

AN ENQUIRY INTO THE STATUS OF CUSTOMER SATISFACTION IN COMMERCIAL BANKS: A STUDY WITH REFERENCE TO CACHAR DISTRICT OF ASSAM

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ABSTRACT

In today's highly competitive market, Service Quality plays an important role not only to retain its present customer but also to attract the prospective customers. Indian service sector has become highly competitive in recent years and banking sector is no exception to this. Due to existence of good number of players customers nowadays have a wide range of choice. In that situation every bank wants to give their attention to quality of service and customer satisfaction. In the present study attempt has been made to study the degree of customer satisfaction on select service quality dimensions. Data have been collected from 40 students of Assam University, Silchar who are existing customers of commercial banks. Five dimensions of service quality namely Responsiveness, Empathy, Reliability, Tangibility and Security are used for the purpose of the study. The study also reveals that there exists a moderate level of satisfaction of customers across all the dimensions of service quality.

KEYWORDS: Responsiveness, Empathy, Reliability, Tangibility and Security

INTRODUCTION

Banking sector in India like many other sectors has been experiencing a rapidly changing market, new and modern technologies, economic uncertainties, changing and more demanding customer services and above all fierce competition, that has presented an unpredictable set of challenges for them. In order to be successful in the market it is not only sufficient for commercial banks to attract new customers but also concentrate on retaining existing customers implementing effective policies of customer satisfaction (Adhikari and Nath, 2014). Consumers all over the world have become more quality conscious; hence there has been an increased customer demand for higher quality service. Customer satisfaction has become a matter of concern in the banking industry and service quality has been identified empirically as the driver of them. But, there are discrepancies between what the banks think is quality service and what the customers expect from the banks (Ramu and Anbalagan, 2017). In the competitive banking environment, banks offering quality services are in advantageous position to retain and attract the existing as well as potential customers. In the globalized regime, offering quality services has become a prerequisite for the banks not only to retain the existing share but also to expand the market share in the highly dynamic environment (Adhikari and Paul, 2015). In order to cope up with the ever-changing business environment, public sector banks all over the country, both in cities and towns, are expected to deliver quality services to its customers, which in turn, will result in customer satisfaction.

REVIEW OF LITERATURE

Kibret and Dinber (2016) conducted a study to evaluate the relationship between service quality and customer satisfaction. The sample size for the study was 203 the data were collected through field survey. The study revealed that customers were not satisfied with the following dimension of service delivery: tangibility, reliability, responsiveness, assurance, and empathy.

Ghost, Gnanadhas (2011) conducted a study to evaluate the customer's perception on service quality factors in commercial banks and the customers' satisfaction towards the banks. The sample size for the study was 715. The study found a close link between the customer's perception on the service quality factors and the customer satisfaction. But the impacts of service quality factor on customer satisfaction were not unique.

Nippatlapalli, A.R. (2013) conducted a study to evaluate the satisfaction of customers towards the State Bank of India, The sample size for the study was 120 the data were collected through field survey by using interview method. The study revealed some light some negative factors like creating an awareness on online transactions, interest rates on loans, A.T.M. facilities etc., and it was suggested that management should concentrate on online services and solving banking problems in a time bound manner.

Adhikari and Nath (2014) conducted a study to evaluate the study is to assess the degree of satisfaction of bank customers with respect to select dimensions of service quality in commercial banks operating in Silchar town of Assam. The sample size for the study was 60 the data were collected through field survey by using convenient sampling method. The study found that although the satisfaction levels were high on various service quality dimensions, there still remained a lot to be done by the management of the banks to maximize their customer satisfaction.

Adhikari, K& Paul, B (2015) conducted a study to evaluate the perceived service quality in the branches of public sector banks operating in Silchar town of Assam. The sample size for the study was 60 the data were collected through field survey by using convenient sampling method. The collected was analyzed by mean, standard deviation, correlation and multiple regression technique. The findings of the study revealed that all the select dimensions of perceived service quality showed a positive influence on satisfaction of customers of the public sector banks operating in Silchar town of Assam.

Alkayed W (2014) conducted a study to evaluate the relationship between service quality and customer satisfaction. The sample size for the study was 190 the data were collected through field survey. The relationship between service quality and satisfaction was found to be positively significant. The study also found a positive direct relationship between service quality and satisfaction.

OBJECTIVES OF THE STUDY

- 1) To study the degree of customer satisfaction about select service quality dimensions of commercial banks located in Cachar district of Assam.
- 2) To compare the degree of customer satisfaction about select service quality dimensions in commercial banks across the gender of the respondents.

RESEARCH METHODOLOGY

The study is descriptive in nature. For this present research, population includes all the male & female students of Assam University Silchar, who are the customers of different public sector banks. The sampling frame is the male & female students of Assam University Silchar who are the customers of different commercial banks. The sample size for the present study is forty (40). Convenient sampling technique was used to select the sample. The questionnaire is comprised of close ended questions and five-point Likert-type scales ranging from 1 (= highly dissatisfied) to 5 (= highly satisfied) was used to measure the perception of the respondents. The study makes an assessment of customer satisfaction/dissatisfaction over the five dimensions of service quality.

SCOPE OF THE STUDY

- 1) The scope of the present study is confined to students pursuing commerce education in the department of commerce of Silchar campus of Assam University.
- 2) Students having a savings bank account in any of the commercial banks of India have been considered in this study.

LIMITATIONS OF THE STUDY

- 1) The findings of the study are based upon the perception of the respondents & hence the elements of biasness cannot be completely ruled out.
- 2) Convenient sampling method has been used & hence the possibility of sampling error cannot be totally eliminated.

RESULT AND ANALYSIS

Table 1: Degree of Satisfaction/Dissatisfaction of Respondents over the factor 'Responsiveness'

Degree of Satisfaction/Dissatisfaction	Number of Respondents	Percentage of Respondents
Highly Satisfied	2	5
Satisfied	18	45
Neither Satisfied Nor Dissatisfied	16	40
Dissatisfied	4	10
Highly Dissatisfied	0	0
Total	40	100.00

Source: Field Survey

Table 1 shows that out of 40 respondents, 2 respondents are highly satisfied, 18 respondents are satisfied, 4 respondents are dissatisfied and no one is highly dissatisfied over the factor 'Responsiveness'. But there are 16 respondents who are neither satisfied nor dissatisfied over this factor of service quality.

Table 2: Degree of Satisfaction/Dissatisfaction of Respondents over the factor 'Empathy'

Degree of Satisfaction/Dissatisfaction	Number of Respondents	Percentage of Respondents
Highly Satisfied	1	2.5
Satisfied	7	17.5
Neither Satisfied Nor Dissatisfied	11	27.5
Dissatisfied	20	50

Highly Dissatisfied	1	2.5
Total	40	100.00

Source: Field Survey

Table 2 shows that out of 40 respondents, 2.5% are highly satisfied, 17.5% are satisfied, 50% are dissatisfied and 2.5% are highly dissatisfied over the factor ‘Empathy’. But there are Eleven (11) respondents who are neither satisfied nor dissatisfied over this factor of service quality.

Table 3: Degree of Satisfaction/Dissatisfaction of Respondents over the factor ‘Reliability’

Degree of Satisfaction/Dissatisfaction	Number of Respondents	Percentage of Respondents
Highly Satisfied	3	7.5
Satisfied	25	62.5
Neither Satisfied Nor Dissatisfied	10	25
Dissatisfied	2	5
Highly Dissatisfied	0	0
Total	40	100.00

Source: Field Survey

Table 3 shows that out of 40 respondents 7.5% are highly satisfied, 62.5% are satisfied, 5% are dissatisfied and no one is highly dissatisfied over the factor ‘Reliability’. But there are ten (10) respondents who are neither satisfied nor dissatisfied over this factor of service quality.

Table 4: Degree of Satisfaction/Dissatisfaction of Respondents over the factor ‘Tangibility’

Degree of Satisfaction/Dissatisfaction	Number of Respondents	Percentage of Respondents
Highly Satisfied	1	2.5
Satisfied	11	27.5
Neither Satisfied Nor Dissatisfied	22	55
Dissatisfied	5	12.5
Highly Dissatisfied	1	2.5
Total	40	100.00

Source: Field Survey

Table 4 shows that out of 40 respondents 2.5% are highly satisfied, 27.5% are satisfied, 12.5% are dissatisfied and 1 respondent is highly dissatisfied over the factor ‘Tangibility’. But there are twenty two (22) respondents who are neither satisfied nor dissatisfied over this factor of service quality.

Table 5: Degree of Satisfaction/Dissatisfaction of Respondents over the factor ‘Security’

Degree of Satisfaction/Dissatisfaction	Number of Respondents	Percentage of Respondents
Highly Satisfied	8	20
Satisfied	20	50
Neither Satisfied Nor Dissatisfied	12	30

Dissatisfied	0	0
Highly Dissatisfied	0	0
Total	40	100.00

Source: Field Survey

Table 5 shows that out of 40 respondents, 8 respondents are highly satisfied, 20 respondents are satisfied, no one is dissatisfied and no one is highly dissatisfied over the factor ‘Security’. But there are 12 respondents who are neither satisfied nor dissatisfied over this factor of service quality.

Table 6: Gender Wise Degree of Satisfaction/Dissatisfaction of Respondents over the Factor ‘Responsiveness’

Gender	Mean
Male	3.45
Female	3.45
Total	3.45

Source: Field Survey

Table 6 reveals that the mean score of satisfaction of respondents over the factor ‘Responsiveness’ is 3.45 which is moderate. Table 6 also shows that the mean score of satisfaction of both male and female respondents are equal over this factor. Thus, the degree of satisfaction over the factor ‘Responsiveness’ does not vary across the gender.

Table 7: Gender Wise Degree of Satisfaction/Dissatisfaction of Respondents over the Factor ‘Empathy’

Gender	Mean
Male	3.55
Female	3.10
Total	3.33

Source: Field Survey

Table 7 reveals that the mean score of satisfaction of respondents over the factor ‘Empathy’ is 3.33 which is moderate. Table 7 also shows that the mean score of satisfaction of male respondents is higher than the mean score of satisfaction of female respondents over this factor. In other words, male customers are found to be more satisfied over the factor ‘Empathy’ as compared to their female counterparts.

Table 8: Gender Wise Degree of Satisfaction/Dissatisfaction of Respondents over the Factor ‘Reliability’

Gender	Mean
Male	3.55
Female	3.80
Total	3.68

Source: Field Survey

Table 8 reveals that the mean score of satisfaction of respondents over the factor ‘Reliability’ is 3.68 which is moderate. Table 8 also shows that the mean score of satisfaction of female respondents is higher than the mean score of satisfaction of male respondents over this factor. In other words, female customers are found to be more satisfied over the factor ‘Reliability’ as compared to their male counterparts.

Table 9: Gender Wise Degree of Satisfaction/Dissatisfaction of Respondents over the Factor ‘Tangibility’

Gender	Mean
Male	3.20
Female	3.10
Total	3.15

Source: Field Survey

Table 9 reveals that the mean score of satisfaction of respondents over the factor ‘Tangibility’ is 3.15 which is moderate. Table 9 also shows that the mean score of satisfaction of male respondents is higher than the mean score of satisfaction of female respondents over this factor. In other words, male customers are found to be more satisfied over the factor ‘Tangibility’ as compared to their female counterparts.

Table 10: Gender Wise Degree of Satisfaction/Dissatisfaction of Respondents over the Factor ‘Security’

Gender	Mean
Male	3.75
Female	4.05
Total	3.90

Source: Field Survey

Table 10 reveals that the mean score of satisfaction of respondents over the factor ‘Security’ is 3.90 which is moderate. Table 10 also shows that the mean score of satisfaction of female respondents is higher than the mean score of satisfaction of male respondents over this factor. In other words, female customers are found to be more satisfied over the factor ‘Security’ as compared to their male counterparts.

CONCLUSION

Service quality and satisfaction of customers are interconnected to each other. Therefore, the relationship between service quality and customer satisfaction can be easily created. The study found a moderate degree of satisfaction level of customers of banks over most of the dimensions of service quality. Majority of the customers have been found to be satisfied. Male customers are found to be more satisfied as compared to female customers over the factors Empathy and Tangibility. Female customers are found to be more satisfied as compared to male customers over the factors Reliability and Security. In future, it is expected that specific steps may be initiated by banks to improve the service quality and try to cater to the ever-changing needs of the customers.

SCOPE FOR FUTURE RESEARCH

1. Similar study may be conducted on customers of private sector banks.
2. In future, studies may be conducted by increasing the sample size.

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