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CUSTOMER SATISFACTION WITH BANKING SERVICES IN UDAIPUR, RAJASTHAN

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ABSTRACT:

This research paper explores the degree of customer satisfaction with banking services in Udaipur, Rajasthan. To improve service delivery and foster customer loyalty, it is essential to comprehend customer expectations and satisfactions as the banking industry continues to change. The study uses both qualitative and quantitative methodologies, gathering information from a representative sample of local bank customers through questionnaires and interviews. The impact of important elements on customer satisfaction is investigated including personnel conduct, technology integration, accessibility, service quality and the overall customer experience. Although consumers value convenience and improvements in digital banking services. The emergence of digital banking which provides convenience, speed and user friendly interfaces. It has become a major factor in customer satisfaction even while traditional banking services such as branch accessibility and in person interactions remain crucial. Positive customer experiences also depend on important components like competitive interest rates, transparent charge structures, and timely customer service and data security. The results show that traditional elements like trust and individualized attention continue to be important in determining overall satisfaction. Suggestions are presented at the end of the study.

KEYWORDS:

CUSTOMER SATISFACTION, BANKING SERVICES, SERVICE QUALITY, ACCESSIBILITY, TECHNOLOGICAL INTEGRATION, CUSTOMER BEHAVIOUR, CUSTOMER LOYALTY, DIGITAL BANKING.

INTRODUCTION

Recent years have seen a considerable evolution in banking services due to a combination of shifting consumer expectations, technological developments, and the general trend towards digitalization. Consumers today utilize banking services for a multitude of reasons, from standard banking tasks to increasingly complex financial services that make use of digital tools and platforms.

Customer satisfaction with banking services is the extent to which the financial institution meets or surpasses the expectations of its clients. It gauges how well a bank's offerings, customer service, and interactions meet the needs and expectations of its clients, resulting in a satisfying experience all around. Beyond simple transactional services, customer satisfaction with banking services is a multifaceted term. Banks must prioritise offering top-notch customer service, using cutting-edge technologies, guaranteeing clear pricing, and cultivating a reliable and customer-focused atmosphere in order to increase consumer satisfaction. Banks will be able to sustain solid customer connections and spur business growth through ongoing improvement based on consumer input and a dedication to quality in service delivery. According to a review of the literature, information technology has permeated every conceivable commercial sector, particularly banking, where a variety of channels are offering their clients high-quality services and raising their degree of pleasure.

A key factor in determining a financial institution's long-term performance is customer satisfaction with banking services. Customer loyalty, retention, and word-of-mouth recommendations can all be directly impacted by the calibre of the product offers, customer service, and overall experience. The following are some important variables affecting client satisfaction in the banking industry:

1. **Quality of Service**: The degree to which the bank provides its services, including customer service, account administration, and transaction accuracy, dependability, and efficiency.
2. **Convenience and Accessibility**: The ease with which clients can obtain financial services, whether via online and mobile banking platforms, ATMs, or in-person at a branch.
3. **Responsiveness and Support**: The rapidity and efficacy with which the bank handles consumer questions, concerns, or grievances. This covers the caliber of help offered as well as the accessibility of customer support.
4. **Personalised Experience**: The degree to which a bank customises its offerings, communications, and services to each individual's particular requirements and preferences.
5. **Trust and Security**: The degree to which clients believe the bank can protect their funds, private data, and transactions. This covers things like fraud prevention, cyber security, and open business practices.

6. **Value for Money**: To what extent clients believe they are getting a good deal for the costs and services they pay. Competitive pricing, affordable costs, and alluring incentives or advantages are all part of this.
7. **Sustainable Banking:** Certain banks provide services like investment funds that prioritise environmental, social, and governance (ESG) standards in order to promote ethical and sustainable business practices. A growing number of consumers are utilising financial services that are consistent with their moral principles.

Customer satisfaction increases the likelihood that they will stick with the bank, utilise more of its services, and refer others to it. On the other hand, low client satisfaction can result in turnover, bad press, and harm to the bank's brand.

In general, a bank's capacity to satisfy client demands, provide high-quality service, and cultivate a favourable, trustworthy relationship is reflected in consumer satisfaction with banking services. In the cutthroat banking sector, it is a key factor in fostering client loyalty and long-term corporate success.

REVIEW OF LITERATURE

Since consumer satisfaction with banking services has a direct impact on customer loyalty, retention, and overall commercial success for financial institutions, it is a topic of great interest both internationally and regionally. Knowing how satisfied customers are with banking services offers important information for both traditional and digital banking services in the context of **Udaipur, Rajasthan**, a developing city noted for its tourism, small enterprises, and rapid urbanisation. With an emphasis on Udaipur and Rajasthan, the review of pertinent literature that discusses the different aspects of customer satisfaction in banking services is provided below.

- **Oliver's Expectancy-Disconfirmation Theory** (1980): According to Oliver's approach, the discrepancy between client expectations and perceived service performance affects customer happiness. consumers in the banking industry may have expectations regarding the effectiveness, friendliness, or security of services; when banks meet or surpass these expectations, consumers are satisfied.
- **SERVQUAL Model** (Parasuraman, Zeithaml, and Berry, 1988): The SERVQUAL approach is commonly used for assessing service quality and customer satisfaction. The five main components of service quality are identified as follows: tangibles, competence, courtesy, security, responsiveness, communication, credibility, accessibility, and customer knowledge. Customers may give considerable weight to both physical features (like branch look) and service quality (like staff attentiveness) while assessing banking services in Udaipur, making both dimensions extremely pertinent.
- **Lin and Wang (2006)** investigated how Taiwanese consumers' satisfaction with online banking services was affected. They discovered that the main factors influencing client satisfaction with online banking were its convenience and usability. The opportunity to do transactions swiftly and safely without going to a physical location was valued by customers.
- **Ladhari (2009)** studied the relationship between customer happiness and service quality in Canada's banking industry. The study came to the conclusion that two important aspects affecting customer satisfaction are tangible service quality (the bank's physical surroundings and look) and service reliability (accuracy and consistency in service delivery).
- **Hassan (2013)** studied the connection between customer happiness and service quality in the Egyptian banking industry. He discovered that while tangibles—the bank's outward look—had a smaller impact on client satisfaction, qualities like responsiveness, assurance, and dependability were strongly connected with it.
- **Sánchez and Gallarza** (2009) examined the connection between customer satisfaction and service quality in Spain. They came to the conclusion that both the physical environment of the bank (such as the ambiance in branches) and personalised services (such as relationship management and customised banking products) were essential to client happiness.
- According to **Neha Gupta's** research, there are notable variations in the opinions that different groups have about the satisfaction and experience that may be obtained through retail banking channels. There are notable differences between younger and older bank clients' perceptions of the attractiveness of alternative channels, relational benefits, and satisfaction gained via retail banking channels. The researcher's conclusions emphasise how managers must create distinct retail banking packages for every type of client.
- **Subashini, R.** (2016) An examination of customer satisfaction and service quality in banking services: a worldwide perspective. According to the survey, all banks—public, private, and foreign—play a crucial role in the banking industry and offer a wide range of essential banking services to all of their clients, whether urban and rural, while preserving client loyalty, retention, and 100% satisfaction.
- **Paul, J., Mittal, A., & Srivastav, G. (2016)**. It was mentioned that in the case of private sector banks, the elements that were found to be positively associated with overall satisfaction were product knowledge, responsiveness to needs,

question-solving, quick service, quick connection to the appropriate person, and attempts to reduce queue time. Customer satisfaction is adversely correlated with follow-up, appearance, and customer assistance. However, in the case of public sector banks, the only component that is negatively associated is appearance, whereas the two characteristics that are positively associated are product expertise and quick service.

- **H.AJMAL, R A KHAN, M FATIMA (2018)**, According to the study, aspects of service quality like tangibility, empathy, and certainty have meaningful and positive correlations with customer satisfaction. However, while assurance, responsiveness, tangibility, and empathy show a significant impact and a favourable link with customer loyalty, reliability and responsiveness did not serve as a good estimator for consumer satisfaction. Reliability, however, was once again not proven to be a reliable indicator of client loyalty

OBJECTIVES OF STUDY

In general, the study aims to address the following goals:

- To analyse the customer's satisfaction with banks
- To identify the factors influencing customers satisfaction in banking industry

RESEARCH METHODOLOGY

To measure the satisfaction level of customers from banking services we have selected 5 banks namely Bank of Baroda , S.B.I., I.C.I.C.I.bank , H.D.F.C. bank and Union bank purposively . From all the banks we have selected 50 customers (10 from each bank) randomly to assess the level of satisfaction .We have collected the information by taking personal interviews of these customers .Collected data have been analysed through percentage , correlation and regression.

RESULTS

We have taken the personal interview of the customers of different banks and the results are presented in following table:

Indicators of satisfaction	Satisfied	Not Satisfied	Total
Satisfaction with banking services	20	30	50
Online services	25	25	50
Staff behaviour	30	20	50
Time duration	10	40	50
Solution to problem	20	30	50
Total	105	145	250

Source: Field survey

It is clear from the data given in the table that 40 percent customers of banks were satisfied with the banking services while 60 percent customers of banks were not satisfied with the services of the banks .

It is clear from the data given in the table that 50 percent were satisfied with the bank online services and 50 percent were not satisfied with bank online services.

It is clear from the data given in the table that 60 percent customers were satisfied with the staff behaviour while 40 percent customers were not satisfied with the staff behaviour of banks.

It is clear from the data given in the table that only 20 percent of customers were satisfied with the time duration of banks for various activities while 80 percent of customers were not satisfied with the time taken by the banks.

It is clear from the data given in the table that 40 percent of customers were satisfied by getting solutions to their problems and 60 percent of customers were not satisfied with it.

Overall, It is evident that 42 percent of customers were satisfied with different services of banks while the remaining 58 percent of customers were not satisfied with different services of banks.

REGRESSION MODEL:

We have fitted the regression model to identify the factors influencing the satisfaction of customers with banks.

Following model has been adopted here,

$Y_i = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + U_i$

Yi = Satisfaction of customers

X1 = Time duration of banking services

X2 = Behaviour of staff (used as Dummy Variable)

X3 = Solution to problems (used as Dummy Variable)

Yes =1, No =0

X4 = Rate of interest on savings

Following specifications have been made here between satisfaction level of customers and its determinants.

X1 = There is negative relation between the time duration of banking services and the level of satisfaction of customers. (as the time increases, satisfaction level decreases)

X2 = There is positive relation between behaviour of staff and satisfaction level. (good behaviour, high satisfaction)

X3 =There is a positive relation between getting solutions to problems and satisfaction level of customers.

X4 = There is a positive relation between rate of interest on savings and satisfaction level of customers.

VARIABLE	β	R^2	Adjust. R	P.Value
X1	-(0.46)	0.79	0.785	0.002
X2	0.52			
X3	0.56			

X4	0.62			

It can be seen from the fitted model that our model is found to be best fitted as value R^2 and adjusted R^2 is quite high. 79 percent variations in satisfaction can be found from P. Value which is less than the level of significance 0.05. All the independent variables are significantly affecting the level of satisfaction of customers.

SUGGESTIONS

- Simplify terms and conditions and make fee structures transparent. Customers appreciate clarity in understanding what they're paying for and why.
- Regularly ask for customer feedback and use it to make improvements. Hold surveys, focus groups, or interactive platforms to engage customers in the decision-making process.
- Ensure that mobile apps and online platforms are easy to access, secure, and feature-rich.
- Minimise hidden charges or surprise fees (like ATM fees, overdraft fees, etc.), which can lead to dissatisfaction.
- Bank staff should be attentive to customers' needs and concerns, offering their full attention during interactions. This means avoiding distractions and giving customers time to explain their situation or question.

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