

## **Customer Awareness and Satisfaction Level of Banking Service in New Generation Banks**

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**ABSTRACT:** Before the establishment of banks, the financial activities were handled by money lenders and individuals. At that time the interest rates were very high, there was no security for public savings and no uniformity in providing loans. So as to overcome such problems, the organised banking sector was established. This study intends to analyse the awareness level of services, the satisfaction level of customers, promotion strategies and the factors motivating the customers towards New Generation Banks. The study is an empirical research based on survey method. Data were collected from primary as well as secondary sources. 3 Banks namely ICICI, IDBI and HDFC were selected in Gobichettipalam of Erode District. 150 samples were selected conveniently. The banks are to be on their toes all the time to understand the ever, changing needs of the public. They should offer varied and innovative service to suit the convenience of the customers.

**Keywords:** Customer awareness, Satisfaction, Banking, Financial System, Technology

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### **I. INTRODUCTION**

Banking system plays an important role in a country's economy. It is essential for a health and vibrant economy and it will result in achieving a faster rate of economic growth. Commercial banks play an important role in the development of a country. The banks are the main participants of the financial system in India. The banking sector offers several facilities and opportunities to their customers. All the banks safe guards the money and valuables and provide loans, credit, and payment services, such as checking accounts, money orders and cashier's cheques.

#### **1.1 Statement of the Problem**

Erode District is surrounded by villages and they are agriculture based. Majority of the people in this district are farmers and agriculture labours. Despite of hi-tech and sophisticated banking services. They are not able to use the services with out any hindrances. Consequence of this they are dissatisfied with the service offered by the bank. As the people belong to rural areas, they could not able to follow the computerized banking systems. They want to contact the officials and staff directly. Due to heavy rush the bank staff could not able to spend much more time to contact and meet the customers individually. Many of the customers could not able to follow the terms and conditions. They found it to be tedious to follow the procedure for opening account, availing loans and surrounding deposits.

Against this background, it seems pertinent to find out the answers for the following questions.

1. Whether the user's are having awareness about the new generation banks? 2. What are the factors that influencing the users to selecting the services? 3. Whether the users having satisfaction about new generation banks?

#### **1.2 Scope of the Study**

The study aims to find out the promotion strategies for banking services. This study is confined to Gobichettipalayam Town only. This study intends to analyse the awareness level of services of New Generation Banks, factors motivating the customers towards banks. The satisfaction level of customers and the promotion strategies of the New Generation Banks.

#### **1.3 Objectives of the Study**

The study is undertaken to identify the following objectives:

To analyse the awareness level of the customers in New Generation Banks; To examine the customers' satisfaction in the performance of New Generation Banks and to offer suggestion to provide best services to the customers by New Generation Banks.

#### **1.4 Limitations of the Study**

1. The analysis is confined only to Gobichettipalayam town, if which may not be applicable to other areas. Hence the status cannot be generalized on extended to other areas in Tamil Nadu.
2. This study is based on the satisfaction of customers. But the satisfaction level may change according to time, amount, technology and development.
3. The period of the study is restricted. Therefore the findings may not be applicable in the future period.
4. The sample sizes are restricted to applicable to the present study. The conclusions would be based on the responses obtained from the respondents through interview schedule

## **II. REVIEW OF LITERATURE**

In any study, the review of previous studies are considered as important for getting a better understanding of the problem, the methodology followed and to identify the unexplored part of the field of the study under consideration. In this regard, some of relevant studies have been reviewed in the present study.

Jaiswal, K.S and Neeta Singh (2007) in their study explained the opportunities and challenges of retail banking in India and suggested that in future, banks need to equip them selves with internal capabilities and built efficient and viable business models to create advantage of new opportunities available into a long-term sustainable competitive advantage.

Heffeman, O'Neil, Trowaglione and Droulers (2008) In this study was two aims of this paper are to explore the development of trust for relationships between staff and customer in the banking sector and to investigate possible links between financial performance of relationship manager and their levels of emotional intelligence (EI) and trust. The banking sector is becoming increasingly competitive around the world. This is particularly true in the area of small medium business banking. Further the core and actual product being offered to business customers could be considered reasonable homogenous.

Selvakumar.M and Kathiravan P.G (2009) emphasized that the public sector banks in India comprising of SBI and its 7 subsidiaries and 19 other nationalized banks, controls 80% of banking business in India. They studied the profitability of PSBs in India. They suggested that the PSBs should concentrate and focus on overdue collection, reduction of administrative expenses non-interest incomes and attractive and innovative schemes for further development.

Mohamed Ismal (2010), conducted a survey on "Marketing Through Internet". It was found out that, the internet providing huge marketing opportunities to business concerns of our country. Business houses, in India are learning from the experiences of their counter parts in the development world and they have now begun to exploit the internet to conduct business while the electronics in marketing in the electronics.

Naveen kumar and Gangal (2011) conducted a study on customer satisfaction in new generations banks. They found that the majority of India's banks are not very diversified in terms of the products and services they offer and strategic focus that banks and implement to remain competitive would be to retain as many customers as possible and customer retention is possible through customer's satisfaction only. Thus, Customer's satisfaction is the key of success in today's competitive era.

Alabar Timothy (2012) focused on e-banking and customer satisfaction in Nigeria, and concluded that there is an impact of e-banking on satisfaction of the customer of the banks in Nigeria.

Perna Dawar (2013) on her study found that factors affecting satisfaction are staff knowledge, behaviour, online banking, e-channel management and support system, amount charges, and language information.

## **III. METHODOLOGY**

The study is an empirical research based on survey method. Data for this investigation were collected from primary as well as secondary sources. The present study considers only three new generation banks in Gobichettipalayam town. In Erode District, Gobichettipalayam town is having thirty wards. Among thirty wards in Gobichettipalayam town, all wards were conveniently selected for this study. Interview schedule method was used to gather the required information. Before the exact process of data collection, 20 questionnaire were used for the purpose of pilot study. Out of 180 interview schedule distributed to the customers, only 150 sample customers were considered final analysis. Convenient sampling technique was used for this study. Accordingly a sample of 150 respondents was selected.

### **3.1 Hypothesis**

The following hypotheses have been formulated by considering the objectives of the study the researchers.

1. There is no significant association between the personal variables of respondents and their awareness of various services offered by the bank.

2. The average awareness score of different groups of sample customers is the same.
3. There is no significant association between the personal variables as respondents and their satisfaction of customers towards banking service.
4. The average satisfaction score of different groups of sample customers is the same.

#### **IV. RESULTS AND DISCUSSION**

##### **4.1 Summary of level of awareness towards the services offered by New Generation Banks**

The average score of 150 sample customers is 47.69. the reasons for the moderate score may be that majority of the schemes announced by the banks have not reached the customers in full.

It is found that the middle age group is having medium / high awareness (75.40%) compare to other two groups. The average score of the sample customers belonging to old age group (49.44) is higher than the average score of young age group (47.26) and middle age group (46.45). It is found that awareness level of male customers (78.1%) is higher than female customers (74%). The average awareness score of the female customers (45.13) is higher than the average awareness score of the male customers (45.76). It is found that the married customer (74.1%) is having high awareness compare to unmarried customers (74%). The average awareness score of the unmarried customers (47.77) are higher than the average awareness score of the married customers (47.62).

It is found that the awareness level of customers in college education (76.60%) is high compare to other two groups of customers. It is found that the average awareness score of the college education (48.30) is higher than the average awareness score of customers in illiterate (48.23) and school level (47.30). It is found that the awareness level of customers working in private and government employees (75.6%) is high compare to other two categories. It is found that the average awareness score of customers in Business People (48.61) are higher than the other two categories.

It is found that the awareness level of customers in low income group (34.2%) is higher compare to other two groups. It is inferred that the low income group has more awareness regarding New Generation Banking Services. It is found that the average awareness score of the customers low income groups (51.29) is higher than the average awareness score of customers with middle income groups (46.54) and high income groups (46.41). It is found that the customers in the group of upto 4 members (31.3) are high awareness than the other group. It is found that the average score of the customers with upto 4 members (47.77) is higher than the average awareness score of the customers in above 4 members (47.60).

It is found that the awareness level of individual family (32.9%) is higher than the joint family (25%). The average awareness score of the individual family (49.17) is higher than the average awareness score of the joint family (46.4). It is found that the customers in the groups of above 3 members (32.9%) is higher than the up to 3 members of the family (25%). It is found that the average awareness score of the upto 3 members (53.33) is higher than the average awareness score of the above 3 members (46.67). It is found that the awareness level of customers in ICICI bank (77.7) is having high awareness compare to other two categories. It is found that the average score of the customers with ICICI bank (48.90) is higher than the average awareness score of customers with HDFC bank (47.82) and IDBI bank (45.50).

It is found that the awareness level of customers in above 1 year account operation (31.7%) is higher than the upto 1 year account operation (26.7%). The average awareness score of the customers in above 1 year (48.18) is higher than the average awareness score of the upto 1 year (47.37).

It is found that the awareness level of customers with current a/c (76.7%) is higher compare to other four groups. It is found that the average awareness score of the customers in saving a/c (49.68) is higher than the average awareness score of customers with current a/c (48.83), fixed deposit a/c (47.73) and other types a/c (46.45). It is found that the customers in use the source of newspaper are high awareness (80%) than the other three groups. It is found that the average score of the customers in source use the news paper (49.05) is high than the average customers in TV/Radio/Internet (47.10), Relative & Friends (47.60) and Bank staff (47.60). It is found that the awareness level of customers use the services in safety locker (85%) is higher than the credit card users (80%) and higher than the other groups. It is found that the average awareness score of the safety locker (58.07) is higher than the average awareness score of customers with ATM/ Debit Card (56.06), Fund Transfer (50.75), Credit Card (49.45), Demand Draft (46.00) and Share Transfer (44.75).

##### **4.2 Summary of level of satisfaction towards the services offered by New Generation Banks**

Out of 150 respondents, satisfaction level of 117 (78%) customers is low/medium. In respect of 33 (22%) of respondents, the satisfaction level is high. The average score of the respondents range from 73 to 113. The average score of 150 sample customers is 76.33. It is found that the middle age group is having low satisfaction (44.6%) compare to other two groups. The average score of the respondents belonging to old age (77.54) is higher than the average score of young age group (77.52) and middle age group (74.77). It is found

that the male customer (40.6%) are having less satisfaction compare to female customers (31.5%). The average of satisfaction score of the male customers (89.19) is higher than the average satisfaction score of female customers (83.70).

It is found that the married customers (37.7%) are having less satisfaction compared to unmarried customers (37%). The average satisfaction score of the married customers (76.45) is higher than the average satisfaction score of the unmarried customers (76.20). It is found that the customers from school category (40%) are less satisfied compared to other two groups of customers. The average satisfaction score of the customers with school level educational (80.23) is higher than the average satisfaction score of the customers with illiterate customers (79.22) and college level customers (74.10).

As far as occupation and level of satisfaction is compared the customers of all groups viz., agriculture, employee and business. It is found that the business people (40.5%) are having less satisfaction is compare to other two groups of customers.

It is found that the average satisfactions core of the customers with agriculturist (80.14) is higher that the average satisfaction score of customer with business people (78.55) and employees (70.42). It is found that customers from low income group (39.5%) are less satisfied compared to other two groups of customers. It is found that the average satisfaction score of the customers with low income group (81.13) is higher than that of high income group (76.48) and middle income group (72.80). Among the two groups of customers to satisfaction level, it is found that the customers in upto 4 members group is either low or medium (64%) compare to other groups.

It is found that the average satisfaction of the respondents belonging to above 4 members (77.68) are higher than the average satisfaction score of upto 4 members (75.15). It is found that the percentage of joint family (38.8%) is having low satisfaction than that of individual family (35.7%). The average satisfaction score of the individual family (77.53) is higher than the average satisfaction score of the joint family (75.29). It is found that the customers in upto 3 members of the family (38.8%) is having low satisfaction than that above 3 members of the family (35.7%). The average satisfaction score of the above 3 members (76.80) is higher than the average satisfaction score of upto 3 members (75.92).

It is found that the customers in three type of bank. The customers in ICICI bank (45.7%) are low level of satisfaction compare to other two groups of customers. It is found that the average satisfaction score of the respondents belonging to IDBI bank customers (81.50) are higher than the average satisfaction score of ICICI Bank customers (75.26) and HDFC bank customers (74.74). Among the two groups of customers to satisfaction level, it is found that the customers in above 1 year account maintain (38.3%) are less satisfied compare to up to 1 year account maintain customers (36.7%). The average satisfaction score of above 1 year account maintain (76.40) is higher than the average satisfaction score of the upto 1 year account maintain customer (76.29).

As far as types of account maintain and level of satisfaction is compared, the customers as all groups viz., saving a/c, current a/c, fixed deposit a/c. It is found that the percentage of saving a/c (45.7) are having less satisfaction is compare to others. It is found that the average satisfaction score of the other categories customers (82.60) is higher than the average satisfaction score of customer with fixed deposit a/c (81.13), saving a/c (75.10), and current a/c (70.23). It is found that the customers use in TV/Radio/Internet (46.7%) are less satisfied compare to other three groups of customers.

It is found that the average satisfaction score of the customers in Relatives & Friends (78.80) is higher than the average satisfaction score of bank staff (77.50), TV/Radio/Internet (74.07) and News paper (70.00). It is found that the customers used the services is fund transfer (55%) are less satisfied compared to other groups of service used the customers. It is found that the average satisfaction score of the customers in credit card users (80.63) is higher than the average satisfaction score of customers in demand draft (78.42), ATM / Debit Card (76.7), safety locker (75.20), fund transfer (74.50) and share transfer (73.60).

## **V. CONCLUSION**

It is felt that need establishment of banking services in the rural areas is a vital for success of any new generation bank. ICICI, IDBI and HDFC should increase the customers' satisfaction by rendering various social services. On the basis of the findings of the present study some constructive, practicable and viable suggestions have been made. If the administrative policy makers of the new generation banks seriously consider all the suggestive measures there is no doubt that even in the competitive trend New Generation Banks will shine and it will continue to be a leading banks in India.

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**Table 1: Distribution according to their Level of satisfaction with New Generation Banking Service**

Variables	Dimensions	Level of Satisfaction			Total	Chi Square	F/Z Test
		Low	Medium	High			
Age	Young Age	11 (35.50)	14 (45.20)	6 (19.40)	31 (100)	3.958	0.138 (F Value)
	Middle Age	29 (44.60)	21 (32.30)	15(23.10)	65 (100)		
	Old Age	16 (29.60)	26 (48.10)	12 (22.20)	54 (100)		
Gender	Male	39 (40.60)	44(45.8)	13(13.5)	96(100)	11.196	2.089 (Z Value)
	Female	17 (31.50)	17 (31.5)	20 (37.0)	54 (100)		
Marital Status	Married	29 (37.70)	31 (40.30)	17 (22.10)	77 (100)	0.011	0.048 (Z Value)
	Unmarried	27 (37.00)	30 (41.10)	16 (21.90)	73 (100)		
Educational Qualification	Illiterate	17 (34.00)	20 (40.00)	13 (26.00)	50 (100)	1.394	0.322 (F Value)
	School Level	28 (40.00)	27 (38.60)	15 (21.40)	70 (100)		
	College Level	11 (36.70)	14 (46.70)	5 (16.70)	30 (100)		
Occupation	Agriculture	7 (33.30)	9 (42.90)	5 (23.30)	21 (100)	5.654	1.142 (F Value)
	Employee	15 (33.80)	24 (53.30)	6 (13.30)	45 (100)		
	Business	34 (40.50)	28 (33.30)	22 (26.20)	84 (100)		
Annual Income	Upto 1,50,000	15 (39.50)	12 (31.60)	11 (28.90)	38 (100)	2.804	0.771 (F Value)
	1,50,001 to 2,50,000	20 (37.00)	25 (46.30)	9 (16.70)	54 (100)		
	Above 2,50,000	21 (36.20)	24 (41.40)	13 (22.40)	58 (100)		
Size of the Family	Upto 4	32 (40.00)	32 (40.00)	16 (20.00)	30 (100)	0.657	0.486 (Z Value)
	Above 4	24 (34.30)	29 (41.40)	17 (24.30)	70 (100)		
Type of Family	Joint	31 (38.80)	32 (40.00)	17 (21.30)	80 (100)	0.155	0.430 (Z Value)
	Individual	25 (35.70)	29 (41.40)	16(22.90)	70 (100)		
No. of Earning Members	Upto 3	31 (38.80)	32 (40.00)	17 (21.30)	80 (100)	0.155	0.169 (Z Value)
	Above 3	25 (35.70)	29 (41.40)	16(22.90)	70 (100)		
Maintaining Account of the Bank	IDBI	8 (26.70)	15 (50.00)	7 (23.30)	30 (100)	6.838	0.499 (F Value)
	ICICI	32 (45.70)	21 (30.00)	17 (24.30)	70 (100)		
	HDFC	16 (32.00)	25 (50.00)	9 (18.00)	50 (100)		
Number of years account operation	Upto 1 year	33 (36.70)	38 (42.20)	19 (21.10)	90 (100)	0.241	0.021 (Z Value)
	Above 1 year	23 (38.30)	23 (38.30)	14 (23.30)	60 (100)		
Type of account maintain the bank	Savings a/c	32 (45.70)	22 (31.40)	16 (22.90)	70 (100)	8.974	0.895 (F Value)
	Current a/c	13 (43.30)	12 (40.00)	5 (16.70)	30 (100)		
	Fixed deposit a/c	7 (23.30)	16 (53.30)	7 (23.30)	30 (100)		
	Others	4 (20.00)	11 (55.00)	5 (25.00)	20 (100)		
Types of deposits & services offer the bank	News Paper	9 (45.00)	8 (40.00)	3 (15.00)	20 (100)	4.181	0.452 (F Value)
	TV/Radio/ Internet	14 (46.70)	10 (33.30)	6 (20.00)	30 (100)		
	Relative / Friends	21 (35.00)	23 (38.30)	16 (26.70)	60 (100)		
	Bank Staff	12 (30.00)	20 (50.00)	8 (20.00)	40 (100)		
Types of Service Used this bank	Safety locker	10 (33.30)	14 (46.70)	6 (20.00)	30 (100)	8.426	0.129 (F Value)
	ATM card	19 (38.80)	19 (38.80)	11 (22.40)	49 (100)		
	Demand Draft	3 (25.00)	6 (50.00)	3 (25.00)	12 (100)		
	Fund Transfer	11 (55.00)	4 (20.00)	5 (25.00)	20 (100)		
	Share Transfer	9 (45.00)	7 (35.00)	4 (20.00)	20 (100)		

**Table 2: Distribution according to their Level of awareness with New Generation Banking Service**

Variables	Dimensions	Level of Awareness			Total	F/Z Test
		Low	Medium	High		
Age	Young age	10 (32.30)	12 (38.70)	9 (29.00)	31 (100)	0.572 (F Value)
	Middle age	16 (24.60)	32 (49.20)	17 (26.20)	65 (100)	
	Old age	13 (25.00)	24 (44.00)	17 (31.00)	54 (100)	
Gender	Male	21 (21.90)	46 (47.90)	29 (30.20)	96 (100)	0.057 (Z Value)
	Female	14 (26.00)	20 (37.00)	20 (37.00)	54 (100)	
Educational Qualification	Illiterate	12 (24.00)	21 (42.00)	17 (34.00)	50 (100)	0.121 (F Value)
	School Level	20 (28.60)	31 (44.30)	19 (27.10)	70 (100)	
	College Level	7 (23.30)	16 (53.30)	7 (23.30)	30 (100)	
Occupation	Agricultural	7 (33.33)	12 (57.10)	2 (9.50)	21 (100)	0.571 (F Value)
	Employee	11 (24.4)	21 (46.7)	13 (28.9)	45 (100)	
	Business	21 (25.0)	35 (41.7)	28 (33.3)	84 (100)	
Annual Income	Upto 1,50,000	7 (18.40)	18 (47.40)	13 (34.20)	38 (100)	1.397 (F Value)
	1,50,001 to 2,50,000	13 (24.10)	28 (51.90)	13 (24.10)	54 (100)	
	Upto 2,50,000	19 (32.80)	22 (37.90)	17 (29.30)	58 (100)	
Size of the Family	Upto 4	21 (26.30)	34 (42.50)	25 (31.30)	21 (100)	0.069 (Z Value)
	Above 4	18 (25.70)	34 (48.60)	18 (25.70)	70 (100)	
Type of Family	Joint	22 (27.50)	38 (47.50)	20 (25.00)	80 (100)	1.098 (Z Value)
	Individual	17 (24.30)	30 (42.90)	23 (32.90)	70 (100)	
No. of Earning Members	Upto 3	19 (23.80)	41 (51.30)	20 (25.00)	80 (100)	0.069 (Z Value)
	Above 3	20 (28.60)	27 (38.60)	23 (32.90)	70 (100)	
Maintain account of the bank	IDBI	10 (33.30)	13 (43.30)	7 (23.30)	30 (100)	0.121 (F Value)
	ICICI	17 (22.30)	33 (47.10)	20 (30.60)	70 (100)	
	HDFC	12 (24.00)	22 (44.00)	16 (32.00)	50 (100)	
Number of years of account operation	Upto 1 year	22 (24.40%)	44 (48.90%)	24 (26.70%)	90 (100)	0.311 (Z Value)
	Above 1 year	17 (28.30%)	24 (40.00%)	19 (31.70%)	60 (100)	
Type of Accounts Maintain	Savings A/c	19 (27.10)	32 (45.70)	19 (27.10)	70 (100)	0.238 (F Value)
	Current A/c	7 (23.30)	14 (46.70)	9 (30.00)	30 (100)	
	Fixed Deposit A/c	8 (26.70)	12 (40.00)	10 (33.30)	30 (100)	
	Others	6 (30.00)	10 (50.00)	4 (20.00)	20 (100)	
Type of Accounts Maintain	News paper	4 (20.00)	10 (50.00)	6 (30.00)	20 (100)	0.067 (F Value)
	TV/Radio/Internet	8 (26.70)	13 (43.30)	9 (30.00)	30 (100)	
	Relative / Friends	16 (26.70)	28 (46.70)	16 (26.70)	60 (100)	
	Bank Staff	11 (27.50)	17 (42.50)	12 (30.00)	40 (100)	
Types of service offered bank	Safety locker	6(15.00)	14(45.00)	10(40.00)	30(100)	0.393 (F Value)
	ATM Card	11(22.00)	20(40.00)	19(38.00)	50(100)	
	Credit Card	4(20.00)	10(50.00)	6(30.00)	20(100)	
	Demand Draft	3(30.00)	4(40.00)	3(30.00)	10(100)	
	Fund Transfer	6(30.00)	7(35.00)	7(35.00)	20(100)	
	Share Transfer	5(25.00)	10(50.00)	5(25.00)	20(100)	