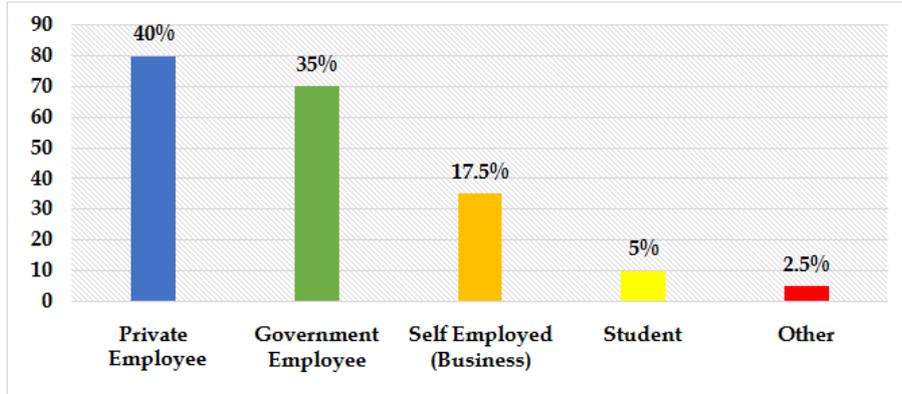


The above Pie Chart 3 shows the education qualification of respondents. Out of 200 respondents mostly consumer qualified up to 10th class i.e., 85 with the percentage of 42.5%. Then it is followed by graduation and intermediate with 35%, 12.5% respectively.

Table: 4, Classification of Respondents on the Basis of Occupation

Occupation	Frequency	Percentage
Private employee	80	40
Government Employee	70	35
Self Employed (Business)	35	17.5
Student	10	5
Other	5	2.5
Total	200	100

Graph: 1, Classification of Respondents on the Basis of Occupation

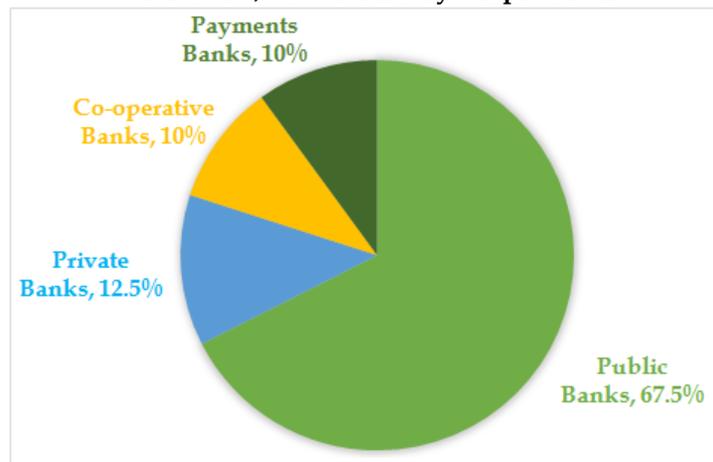


The above graph 1 is showing 40% private employee participated in this survey, which largest one participation out of 200 respondents. In participating in this, the number of the government employee comes after the private employee. Government employee 35% have account in their respective banks. While self-employed 17.5% have accounts in their respective banks. In other words, private and public employee needs to have accounts in their bank due to salary credited in their accounts. 5% of students have accounts in the bank. Mostly students opened accounts for scholarship.

Table: 5, Banks Used by Respondents

Types of Banks	Frequency	Percentage
Public Banks	135	67.5
Private Banks	25	12.5
Co-operative Banks	20	10
Payments Banks (Airtel Payment Bank)	20	10
Total	200	100

Pie Chart: 4, Banks Used by Respondents



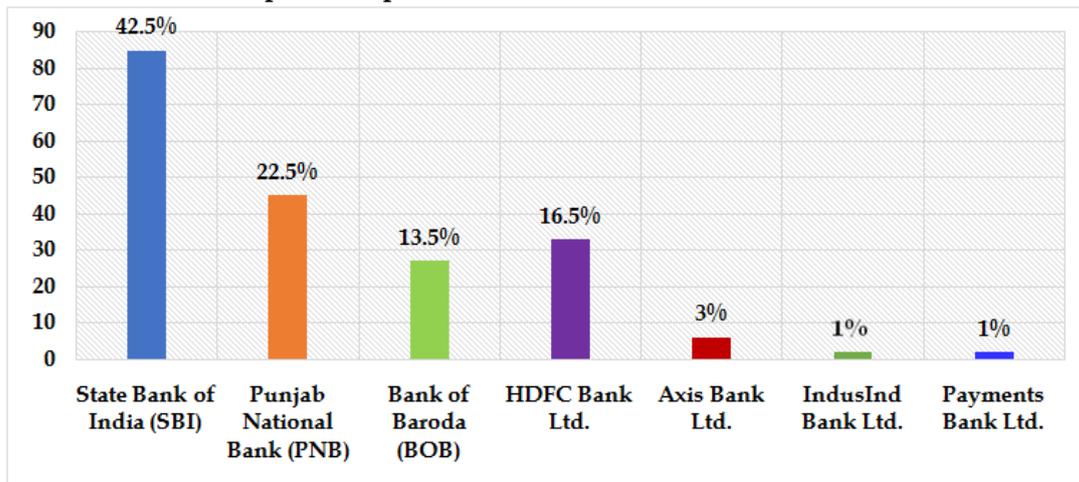
From the above Pie Chart 4, 67.5% respondents use public banks and 12.5% respondents use private banks. So, pie chart is showing mostly people use public banks. 10% Co-operative banks utilised by respondent. In now a days new trend comes in the banking sector, this is the new type of banks i.e., Payments Banks. 10% respondents who use the payments banks.

**Payments Bank is a bank which is set up to operate on a smaller scale. Payments banks have minimal credit risk. Consumer can deposit in the Payment banks up to Rs. 2,00,000. It can open savings and current accounts. Payments banks cannot issue credit cards. It cannot disburse loan.*

Table: 6, Respondents Most Prefer to use These Bank

Banks	Frequency	Percentage
State Bank of India (SBI)	85	42.5
Punjab National Bank (PNB)	45	22.5
Bank of Baroda (BOB)	27	13.5
HDFC Bank Ltd.	33	16.5
Axis Bank Ltd.	6	3
IndusIndBank Ltd.	2	1
Payments Bank Ltd. (Any)	2	1
Total	200	100

Graph: 2, Respondents Most Prefer to use These Bank

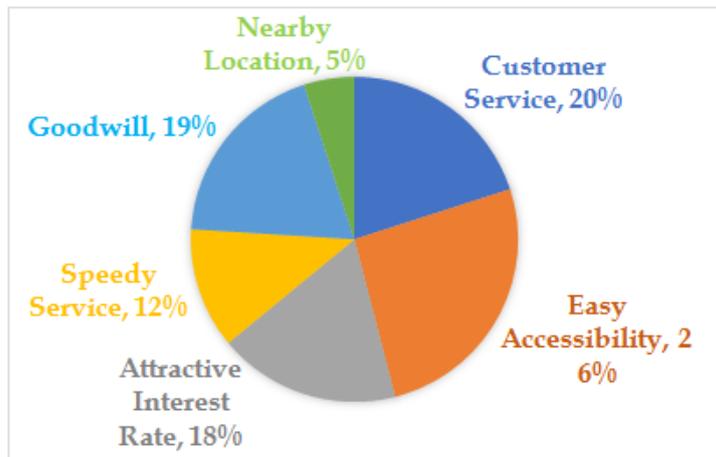


These are banks selected on behalf of respondent's response fill in questionnaire. Free choice provided to consumer fill their desired banks. From the graph no 2 showing the results, on the basis of utilisation of the bank most of the respondents from State Bank of India, Punjab National Bank and HDFC bank ltd with percentage 42.5%, 22.5% and 16.5% respectively. Subsequently, respondent of Bank of Baroda is 27%. Out of some consumers were Axis Bank Ltd. with percentage 3%. Remaining respondents of IndusInd Bank Ltd. and Payment Bank Ltd. with similar percentage 1%.

Table: 7, Reason for the Preference of Your Bank

Particular	Frequency	Percentage
Customer Service	40	20
Easy Accessibility	52	26
Attractive Interest Rate	36	18
Speedy Service	24	12
Goodwill	38	19
Nearby Location	10	5
Total	200	100

Pie Chart: 5, Reason for the Preference of Your Bank

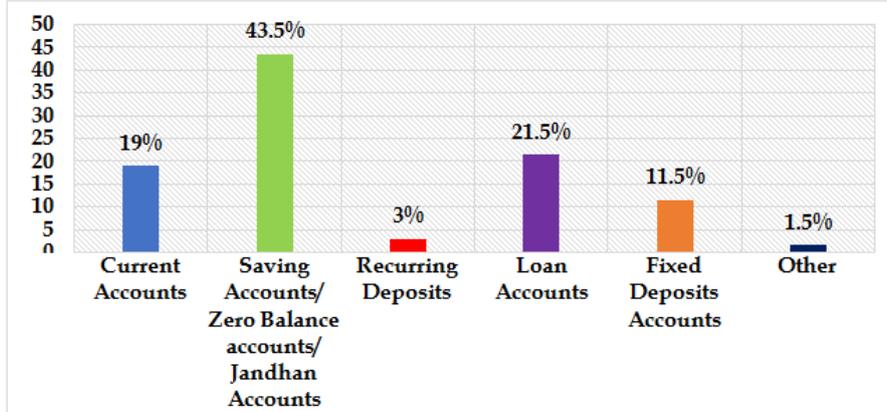


From the above Pie Chart 5, we observed that 26% of respondents prefer their bank because easy accessibility and 20% respondents prefer their bank due to customer service support. Then 19% prefer their bank due to bank's goodwill, 18% consumer prefer their bank because attractive interest. 12% respondents want to speedy service in their banks. 19% consumer added with bank due to goodwill of the banks. 5% types of consumers who prefer to add with the bank due to nearby location of the banks. They don't care if the service of the bank is good or not.

Table: 8, Respondents Account Maintained in their Respective Banks

Accounts	Frequency	Percentage
Current Accounts	38	19
Saving Accounts/ Zero Balance accounts/ Jandhan Accounts	87	43.5
Recurring Deposits	6	3
Loan Accounts	43	21.5
Fixed Deposits Accounts	23	11.5
Other	3	1.5
Total	200	100

Graph: 3, Respondents Account Maintained in their Respective Banks

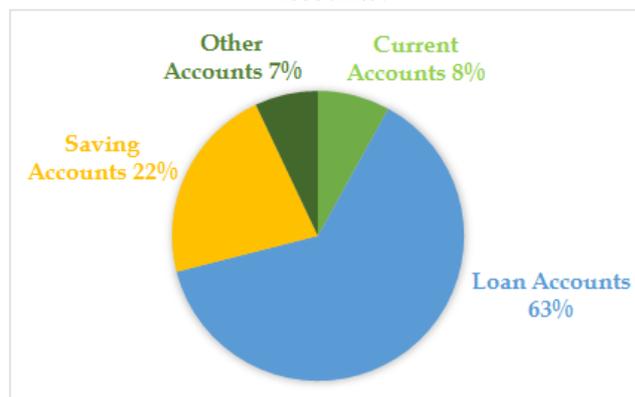


The above Graph 3 indicates the results of respondents accounts maintained in their respective banks, graph is showing that 43.5% of respondents user of saving bank accounts/Jan Dhan accounts/Zero Balance. 21.5% of respondents user of loan accounts, which means who took loan from their bank. And also 19% consumer maintained current accounts in their respective banks.11.5% user maintained fixed deposit accounts in their respective banks. 1.5% respondents maintained some other accounts in their banks like pension accounts.

Table: 9, Respondents are not Satisfied with the Services of their Bank with which type of Accounts?

Accounts	Percentage
Current Accounts	8
Loan Accounts	63
Saving Accounts	22
Other Accounts	7
Total	100

Pie Chart: 6, Respondents are not Satisfied with the Services of their Bank with which type of Accounts?

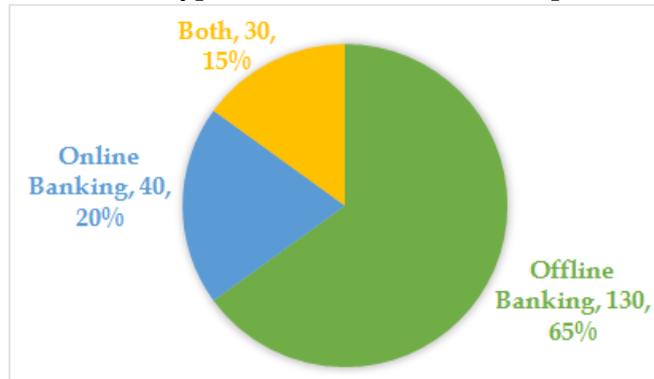


The Pie Chart 6 indicates 63% respondents are not satisfied with loan accounts and less satisfied with deposits accounts such as saving accounts 22% and current accounts 8%. But 7% little bit satisfied with some other accounts such as pension accounts.

Table: 10, Types of Deal with Bank of Respondents

Activity	Frequency	Percentage
Offline Banking	130	65
Online Banking	40	20
Both	30	15
Total	200	100

Pie Chart: 7, Types of Deal with Bank of Respondents



Above Pie Chart 7 shows us majority of consumer use offline banking with 65%. 40% of respondents use online banking and 15% respondents use both online and offline banking. Even today, offline banking is considered convenient, that too because it is safe. While people still have traditional thinking and do not want to be updated with technological advancement. But some respondents who utilised both online banking and offline banking have positivity in online banking services.

Table: 11, Most of Services avail by Banking Consumers and Representing Consumer Satisfaction Level

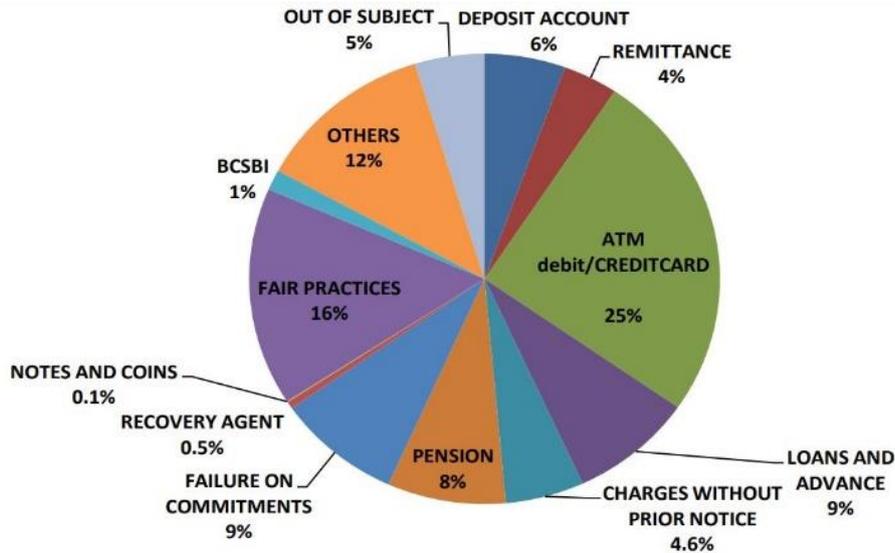
S.No.	Particular	Five Likert Scale	Percentage%
1.	Account opening	4.0	80
2.	Voucher form availability	4.2	84
3.	Queue in deposit or withdrawal cash	3.8	76
4.	Debit/ Credit card facility	4.7	94
5.	Bank's Staff Behaviour	3.7	74
6.	Cheque honour timing	4.5	90
7.	Parking facility for consumer	3.6	72
8.	Passbook, Cheque Book distribution service	4.9	98
9.	Sanction of Loan	3.9	78
	Average mean of all services	4.144	82.88

Five Likert scale utilised to calculate the consumer satisfaction level for services availed by banking consumers. From the above Table No. 11, 80% consumer satisfied with account opening services. 98% of consumer satisfied with the services of Passbook, cheque book distribution. Consumer also satisfied with services of debit and credit card facility i.e., 94%. But consumer is not satisfied with bank’s staff behaviour, it gets points 3.7 out of 5.0. Overall satisfaction level with above all services is 82.88%.

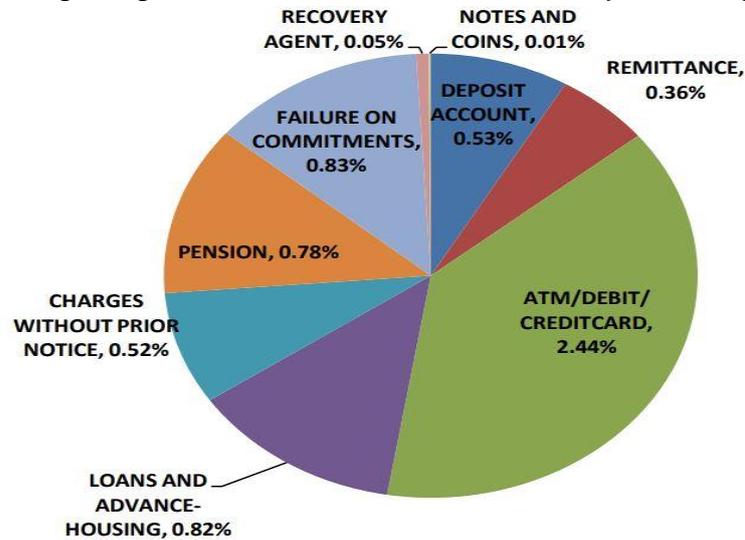
Analysis of the Complaints made by the Customers to the Bank

On the basis of secondary data sources, some complaint received from consumer to RBI Ombudsmen which is drag RBI official website. “Mostly complaints were regarding credit/ debit cards followed by non-observance of the fair practices code, deposits account, failure of commitments made under the BCSBI code and pensions. There is serious concern on the number of complaints, though the disposal rate may be 95%. I find that there are several violations of the BCSBI codes. This is not a situation of comfort for the RBI and difficult to comprehend as the banks have voluntarily accepted the codes formulated by the BCSBI (Banking Codes and Standards Board of India).”[4.]

(a) Complaints received in the offices of Banking Ombudsmen-Complaint Category Wise



(b) Complaints regarding Non-adherence to BCSBI Codes- Complaint Category Wise



“In a sense, BCSBI is functioning as a self-regulatory organization. There is a need to improve customer services in public sector banks across all spheres of banking and particularly in areas related to deposits accounts, loan and advances, failure of commitments made, non-adherence to the BCSBI code and pension.”[4.] In addition, the services that are associated with credit and debit cards, which have been the subject of numerous complaints from customers over the course of the past several years, need to be enhanced across the board for all banking organisations. Because of the rise of new technologies, there is a pressing requirement to further improve customer service in the realms of mobile and online banking in order to bolster consumers' faith in these emerging forms of financial transaction. There is an additional requirement to upgrade the client data base, which would not only make it easier for banks to get familiar with the whereabouts of their customers but also assist the banks in preventing instances of fraud and money laundering.

6. CONCLUSION

The research paper highlighted with the satisfaction level of customers towards the Indian bank services in Moradabad district. It considered the demographic factors of age group, gender, educational qualifications and occupation of 200 respondents. After analysis of Likert scale outcome is consumer is not satisfied with bank's staff behaviour, it gets points 3.7 out of 5.0. 80% consumer satisfied with account opening services. 98% of consumer satisfied with the services of Passbook, cheque book distribution. Consumer also satisfied with services of debit and credit card facility i.e., 94%.Overall satisfaction level with above all services is 82.88%. The study revealed after the analysed of primary data majority of consumer use offline banking with 65%. 40% of respondents use online banking and 15% respondents use both online and offline banking. Even today, offline banking is considered convenient, that too because it is safe. 63% respondents are not satisfied with loan accounts. 43.5% of respondents user of saving bank accounts/Jan Dhan accounts/Zero Balance. 21.5% of respondents user of loan accounts, which means who took loan

from their bank. And also 19% consumer maintained current accounts in their respective banks 26% of respondents prefer their bank because easy accessibility and 20% respondents prefer their bank due to customer service support. 5% types of consumers who prefer to add with the bank due to nearby location of the banks. They don't care if the service of the bank is good or not. Most of the consumers prefer to use State Bank of India and 67.5% respondents use public banks.

RBI suggests that services related to credit/debit cards should be improved across all banks groups. In the new technology era net banking and mobile banking should be improved with the customer services. There is a further need to improve the customer data base, which apart from facilitating banks to acquaint themselves with the whereabouts of the customers, would help them to prevent incidents of fraud/money-laundering.

7. LIMITATION OF THE STUDY

- Only 200 respondents responded the questionnaires. So, the accuracy of response depends on the response of the respondent.
- Findings of this study may be influenced by personal bias of the respondents.
- This study was done only in Moradabad for the consumer satisfaction towards services of Indian banks.

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