

# **The Empirical Comparative Relationship between Customer Service & Level of Customer Satisfaction with Special Reference to Leading Nationalized Bank.**

**Dr. Binod Pratap Singh and Dr. Smriti Shishir**

*Associate Professor, Department of Commerce, Lal Bahadur Shastri Degree College Gonda*

*Assistant Professor, Department of Commerce, Saraswati Devi Nari Gyanasthali Mahila P.G. College, Gonda*

---

## **Abstract:**

*This paper is based on the survey analysis of three most popular bank State bank of India Punjab national bank and Union bank for their customer complain regarding the transaction facility and other services provided by the bank and the appropriate customer satisfaction rate, after study we can calculate the most customer satisfaction were towards the SBI followed by PNB and least by UB.*

**Keywords:** *customer satisfaction, banking services, complains, transaction.*

---

## **I. Introduction**

Since banking comes under service sector the success of banking institution depends upon satisfaction of customer. Customers are the real backbone of any banking institution until and unless the customer will not satisfied, the banking sector cannot achieved its goal. The success of banking sector so much depend upon the level of customer satisfaction. Bank provides a list of product and services to the customer. In today's digital era, bank provide their services and product to the customer by way of digital means. Modern banking industry are using more and more technology to provide services to the customer. The traditional form of banking is going to be converted into paperless banking but after all these mega changes, the problem of customer satisfaction assume importance. So in this paper I have tried to explain the relation between customer service and level of customer satisfaction. Importance of improvement in customer service in enhancement of level of customer satisfaction. The paper consists of different segment like background, problem statement, objective, literature review, methodology, limitations, discussion and data analysis. The last and final section is concluding section which suggest suitable recommendations.

## **Statement of The Problem**

The success of banking sector can be seen as their profitability and general satisfaction of customers. Every bank tries to achieve the above target for achieving their target in a smooth manner. It is necessary to focus on customer service. Now-a-days Banks are facing huge competition especially with private banks so for survival in long run and maintaining the relationship with customer and providing services with utmost sincerity. It is necessary for every bank to focus on their weakened part of customer service. Our present research paper theme is mainly based on the principle of relationship between customer service and level of customer satisfaction.

## **Scope of the study:**

1. The study is conducted on behalf of the customers of SBI.
2. The study is conducted to know the customer preference towards the choosing the services, the awareness on the various services provided by banks, the frequency of services used.
3. The study has put forward the Customers as well as acceptability behavior for the services.
4. The study defines about their satisfaction level of towards the services provided by the SBI in the selected area.

## **Objectives**

The principle objectives of this research paper are to know the relationship between customer service and level of customer satisfaction in leading banks like SBI, PNB and Union bank in Gonda district. We also predict how properly performance of customer service affect level of customer satisfaction another inherent objective is to explain the relevance of customer service in gonad district as the most of the population of this district used these three banks for their saving and most transaction.

## II. Review of Literature

In the preparation of the present paper a number of books, journals, research papers periodicals, articles and internet sites have been consulted and reviewed. Most of these books and journals have covered and depicted the relationship between customer service and level of customer satisfaction.

## III. Methodology

For preparing the present research paper primary as well as secondary sources have been used. Questionnaire has been used as a primary source and annual report of SBI and various reference books have been consulted as a secondary source. Important statistical tools have been used to find out necessary results.

### Limitations of The Study

1. Size of the sample selected may not represent whole population.
2. The survey has been conducted only on 150 respondents.
3. The accuracy of the findings of study depends upon the correctness of the responses provided by the respondents.
4. Unwillingness of some respondents to provide information is another limitation.
5. Findings of this study may be influenced by personal bias of the respondents.

## IV. Discussion of Theme

History of economic development of the world history clearly states the countries which are considered most developed all have developed banking system right from the beginning as such it can be easily concluded that without having a developed banking system a country cannot succeed in development.

Since banking comes under service sector the success of banking institution depends upon satisfaction of customer. Customers are the real backbone of any banking business. The profitability of a banking institution very much depends upon the quantum of Loans and advances viz-a-viz the size of deposit portfolio. Both the size and quantum of deposit as well as loan and advances very much depends upon the level of satisfaction of the customer in the banking system. When a system fails to delivers the expected result, it is not only a loss to the organization but it has a chain effect upon the whole of the country.

After nationalization the government finds that the general notion of the country is that the customer is the most neglected part of the banking system due to low efficiency and non-availability of competitor customer service plays a major role in improving the level of customer satisfaction. Banks including state bank of India provides a list of product and services to the customer. Modern banking uses more and more technology to provide services to their customer. It is also important that nationalized bank faces the competition with private banking. Some of the private banks provide high quality customer centric service with minimal time. So the timely providing service area needs to be improved by the nationalized bank.

After digitalization, customer satisfaction is remains a problem for banking sector. If we see the complains status of state bank of India then we can conclude that banking sector needs to be more concentrate on enhancing the level of customer satisfaction.

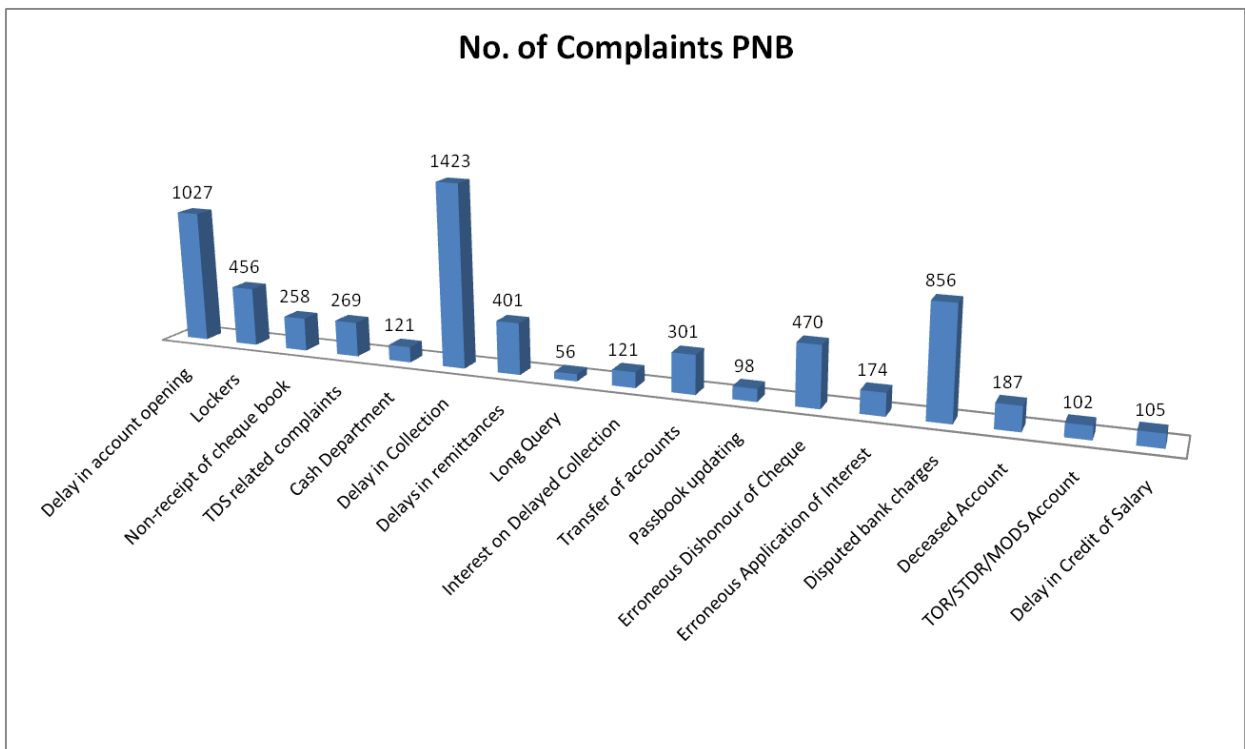
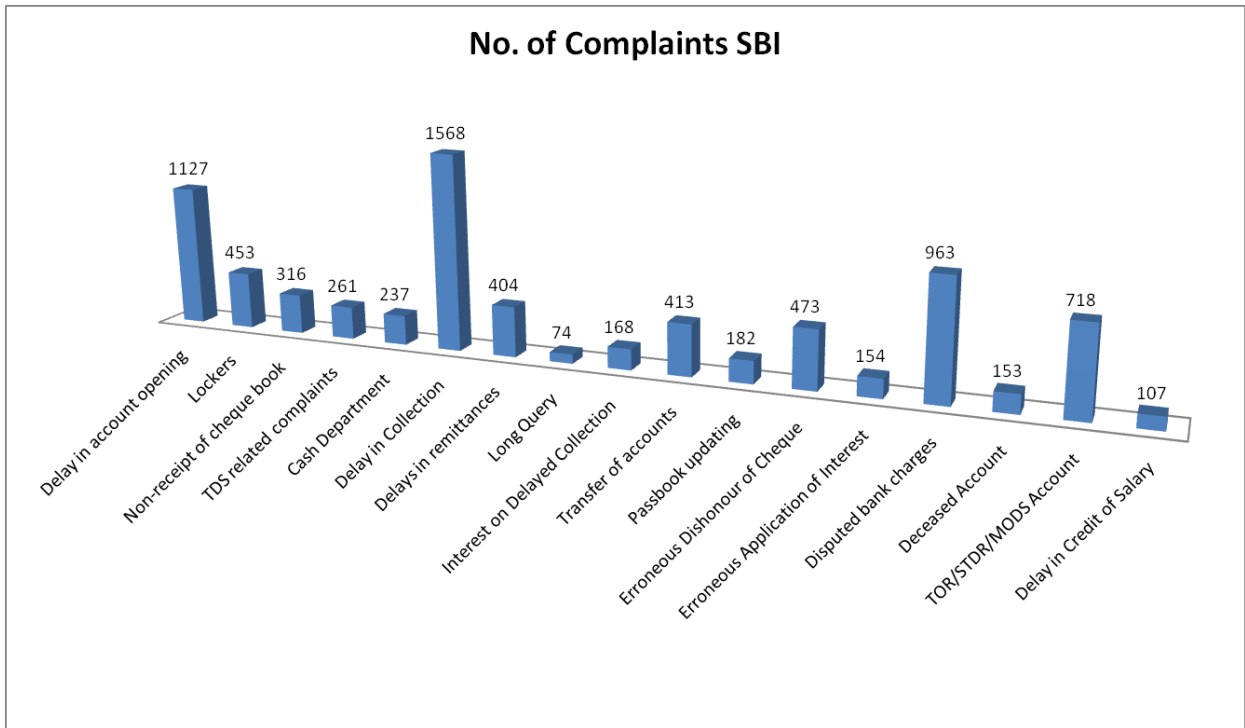
## V. Data Analysis And Findings

After survey analysis all the data has been gather and mean were calculated to predict the trends of customer satisfaction towards the bank facility.

**TABLE-1:** Table represents the complaint data of SBI Punjab bank and union bank for one financial year.

SNo.	Transaction related complaint	No. of Complaints		
		SBI	PNB	UB
01.	Delay in account opening	1127	1027	1289
02.	Lockers	453	456	632
03.	Non-receipt of cheque book	316	258	478
04.	TDS related complaints	261	269	301
05.	Cash Department	237	121	401
06.	Delay in Collection	1568	1423	1596
07.	Delays in remittances	404	401	501
08.	Long Query	74	56	98
09.	Interest on Delayed Collection	168	121	178
10.	Transfer of accounts	413	301	605
11.	Passbook updating	182	98	201
12.	Erroneous Dishonor of Cheque	473	470	502
13.	Erroneous Application of Interest	154	174	185
14.	Disputed bank charges	963	856	1045
15.	Deceased Account	153	187	206

16.	TOR/STDR/MODS Account	718	102	46
17.	Delay in Credit of Salary	107	105	205
	<b>Total</b>	<b>7572</b>	<b>6425</b>	<b>8469</b>



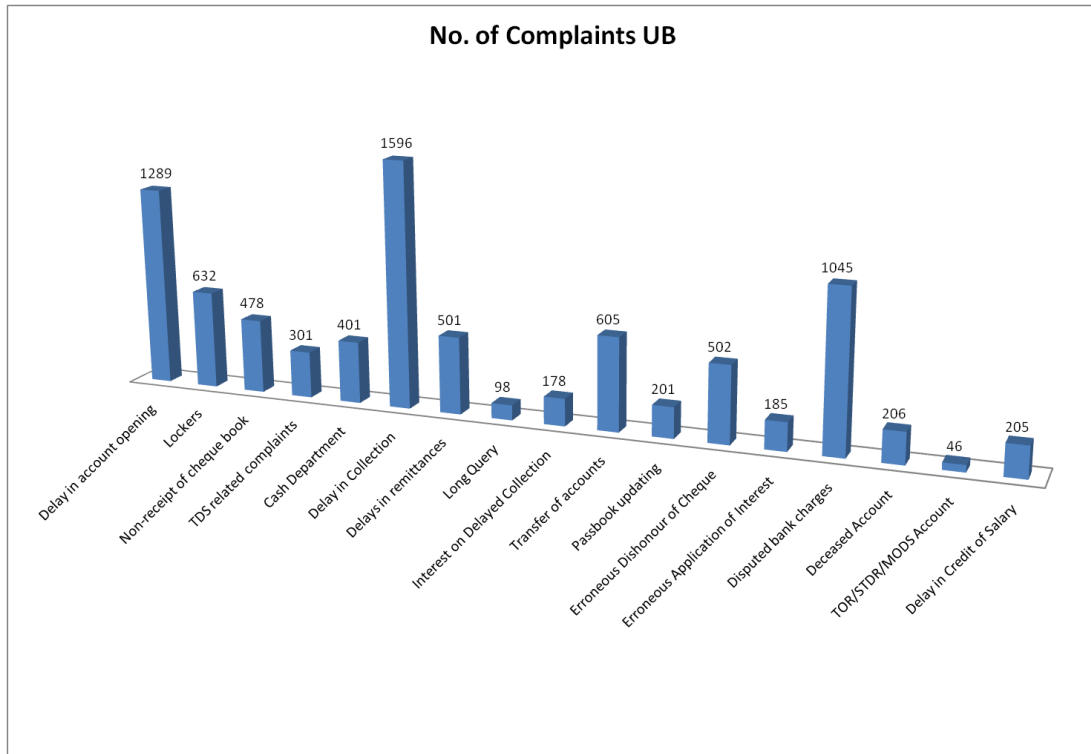
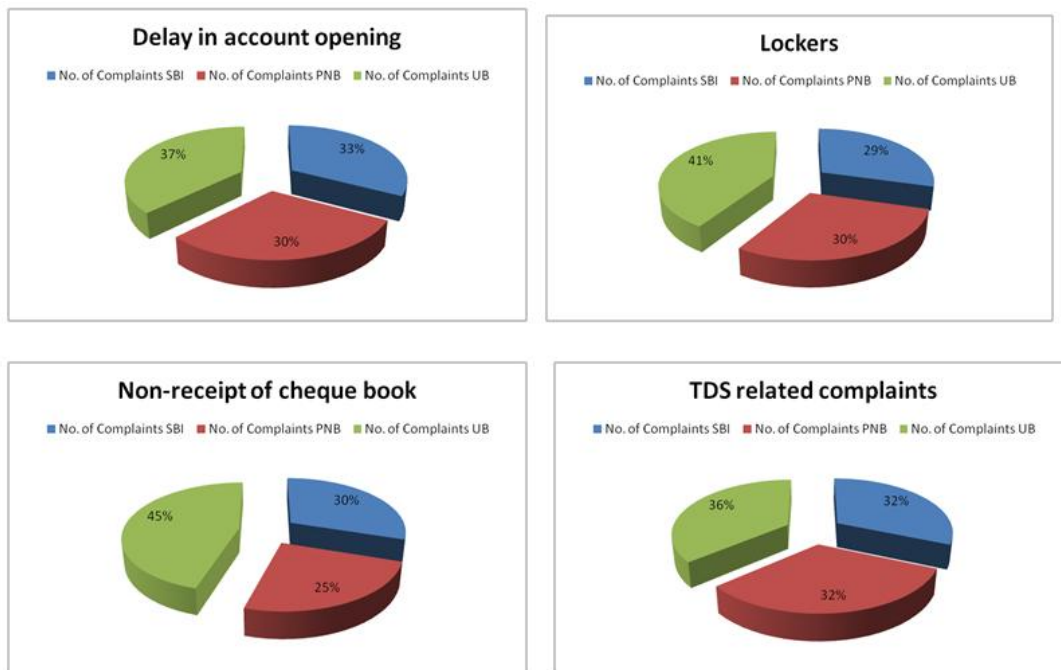


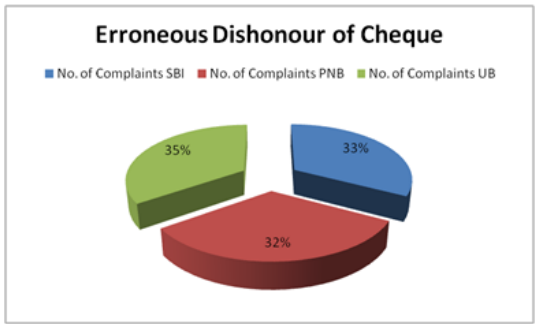
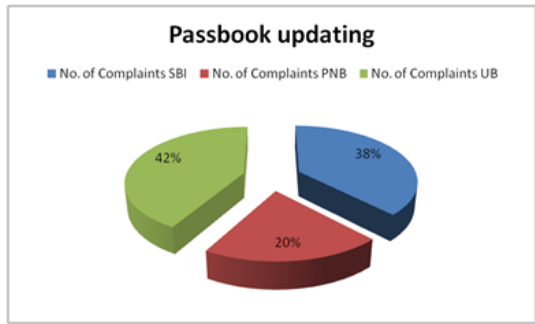
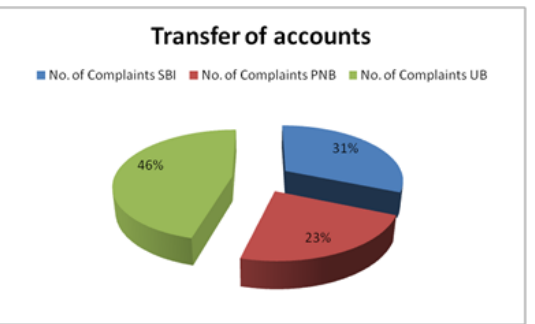
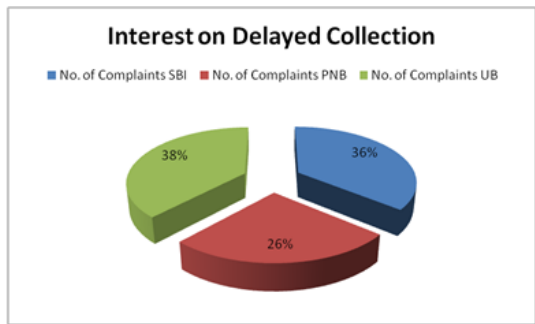
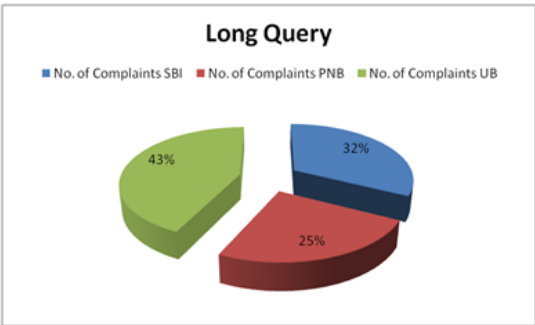
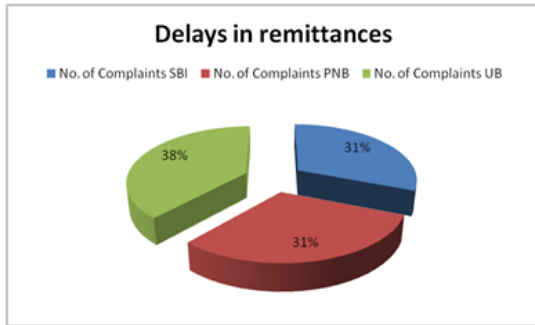
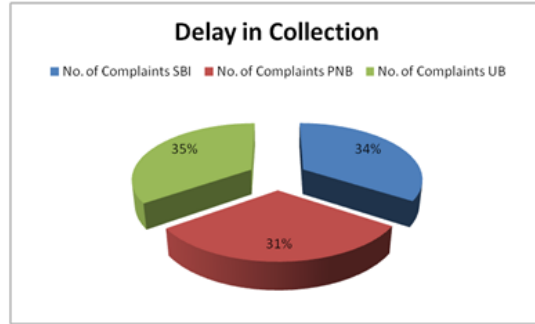
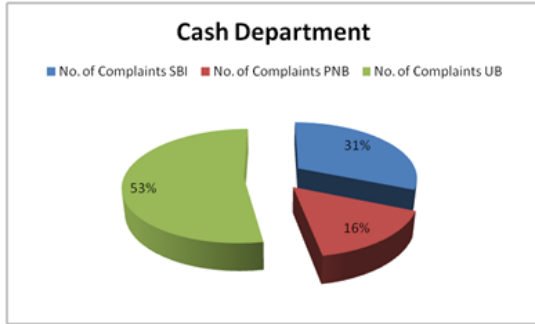
Figure 1: Yearly comparison of the complaints file in SBI PNB and union bank respectively in Yearly session .

The above data clearly specify that customer satisfaction is a crucial problem. So banking sector needs to be more concentrate on improving the customer service thereby increasing the level of customer satisfaction.

The goal of achieving the overall development of economy can only be attain by improving the customer service. Improvement in customer service also increases the volume and growth of business.

Customer satisfaction is directly linked with customer service. Our present study on relationship between customer satisfaction and level of customer satisfaction will help banking industry as a whole in evolving rational strategy for efficient management of customers. The present research proper will help further to improve upon the services and thereby increasing the level of customer satisfaction.





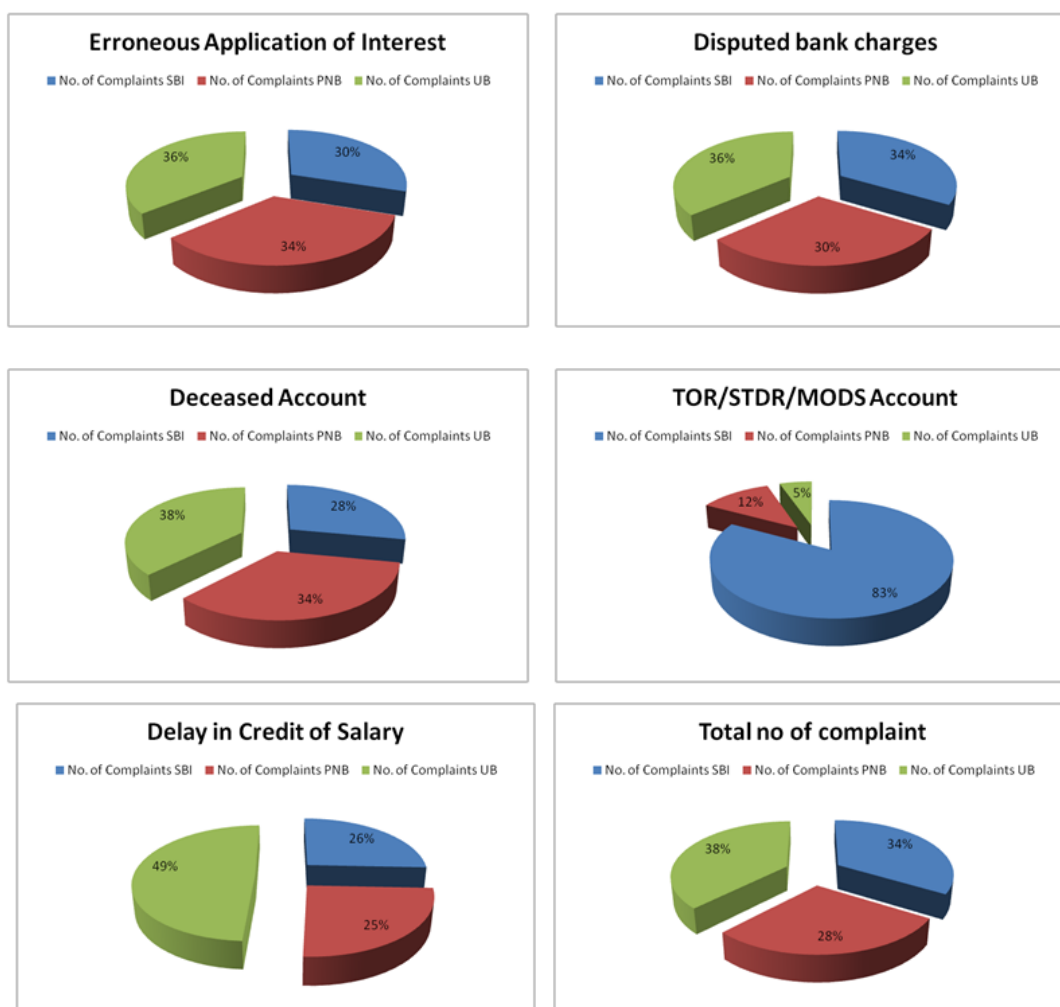


Figure 2: comparative analysis of the complaints filed against the bank by the customers.

On comparative analysis of the complaints we were fins that the min complaints filed in PNB against the working methods of the employees than SBI and maximum dissatisfaction in customers were found towards the union bank.

## VI. Conclusion & Recommendation

Thus we may say that there is direct relationship between customer service and level of customer satisfaction enhancement of customer satisfaction is necessary for overall growth of banking business and also for growth of economy. Banks should list on priority for improvement in quality of customer service.

## References

- [1]. Jankiraman R 1994. Indian banking by 2000 A.D. Challenges ahead, Indian banking by 2000 A.D. In: N Vinayakam (Ed.): A Profile of Indian Capital Market. New Delhi: Kanishka Publishers, P. 47.
- [2]. Jelassi T 2001. Banking on the internet: The Advance Bank in Germany. Banking on the Internet: The Advance Bank in Germany. In: A Michael, R Hitt, Ireland Duane, Robert E. Hoskisson (Eds.): Strategic Management: Competitiveness and Globalization. South- Western College Publishing, 2000 (with Albrecht Enders). P. 166.
- [3]. Karandikar SK 1999. Total bank automation for nationalized banks. IBA Bulletin, 21(2): 29-30.
- [4]. Girish V, Preeetha S 1997. Technology in banks – A global perspective. IBA Bulletin, 68(4): 183-189.
- [5]. Godse VT 1997. Banking technology: Challenges ahead for banks. IBA Bulletin, 68(4): 180-182.
- [6]. Government of India 1976. Customer services in banks. Final Report by Working Group (R.K. Talwar committee) on Customer Services in Bank.Appointed by Government of India, 1976. Cited from Bahl Shweta 1999. In Services of Nationalized Banks and Customer Satisfaction, Masters Thesis, Unpublished. Delhi: University of Delhi.
- [7]. Hammond A 2001. Digitally empowered development. Foreign Affairs, 80(2): 96-106.
- [8]. Harsh V V 1993. Marketing of Services. New Delhi: Global Business Press. Metawa SA, Almossawi M 1998. Banking behaviour of Islamic bank customers: Perspectives and implications. International Journal of Bank Marketing, 16(7): 299– 313.
- [9]. National Council for Applied Economic Research 1986. Evaluation of Customer Service Centre and Response of Customers to Functioning of Customers' Service Centre at the Selected Centers 1970-71 - 1981-82. New Delhi: National Council for Applied Economic Research.

- [10]. Reddy Y V 2001. Indian Banking: Paradigm Shift in Public Policy. BIS Review, 3/2002, Twenty-Third Bank Economists' Conference Organized by Indian Banks' Association and Hosted by Allahabad Bank at Kolkata on 16 Jan, 2002. Salma A 1998. Technological reforms in the banking sector, NMIMS Management Review, 10(1): 21-27.
- [11]. Datta Saroj Kumar, Kundu Sukanya 2009. A Causal Relationship between Information Technology and Customer Satisfaction – A Case Study on Indian Public Sector Banks. From (Retrieved on June 15, 2010). Shankar C 1995. As the money flies. Chartered Financial Analyst, October, P. 31.
- [12]. M. Kailash, A Study on Customer Satisfaction with Service Quality in Indian Public and Private Sector Banks: Golden Research Thoughts (March 2012)
- [13]. Hummayoun Naeem, Asma Akram and M. Iqbal Saif, &#39;Service Quality and Its Impact on Customer Satisfaction: An Empirical Evidence from The Pakistani Banking Sector&#39;, International Business & Economics Research Journal – December 2009 Volume 8.
- [14]. Uma Sankar Mishra, Bibhuti Bhusan Mishra, Saroj Kanta Biswal and Bidhu Bhusan Mishra, —Employee Evaluations of Customer Satisfaction: A Comparative Study between Public and Private Banks in India, International Research Journal of Finance and Economics ISSN 1450-2887 Issue 59 (2010).
- [15]. Ushad Subadar Agathe —An Assessment on Service Quality in the Mauritian Banking Sector| International Research Symposium in Service Management ISSN 1694-0938, (2010).
- [16]. Kajal Chaudhary and Monika Sharma, —Performance of Indian Public Sector Banks and Private Sector Banks: A Comparative Study|, International Journal of Innovation, Management and Technology.