

**A STUDY ON CUSTOMER SATISFACTION PROGRAM IN MODERN
BANKING INDUSTRY WITH REFERENCE TO INDIAN BANKING
INDUSTRY**

Submitted in partial fulfillment of the requirement for the reward of

Master of Business Administration

By

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40410085



Master of Business Administration

SCHOOL OF MANAGEMENT STUDIES

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY

(DEEMED TO BE UNIVERSITY)

Accredited with Grade “A” by NAAC | 12B Status by UGC | Approved by AICTE

Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119



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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **KODEESWARAN.S (40410085)** who carried out the project entitled **"A STUDY ON CUSTOMER SATISFACTION PROGRAM IN MODERN BANKING INDUSTRY WITH REFERENCE TO INDIAN BANKING INDUSTRY"** under my supervision from January 2022 to March 2022.

DR. MATHAN.N

Internal guide

External Guide

**Dr. BHUVANESWARI .G
Dean – School of Management Studies**

Submitted for Viva voice Examination held on_____

Internal Examiner

External Examiner

DECLARATION

I **KODEESWARAN.S (40410085)** hereby declare that the Project Report entitled **“A STUDY ON CUSTOMER SATISFACTION PROGRAM IN MODERN BANKING INDUSTRY WITH REFERENCE TO INDIAN BANKING INDUSTRY”** done by me under the guidance of **DR.N.MATHAN** is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

DATE:

PLACE:

KODEESWARAN.S

ACKNOWLEDGEMENT

I am pleased to acknowledge my sincere thanks to Board of Management of **SATHYABAMA** for their kind encouragement in doing this project and for completing it successfully. I am grateful to them.

I convey my sincere thanks to **Dr. G. Bhuvaneswari, Dean - School of Management Studies** and **Dr. A. Palani, Head - School of Management Studies** for providing me necessary support and details at the right time during the progressive reviews.

I would like to express my sincere and deep sense of gratitude to my Project Guide **DR.N.MATHAN** for her valuable guidance, suggestions and constant encouragement paved way for the successful completion of my project work.

I wish to express my thanks to all Teaching and Non-teaching staff members of the **School of Management Studies** who were helpful in many ways for the completion of the project.

KODEESWARAN.S

ABSTRACT:

The main purpose of this study is to examine how customer retention is affected by the factors of customer retention. A structured questionnaire was distributed to banking customers based on demographics (gender, age, marital status, education, occupation and, income level) in National Capital Territory. Data was successfully collected from 100 respondents . Factors of customer retention were categorized into four main groups i.e. tangible, reliability, responsiveness and assurance & empathy Factors. Further multiple regression analysis was used to measure the factors of customer retention and their impact on customers' retention decision. After multiple-regression it was found that 'Within Timeframe Service Delivery', 'Sincere Efforts in Solving Customer Problems' and 'Accepting & Resolving Faults' are the most important factors which affect customers' retention intention.

AIM:

. The aim of this research is to investigate the link between service quality and customer satisfaction and the ways through which service firms can improve and manage the process of delivering quality standards to their customers. For this purpose, the study analyses the effect of service quality on customer satisfaction by discussing their relationship. Also, it highlights and discusses those factors that can have an impact on the both constructs. Furthermore, some improvements techniques are examined through which quality of services may be improved in the organization. The aim is achieved by addressing following research questions.

The research mainly focuses on the service industry which is a broad term therefore banking sector is selected among other service institutions. Qualitative methodology is used for the purpose of research. Interviews are conducted of managers involved in developing policies or procedures to improve service quality and to serve current and future customers. The hospitality industry is a vast industry in which banking sector is chosen to conduct this research. The study has certain limitations. Qualitative research methodology is used for this study. For this purpose interviews are conducted of those managers who are directly or indirectly related to quality/ customer services. Therefore it is possible that some of the information (collected from those managers who are not directly related to quality/ customer service department) could not be marked as expert opinion on the subject matter. The research is done in the banking sector and the data is gathered from two different banks in two countries Sweden and Pakistan. Therefore the results of this study could be applied up to some extend in the same industry but cannot be generalized for the whole service industry.

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Answer the 5H and 2H

1.2.1 WHY:

Customer retention helps increase the profitability of your small business. Build lasting customer relationships by providing personalized quality service, communicating effectively, rewarding loyal customers, and offering innovative products and services.

1.2.2 WHERE IN CHENNAI LOCATION

.

1.2.3 WHEN The problem arises during today scenario.

1.2.4 WHO 2 My target is both student and employee at the age group [15-60 AND ABOVE]

1.2.5 HOW I found this problem during current scenario .

1.2.6 HOW MUCH I will take minimum of 70 sample and maximum of 100 sample.

1.3 AREA OF INDUSTRY:

An online questionnaire was developed to collect that required data in the most efficient manner possible. The questionnaire was distributed via electronic mail to the potential participants. The unit of analysis was fuel consumer .

SAMPLE SIZE:

It comprises of 70-100 respondents from over tamilnadu , spread across various socio demographic profiles.

SAMPLING DESIGN:

A random sampling method was adopted to draw the sample respondents for the study. Random sampling means each individual element in the universe has an equal chance of being chosen. An online questionnaire was developed to collect that required data in the most efficient manner possible. The questionnaire was distributed via electronic mail to the potential participants. The unit of analysis was fuel consumer.

SAMPLE SIZE:

It comprises of 70-100 respondents from over chennai , spread across various socio demographic profiles.

SAMPLING DESIGN:

3 A random sampling method was adopted to draw the sample respondents for the study. Random sampling means each individual element in the universe has an equal chance of being chosen.

INTRODUCTION:

India is second most populated country with seventh place in land holding in the world. Social, economic and geographic characteristics of India are different from that of other Asian countries which makes Indian banking sector unique as compared to its Asian counterparts. Customers are in better position to compare the services offered by different banks, if they get better services from competitor bank; they are prone to switch to other bank. Globalisation of banking sector has also added some fuel to this competition because with globalisation Indian banking sector is more open and exposed to the international competition. Now Indian banks are facing a great challenge to attain operational efficiency to sustain in the global competition. To face and counter the challenges caused by international and domestic banks and compete with international players Indian banks have to adopt a customer centric approach which should be mainly focused on building and deepening the relationship with their customers (Roy and Shekhar, 2010).

The inevitable evolution of larger markets forced by competition has made the customer ultimate beneficiary and at the same time it has made it for banks to retain their customers in the process of market development (Vinita Kaura, 2013). Therefore, a significant improvement in profitability can be witnessed with a small reduction in the rate of customer defection. Firms gain not only financial benefits by retaining the customers, but they also get some non-financial benefits because satisfied and loyal customers will spread positive word-of-mouth publicity which further helps in attracting new customers. To retain customers in service industry the organisations must be customer focus, which will improve service quality and consequently will be successful in retaining their customers. Establishing successful relationships plays a great role in improving organisation's performance by Contributing considerably towards loyalty, and retention with customer satisfaction (Reichheld) and Sasser, 1990; Rust and Zahorik, 1993). Behaviour and the level of motivation of staff also have some importance in respect to retention because satisfied employees tend to deliver better quality services. Effective internal marketing enhances the perception of employees regarding their role and responsibilities which in return assists in creating and maintaining a customer oriented service culture within the organisation.

DEFINITION:

Customer refers to a company's ability to turn customers into repeat buyers and prevent them from switching to a competitor. It indicates whether your product and the quality of your service please your existing customers. ... Customer satisfaction is different from customer acquisition or lead generation.

INDUSTRY PROFILE:

PUBLIC BANK: STATE BANK OF INDIA

SBI is an Indian multinational public sector bank and financial service statutory body headquartered in Mumbai, Maharashtra. SBI is the 43rd largest bank in the world and ranked 221st in the Fortune *Global 500* list of the world's biggest corporations of 2020, being the only Indian bank on the list. It is a public sector bank and the largest bank in India with a 23% market share by assets and a 25% share of the total loan and deposits market.

PRIVATE BANK: CITI UNION BANK

It is an Indian bank headquartered in Kumbakonam, Tamil Nadu. The bank was initially named Kumbakonam Bank Limited, and was incorporated on 31 October 1904. The bank preferred the role of a regional bank in the Thanjavur district of Tamil Nadu. CUB provides a gamut of technological services such as net banking, mobile banking, self-service kiosks, bulk note acceptors, and point of sale. To cater to the needs of customers coming from many different walks of life, the bank also has a wide offering of savings and deposit products.

LITRATURE REVIEW:

Various studies have been conducted to know and explain the repurchase intentions of the customers. Customer retention has been described as customer's intention to stay with the particular service provider in future (Ranaweera et al, 2003). Some researchers argued that customer retention is the outcome of relational marketing efforts (Sheth and Parvatiyar, 2002; Manoj and Sunil, 2011; Jeng and Bailey, 2012). Payne and Frow (1999) suggested that existing and potential customer value should be considered as one of the criteria for market segmentation. It has been always argued that it costs more in acquiring a customer than retaining the existing ones (Reichheld and Kenny, 1990; Reichheld and Sasser, 1990). Hennig (2000) developed a linear model to analyze customer retention and propounded that relationship quality is an important factor for retaining customers which lies between customer satisfaction and retention. Tamuliene et al. (2014) claimed that there is statistically proven significant positive relationship between customer satisfaction, relationship quality, switching costs and customer retention. Customer centric culture based on coordinated and integrated organisational structure is essential for successful customer satisfaction. Lewington et al. (1996) considered information system as an essential support for customer satisfaction efforts. It helps in maintaining the customers' purchase records, calculating the customer value and then focusing on likely defectors. Conventionally customer satisfaction has been considered as one of the essential determinants for long term customer relation. It is said that higher the number of satisfied customers, greater will be the retention (Anderson and Sullivan, 1993). Satisfied customers generate positive word of mouth (Reichheld and Sasser, 1990). Whereas Hart and Johnson, (1999) argued that trust is much more important factor than satisfaction in retaining customers. Switching barrier is another factor in customer retention (Gremler and Brown, 1996; Bansal and Taylor, 1999). Higher switching barriers lead to higher rate of customer retention. Some other researchers established that service excellence forces customers to buy from again. Mahapatra and Kumar, (2017) provided that poor service quality and lack of commitment is one of the reasons for customer dissolution.

RESEARCH METHODOLOGY:

Review of existing literature in the field of customer retention discloses that in past various studies have been conducted on customer retention and these studies given some factors affecting customer retention like service quality, reliability, Assurance, customer satisfaction, Relationship Quality, relationship trust, switching barrier, integrated organizational structure and customer centric culture

SCOPE OF STUDY:•

Reduce Marketing Cost:

This is one of the foremost benefit offered by customer retention as companies do not need to run mass wide marketing campaigns. Serving the present customer base effectively is cheaper for business in comparison to acquiring new customers.

Brings more Referrals:

Process of customer retention support business by offering them large number of word of mouth referral. Companies maintaining a happy and loyal customer base are able to attract large audience easily

More Frequent Purchases:

Customer satisfaction enables business in maintaining a group of clients that makes frequent purchases. It strengthens relations in between business and its customers thereby building a sense of loyalty among them.

Handle Competition:

It is an effective tool available with companies for handling the challenges posed by their competitors in market. Customer retention enables corporations in developing strong bond with their customers that reduces the competition effect.

NEED OF STUDY:

- Allowing customers to seamlessly make transactions on a mobile app rather than in person can increase a bank's overall efficiency in several ways, including:
- It helps banks be more environmentally friendly by going paperless
- It saves money on printing and delivery
- It reduces the need to hire additional employees
- Mobile transactions are cheaper than ATM transactions
- It saves on the day-to-day operational costs that come with running a brick and mortar branch

OBJECTIVES OF STUDY:

To analyze the effectiveness of customer relationship management satisfaction To study the impact of customer relationship management on customer retention in Indian banking sector and further to explore the various of customer retention activities conducted by various companies Customer retention refers to the activities and actions companies and organizations take to reduce the number of customer defections. The goal of customer retention programs is to help companies retain as many customers as possible, often through customer loyalty and brand loyalty initiatives

TARGET:

Private sector:

Private sector banks are usually known for their highly competitive outlook and technological superiority. As a result, careers in private sector banking also tend to be more competitive where professionals are required to meet stiff targets and perform above par to ensure good career growth. A risk-reward component is also higher and remuneration could be better but job security may not be on par with publicly-owned banks.

Public sector:

Public sector banks are known for their better organizational structure and greater penetration in the customer base. The work environment is also relatively less competitive as compared with privately-owned banks and professionals often do not have to focus on meeting targets and being the best performer in a team. There is typically greater stress on providing necessary training to their personnel in order to help update their knowledge and skills to be a better performer in the long run. Job security is much higher as compared to private sector banks and for some, this could be the prime attraction for building a long-term career.

SUGGESTION FOR FUTURE STUDIES:

Same research can be conducted by using quantitative methodology (customer surveys, questionnaire) to know about customer's perspective on quality and satisfaction. To better generalize the study results, further research could be performed with same concepts but in different service areas i.e. insurance companies or telecommunication industry. Other than service quality, the impact of image factor in relation with customer satisfaction can also be investigated for further research in the same area.

CONTRIBUTION:

This study explains the effect of service quality on customer satisfaction by explaining their interrelationship. It also identifies various factors affecting the both constructs. Service firms can adopt various practises as explained in this study in order to improve the quality of service that can best serve existing and future customers. The relationship between service quality and customer satisfaction is not widely discussed in the literature so future research can be done in the same area by using the results of this study. As the study is done in the banks of two different countries, the results may be generalized in the banking sector of service industry .

HYPOTHESIS:

HO1: There is no association between demographic profile of the customers and customer satisfaction dimensions.

HA1: There is an association between demographic profile of the customers and customer satisfaction dimension.s

HO2: CRM processes have no direct effect on customer satisfaction..

HA2: CRM processes have direct effect on customer satisfaction.

HO3: There is a no significant relationship between the banks' CRM strategy the customers' refusal to turn to other banks.

HA3: There is a significant relationship between the banks' CRM strategy the customers' refusal to turn to other banks

3.6 Sample size:

The sample size for the project had a target of 70-100 participants. The fixed target of the sampling size has been achieved as the total number of respondents for the survey questionnaire was 102. Total of 100 responses helped the project to analyze more response and it helped to derive a conclusion recording people's perception towards a study of satisfaction of public how they consider it.

3.6.1 SAMPLE LOCATION: My survey location is chennai.

3.6.2 SAMPLE TARGETED PEOPLE:

My survey targeted people is both Men and Women at the age group of [18-60 AND ABOVE]

3.7 PERIOD OF STUDY

This is one-time research where the research is conducted only for one-time and that the project is based on the responses derived from a definite period of time. The period of study for the project of about 30 days project is based on the responses collected from the 102 participants in the particular time period

3.7 HYPOTHESIS / ANALYTICAL TOOLS:

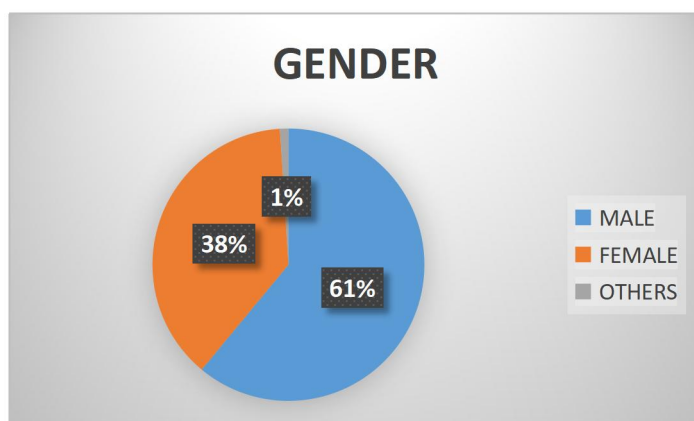
Central tendency: Central tendency refers to measures used to assess the average of observations. These measures include mode, median, and mean. Mode describes the attribute of a variable that appears most frequently. Median describes, in an ordinal, interval, or ratio variable, the middle value. **CORRELATION:** Correlation, in the finance and investment industries, is a statistic that measures the degree to which two securities move in relation to each other. Correlations are used in 10 advanced portfolio management, computed as the correlation coefficient, which has a value that must fall between -1.0 and +1.0.

DATA ANALYSIS:

GENDER				
		frequency	percent	Valid percent
Valid	Female	38	38.0	38.0
	Male	61	61.0	61.0
	Others	1	1.0	1.0
	Total	100	100.0	100.0

INTERPRETATION:

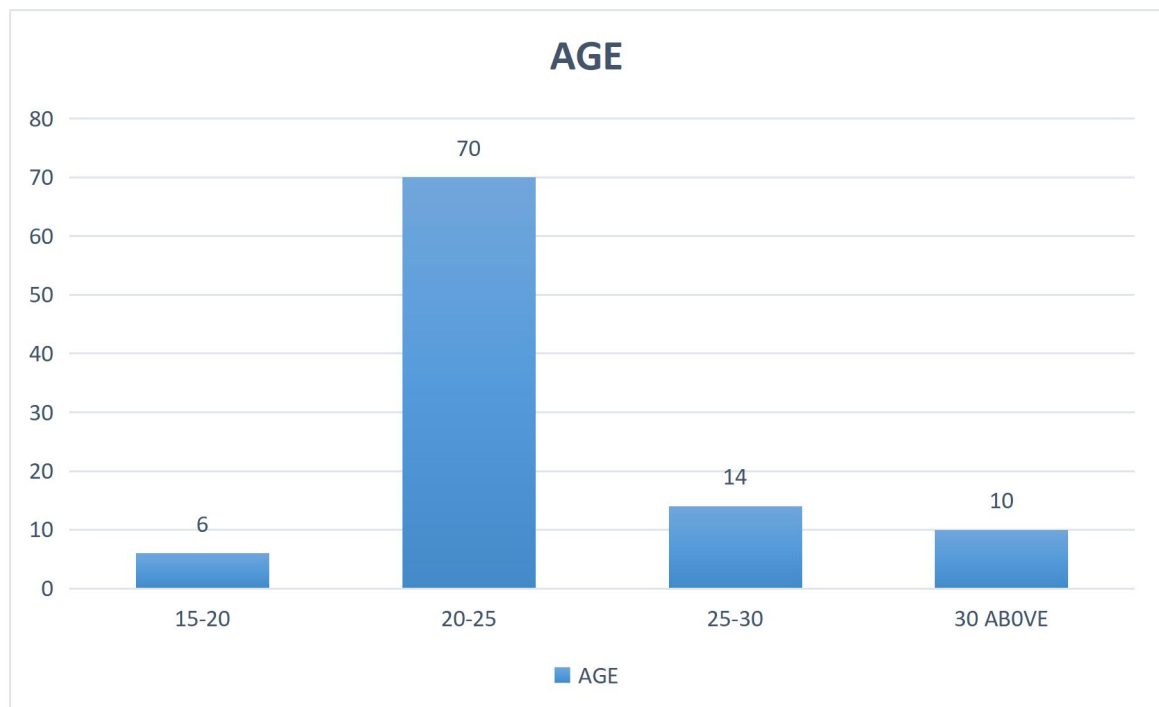
From the above table , in gender of response 61% of male and 38of female and 1% of others



AGE				
		frequency	percent	Valid percent
Valid	15-19	6	6.0	6.0
	20-25	70	70.0	70.0
	25-30	14	14.0	14.0
	30 ABOVE	10	10.0	10.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

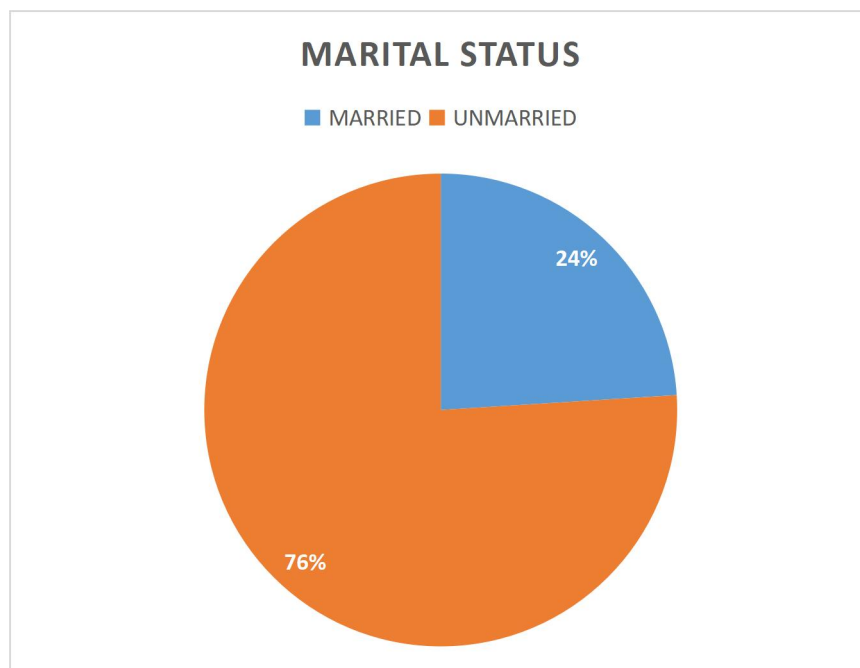
From the above table ,the age of response 70%of 20-25 and 14 % of 25-30 and 10% of 30 above and 6% of 15-19.



MARITAL STATUS				
		frequency	percent	Valid percent
Valid	Married	24	24.0	24.0
	Unmarried	76	76.0	76.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

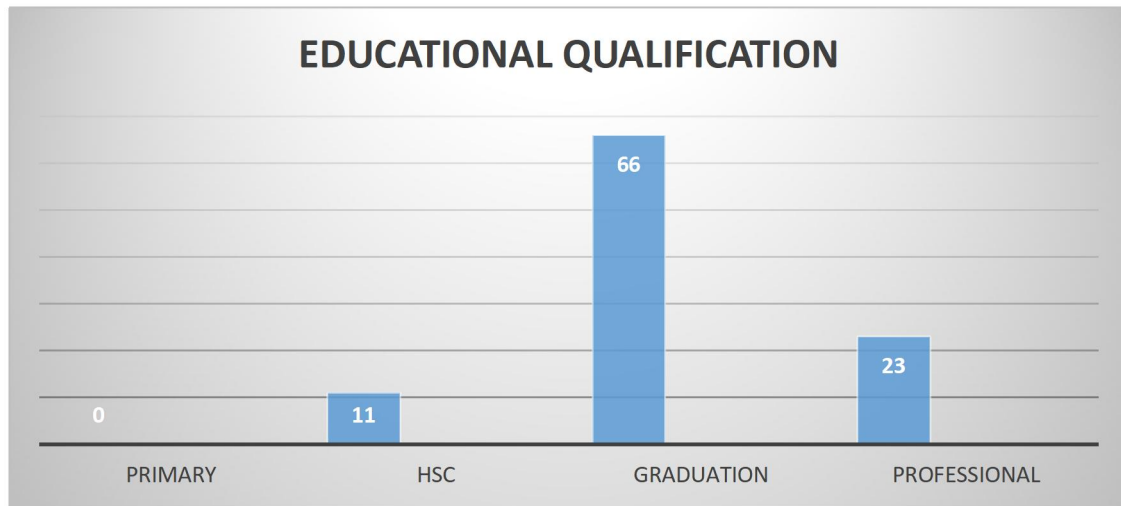
From the above table ,the marital of response 76% of are unmarried and 24 % of are married.



EDUCATIONAL QUALIFICATION				
		frequency	percent	Valid percent
Valid	Primary	0	0.0	0.0
	Hsc	11	11.0	11.0
	Graduation	66	66.0	66.0
	Professional	23	23.0	23.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

From the above table ,the educational qualification of response 66% of are graduation and 23 % of are professi0nal and 11% of are hsc and 0% of are primary.



DO YOU HAVE BANK ACCOUNT				
		frequency	percent	Valid percent
Valid	Yes	90	90.0	90.0
	No	10	10.0	10.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

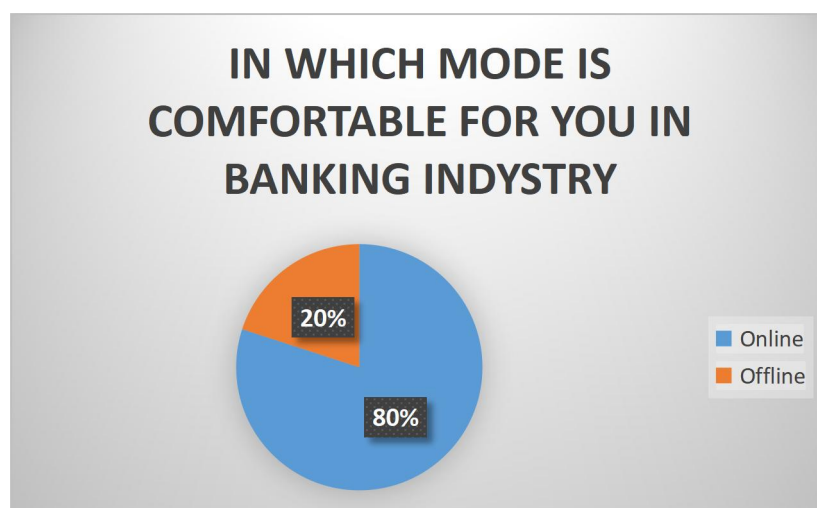
From the above table ,the response of 90% of are have bank account and 10 % of are not have bank account.



IN WHICH MODE IS COMFORTABLE FOR YOU IN BANKING INDUSTRY				
		frequency	percent	Valid percent
Valid	Online	80	80.0	80.0
	Offline	20	20.0	20.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

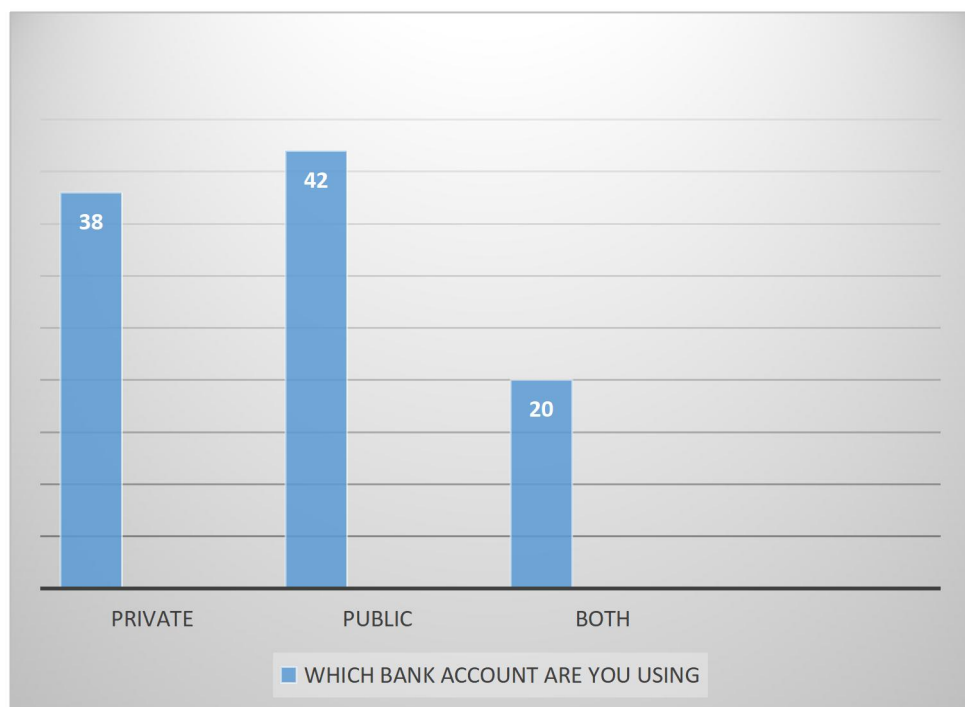
From the above table ,the response of 80% of respondent are using online mode banking industry and 20 % of respondent are using offline mode in banking industry.



WHICH BANK ACCOUNT ARE YOU USING?				
		frequency	percent	Valid percent
Valid	Private bank	38	38.0	38.0
	Public bank	42	42.0	42.0
	Both	20	20.0	20.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

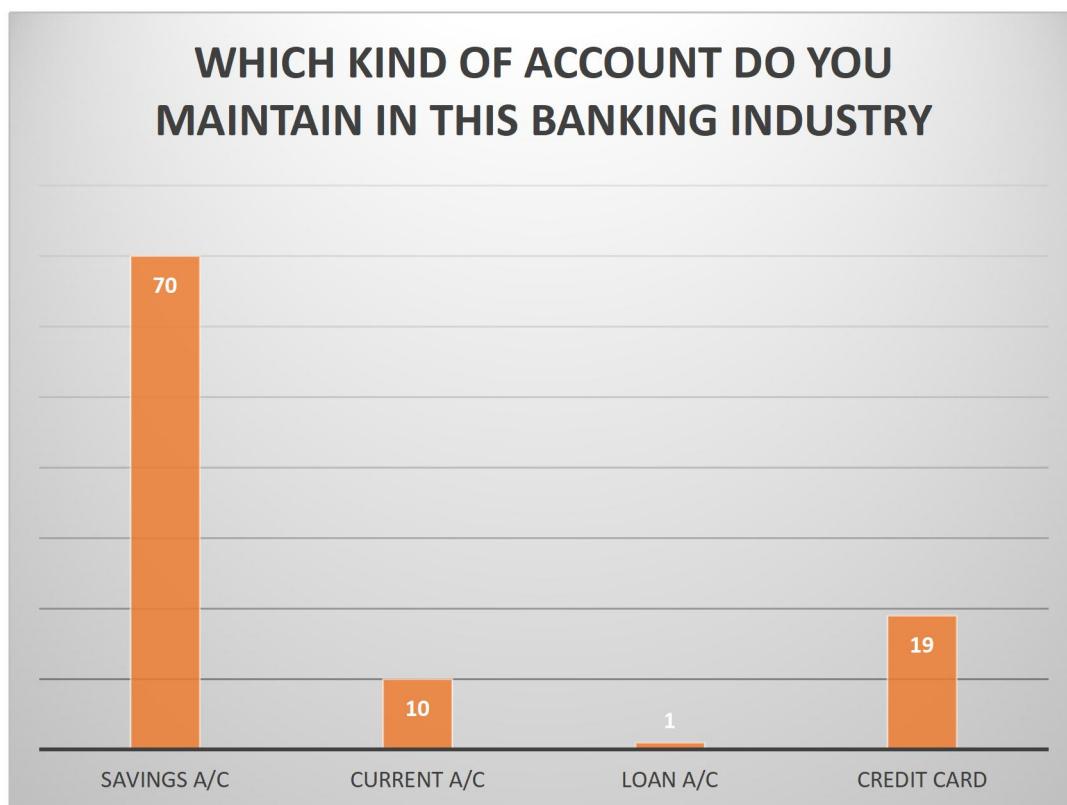
From the above table ,the response of 42% of respondent are using public bank account and 38 % of respondent are using private bank account and 20% of respondent are using both private and public bank account.



WHICH KIND OF ACCOUNT DO YOU MAINTAIN IN THIS BANKING INDUSTRY				
		frequency	percent	Valid percent
Valid	Current a/c	10	10.0	10.0
	Savings a/c	70	70.0	70.0
	Loan a/c	1	1.0	1.0
	Credit card	19	19.0	19.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

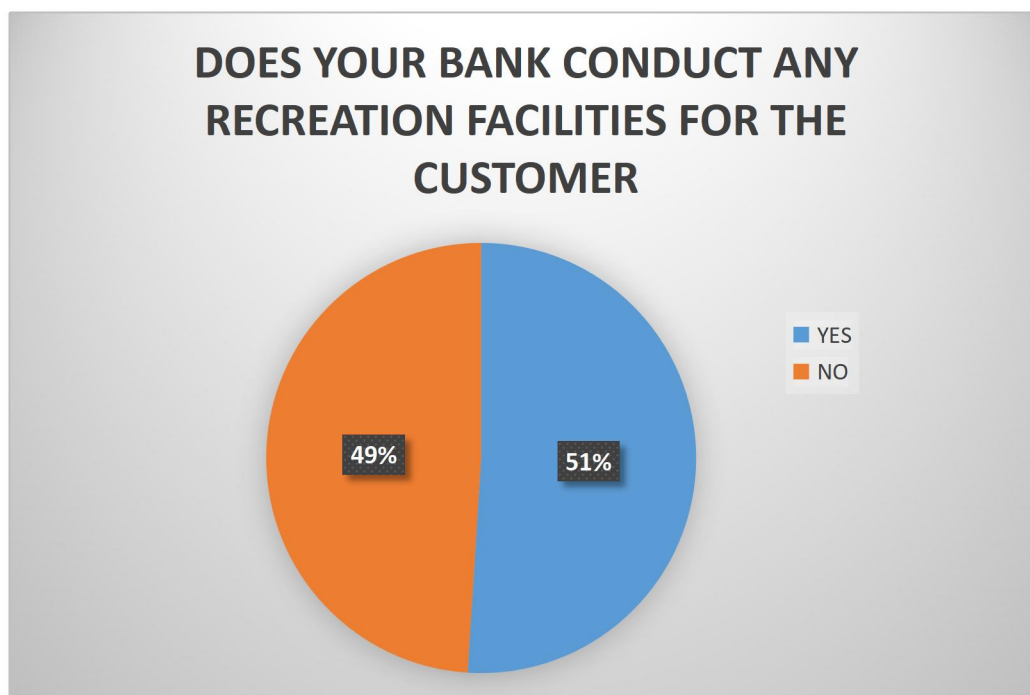
From the above table ,the response of 70% of respondent are using savings a/c and 19 % of respondent are using credit card and 10% of respondent are using current a/c and 1% of respondent are using loan a/c.



DOES YOUR BANK CONDUCT ANY RECREATION FACILITIES FOR THE CUSTOMER				
		frequency	percent	Valid percent
Valid	Yes	51	51.0	51.0
	No	49	49.0	49.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

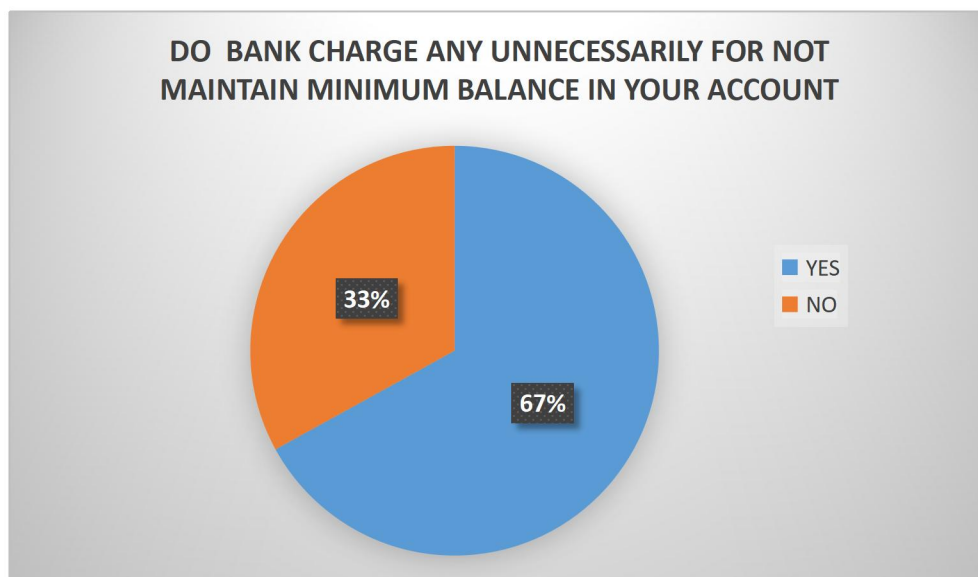
From the above table ,the response of facilities for customer recreation 51% of respondent YES and 49% of respondent NO.



DO BANK CHARGE ANY UNNECESSARILY FOR NOT MAINTAIN MINIMUM BALANCE IN YOUR ACCOUNT				
		frequency	percent	Valid percent
Valid	Yes	67	67.0	67.0
	No	33	33.0	33.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

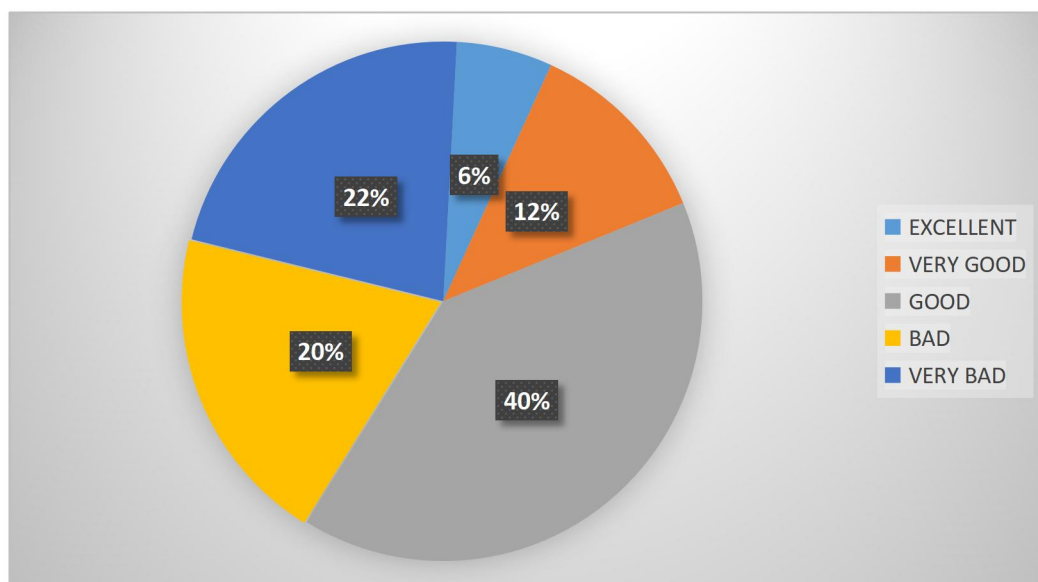
From the above table ,the response is for unnecessarily charging for maintain minimum balance 67% of respondent YES and 33% of respondent NO.



PRESENTATION COMMUNICATION AND MANNERISM OF STAFF LEVEL				
		frequency	percent	Valid percent
Valid	Excellent	6	6.0	6.0
	Very good	12	12.0	12.0
	Good	40	40.0	40.0
	Bad	20	20.0	20.0
	Very bad	22	22.0	22.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

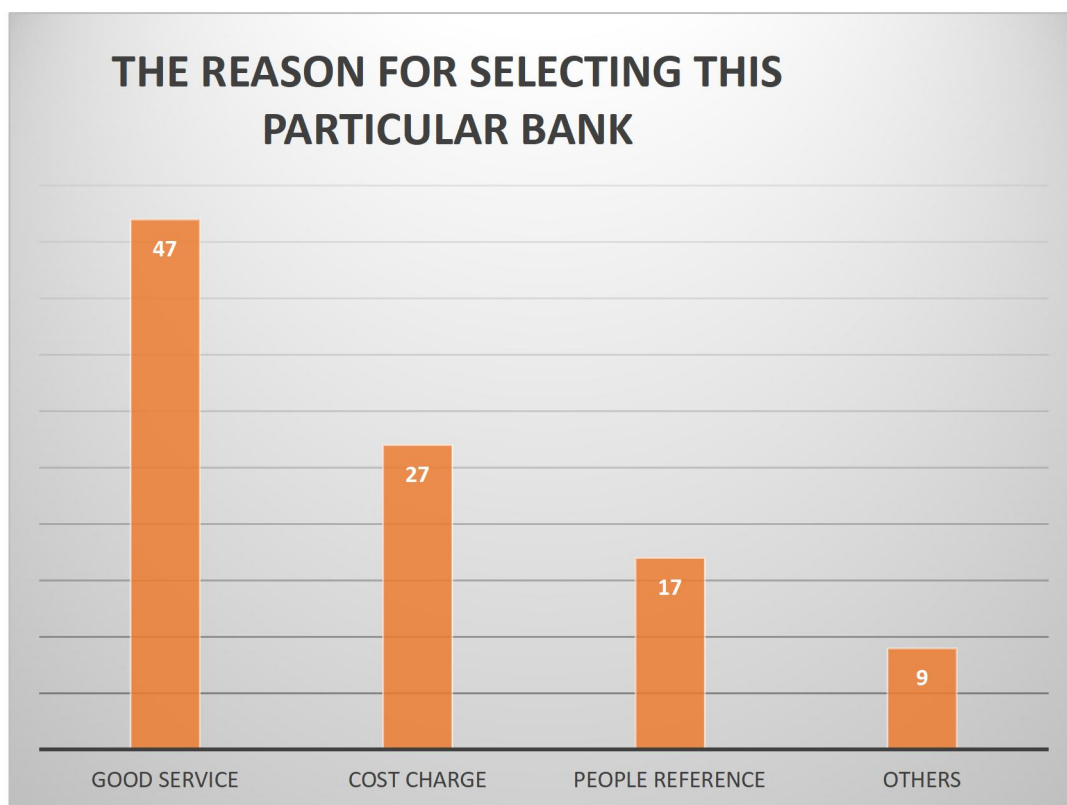
From the above table ,the response for presentation,communication and mannerism of staff level of 40% of respondent are said good and 22 % of respondent are said very bad and 20% of respondent are said bad and 12% of respondent are said good and 6% of respondent are said excellent.



THE REASON FOR SELECTING THIS PARTICULAR BANK				
		frequency	percent	Valid percent
Valid	Good service	47	47.0	47.0
	Cost charge	27	27.0	27.0
	People reference	17	17.0	17.0
	Others	9	9.0	9.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

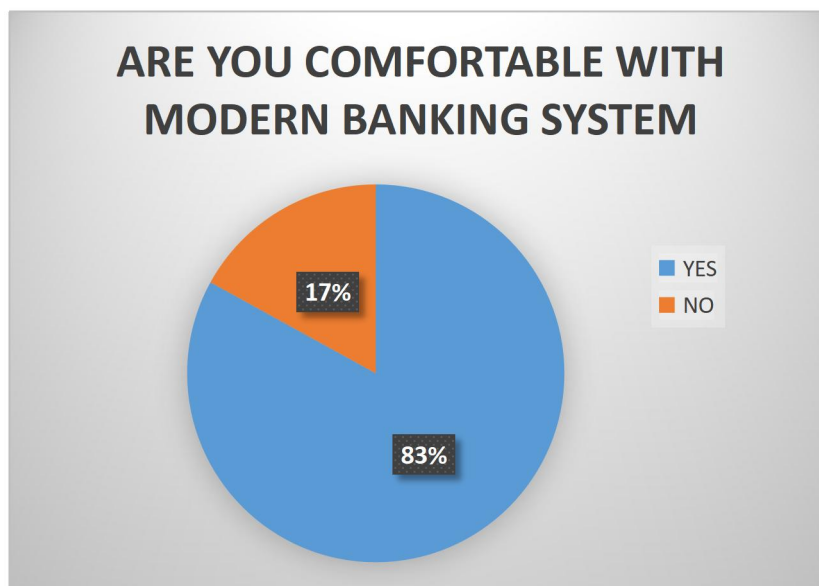
From the above table ,the response for selecting this particular bank of 47% of respondent are good service and 27 % of respondent are cost charge and 17% of respondent are people reference and 9% of respondent are others.



ARE YOU COMFORTABLE WITH MODERN BANKING SYSTEM				
		frequency	percent	Valid percent
Valid	Yes	83	83.0	83.0
	No	17	17.0	17.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

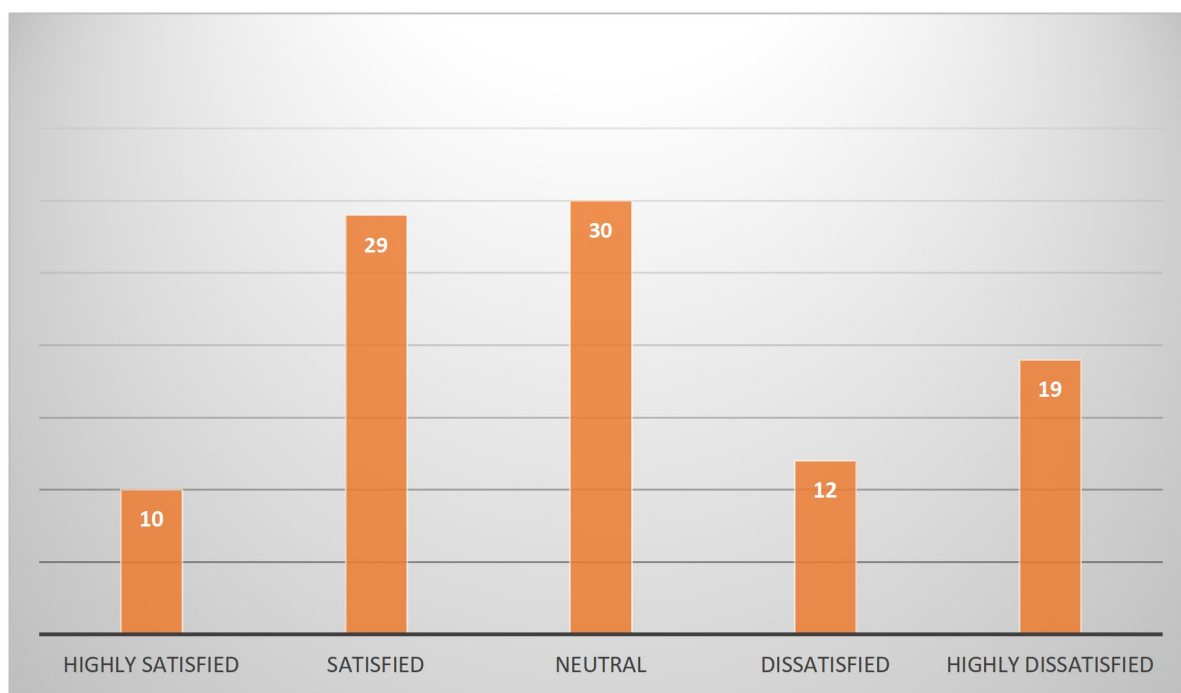
From the above table response is about comfortable in modern banking industry .in this 83% are comfortable and 17% people are uncomfortable.



THE EMPLOYEES APPROACH				
		frequency	percent	Valid percent
Valid	Highly satisfied	10	10.0	10.0
	Satisfied	29	29.0	29.0
	Neutral	30	30.0	30.0
	Dissatisfied	12	12.0	12.0
	Highly dissatisfied	19	19.0	19.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

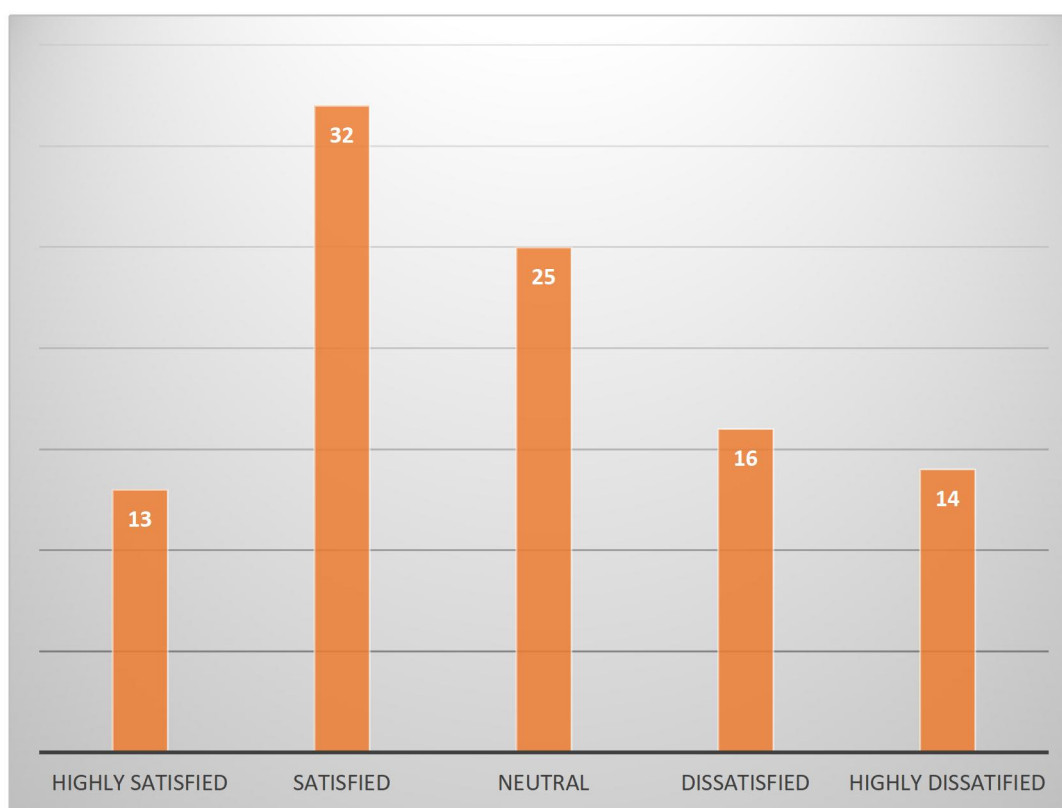
From the above table the response is about way of approach is neutral 30% and 29% are satisfied and 19% are highly dissatisfied and 12 % are dissatisfied and 10% are highly satisfied.



BANK HAS UP-TO-DATE EQUIPMENT AND TECHNOLOGY				
		frequency	percent	Valid percent
Valid	Highly satisfied	13	13.0	13.0
	Satisfied	32	32.0	32.0
	Neutral	25	25.0	25.0
	Dissatisfied	16	16.0	16.0
	Highly dissatisfied	14	14.0	14.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

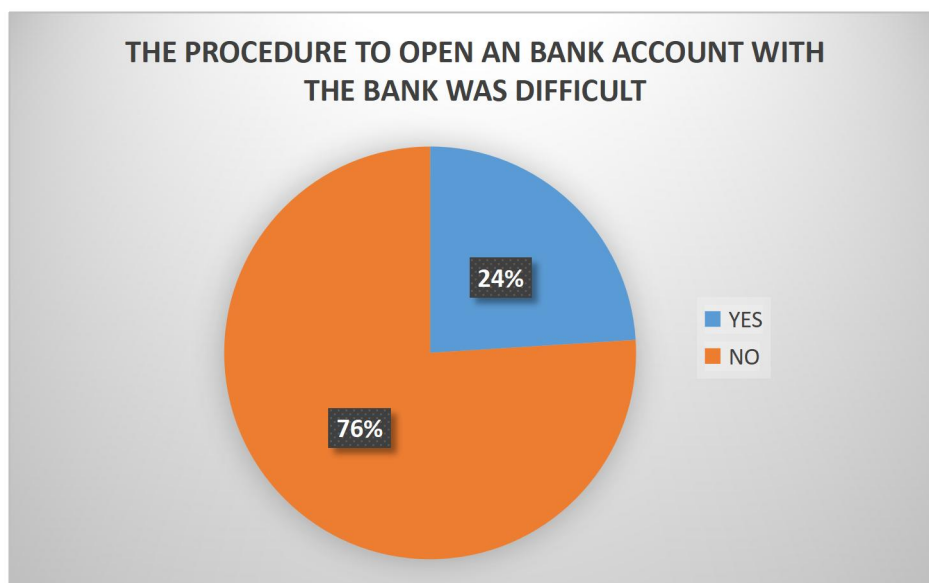
From the above table the response is about bank has up to date equipment and technology is neutral 25% and 32% are satisfied and 14% are highly dissatisfied and 16 % are dissatisfied and 13% are highly satisfied.



THE PROCEDURE TO OPEN AN BANK ACCOUNT WITH THE BANK WAS DIFFICULT				
		frequency	percent	Valid percent
Valid	Yes, To a certain extent	24	24.0	24.0
	No	76	76.0	76.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

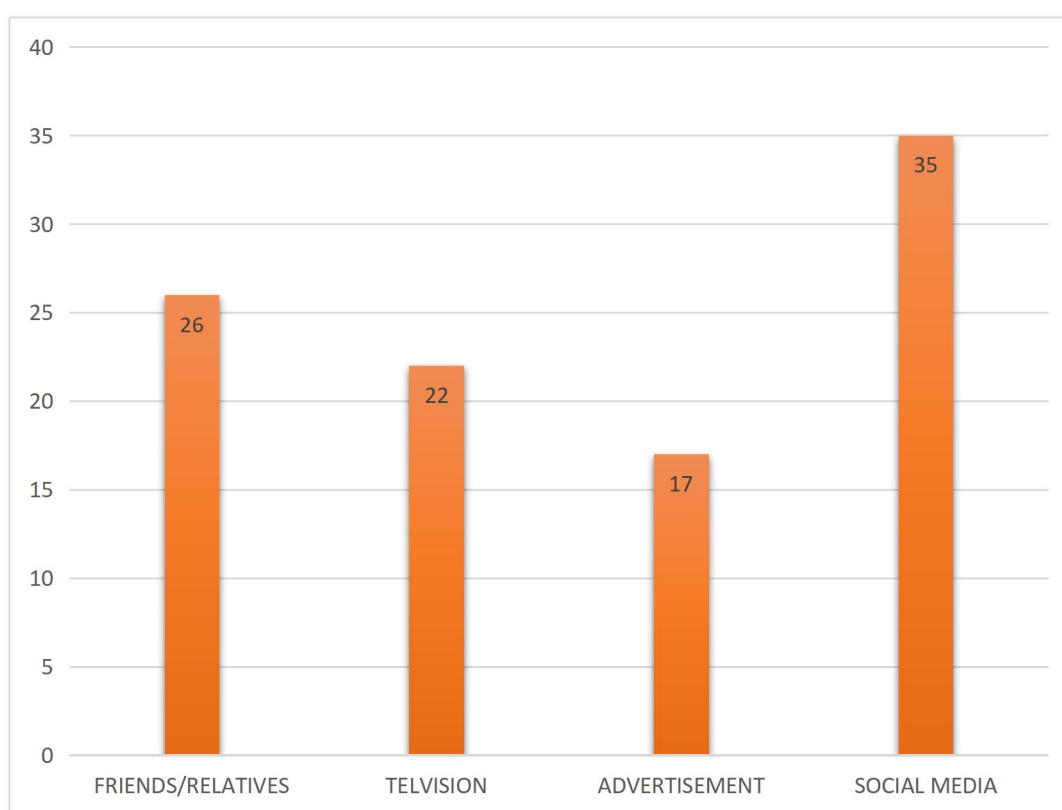
From the above table response is the procedure to open an bank account was difficult .In this 76% are No and 24% people are Yes,To a certain extent .



HOW YOU KNEW ABOUT THE BANK				
		frequency	percent	Valid percent
Valid	Friends/relative	26	26.0	26.0
	Television	22	22.0	22.0
	Advertisement	17	17.0	17.0
	Social media	35	35.0	35.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

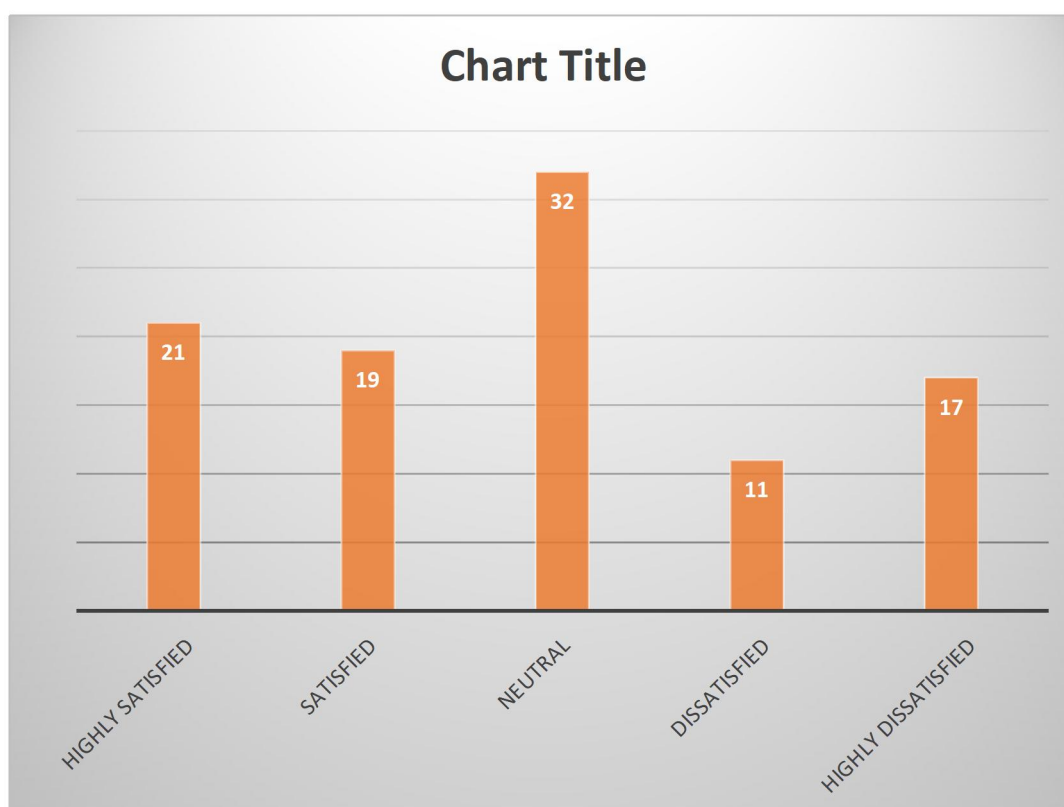
From the above table the response is about bank has up to date equipment and technology is neutral 25% and 32% are satisfied and 14% are highly dissatisfied and 16 % are dissatisfied and 13% are highly satisfied.



USING THE SCALE BELOW, PLEASE INDICATE YOUR LEVEL OF OVERALL SATISFACTION WITH YOUR EXPERIENCE AT THIS BANK				
		frequency	percent	Valid percent
Valid	Highly satisfied	21	21.0	21.0
	Satisfied	19	19.0	19.0
	Neutral	32	32.0	32.0
	Dissatisfied	11	11.0	11.0
	Highly dissatisfied	17	17.0	17.0
	TOTAL	100	100.0	100.0

INTERPRETATION:

From the above table the response is Indicate your level of overall satisfaction is neutral 32% and 19% are satisfied and 17% are highly dissatisfied and 11 % are dissatisfied and 21% are highly satisfied.



FINDINGS:

The respondents of the survey were across student and employees. The sample was normally distributed with males constituting 68.3% of the sample and women constituting 30%. The majority of the respondents were relatively young with 90% less than 25 years old, and 8.3% between 26 and 35 years of age, while clients aged more than 36 constituted only about 10% of the sample. Most of the respondents had college education with 68.3% holding a bachelor's degree and 31.7% holding a graduate degree or professional certification . and 98% of people having bank account. In banking sector 85% people using online transaction and 15% of people using offline transaction. 38.5% of people using private bank .35% of people using government bank.

SUGGESTION:

Same research can be conducted by using quantitative methodology (customer surveys, questionnaire) to know about customer's perspective on quality and satisfaction. To better generalize the study results, further research could be performed with same concepts but in different service areas i.e. insurance companies or telecommunication industry. Other than service quality, the impact of image factor in relation with customer satisfaction can also be investigated for further research in the same area ways to improve customer satisfaction.

Retain customers with a smooth onboarding process.
First impressions are everything. ... Close the loop on customer feedback.
One of the biggest keys to retaining customers is to know how they feel.
Keep your products and services top of mind. Reward promoters and loyal customers.

Conclusion:

existing customer to succeed in the market. Customer centric approach is a prerequisite to retain the customers because customer centric organisation will focus on providing quality services and will deliver these services within time. Firms have to build a quality relationship with the customers to make them loyal to the organisation as emotional cost (switching barrier) is attached with it. Service providers must also focus on creating switching barrier to stop or reduce the defection of customer. Customer satisfaction should be given utmost importance as it is one of the most important variables impacting customer retention. It has always been claimed that customer retention efforts cost less to the organisation as compare to customer acquisition efforts. suggested that managers should shift their focus from prospective customers to retaining the existing customers through Customer Relationship management. The real focus remains on reducing defection of the profitable customer

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A STUDY ON COSTUMER SATISFACTION PROGRAM IN MODERN BANKING INDUSTRY WITH REFERENCE TO INDIAN BANKING INDUSTRY.

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ABSTRACT:

The main purpose of this study is to examine how customer satisfaction is affected by the factors of customer retention. A structured questionnaire was distributed to banking customers based on demographics (gender, age, marital status, education, occupation and, income level) in National Capital Territory. Data was successfully collected from 100 respondents. Factors of customer satisfaction were categorized into four main groups i.e, tangible, reliability, responsiveness and assurance & empathy Factors. Further multiple regression analysis was used to measure the factors of customer retention and their impact on customers' satisfaction decision. After multiple-regression it was found that 'Within Time frame Service Delivery', 'Sincere Efforts in Solving Customer Problems' and 'Accepting & Resolving Faults' are the most important factors which affect customers' retention intention.

Keywords: satisfaction, banking customers, factors, resolving, territory.

INTRODUCTION:

India is second most populated country with seventh place in land holding in the world. Social, economic and geographic characteristics of India are different from that of other Asian countries which makes Indian banking sector unique as compared to its Asian counterparts. Customers are in better position to compare the services offered by different banks, if they get better services from competitor bank; they are prone to switch to other bank. Globalisation of banking sector has also added some fuel to this completion because with globalisation Indian banking sector is more open and exposed to the international competition. Now Indian banks are facing a great challenge to attain operational efficiency to sustain in the global competition. To face and counter the challenges caused by international and domestic banks and compete with international players Indian banks have to adopt a customer centric approach which should be mainly focused on building and deepening the relationship with their customers (Roy and Shekhar, 2010). The inevitable evolution of larger markets forced by competition has made the customer ultimate beneficiary and at the same time it has made it for banks to retain their customers in the process of market development (Vinita Kaura, 2013). Therefore, a significant improvement in profitability can be witnessed with a small reduction in the rate of customer defection. Firms gain not only financial benefits by retaining the customers, but they also get some non-financial benefits because satisfied and loyal customers will spread positive word-of mouth publicity which further helps in attracting new customers.

OBJECTIVES OF STUDY:

- To analyse the effectiveness of customer relationship management satisfaction.
- To study the impact of customer relationship management on customer satisfaction in Indian banking sector and further to explore the various of customer retention activities conducted by various companies.
- Customer satisfaction refers to the activities and actions companies and organizations take to reduce the number of customer defections.

REVIEW OF LITERATURE:

- Customer satisfaction has been described as customer's intention to stay with the particular service provider in future (Ranaweera et al, 2003).
- Some researchers argued that customer retention is the outcome of relational marketing efforts (Sheth and Parvatiyar, 2002; Manoj and Sunil, 2011; Jeng and Bailey, 2012).
- Hennig (2000) developed a linear model to analyze customer satisfaction and propounded that relationship quality is an important factor for retaining customers which lies between customer satisfaction and retention. Tamuliene et al. (2014).
- Customer centric culture based on coordinated and integrated organisational structure is essential for successful customer retention. Lewington et al. (1996) considered information system as an essential support for customer retention efforts.
- Whereas Hart and Johnson, (1999) argued that trust is much important factor than satisfaction in retaining customers. Switching barrier is another factor in customer retention (Gremler and Brown, 1996; Bansal and Taylor, 1999)

NEED OF STUDY:

- Allowing customers to seamlessly make transactions on a mobile app rather than in-person can increase a bank's overall efficiency in several ways, including:
- It helps banks be more environmentally friendly by going paperless.
- It saves money on printing and delivery.
- It reduces the need to hire additional employees.

RESEARCH METHODOLOGY:

RESEARCH DESIGN:

This study used a survey method to conduct quantitative research. The information gathered is examined and focus of the study is narrowed.

SAMPLING DESIGN:

In this sample design we use convenient sampling

SAMPLE SIZE:

The sample size for the project had a target of 70-100 participants. The fixed target of the sampling size has been achieved as the total number of respondents for the survey questionnaire was 102. Total of 100 responses helped the project to analyse more response and it helped to derive a conclusion recording people's perception towards a study of satisfaction of public how they consider it.

SAMPLE LOCATION:

My survey location is chennai

PERIOD OF STUDY

This is one-time research where the research is conducted only for one-time and that the project is based on the responses derived from a definite period of time. The period of study for the project of about 30 days project is based on the responses collected from the 102 participants in the 6 days' time period

DATA ANALYSIS:

GENDER				
		frequency	percent	Valid percent
Valid	Female	38	38.0	38.0
	Male	61	61.0	61.0
	Others	1	1.0	1.0
	Total	100	100.0	100

AGE				
		frequency	percent	Valid percent
Valid	15-19	6	6.0	6.0
	20-25	70	70.0	70.0
	25-30	14	14.0	14.0
	30 ABOVE	10	10.0	10.0
	TOTAL	100	100.0	100.0

MARITAL STATUS				
		frequency	percent	Valid percent
Valid	Married	24	24.0	24.0
	Unmarried	76	76.0	76.0
	TOTAL	100	100.0	100.0

EDUCATIONAL QUALIFICATION				
		frequency	percent	Valid percent
Valid	Primary	0	0.0	0.0
	Hsc	11	11.0	11.0
	Graduation	66	66.0	66.0
	Professional	23	23.0	23.0
	TOTAL	100	100.0	100.0

DO YOU HAVE BANK ACCOUNT				
		frequency	percent	Valid percent
Valid	Yes	90	90.0	90.0
	No	10	10.0	10.0
	TOTAL	100	100.0	100.0

IN WHICH MODE IS COMFORTABLE FOR YOU IN BANKING INDUSTRY				
		frequency	percent	Valid percent
Valid	Online	80	80.0	80.0
	Offline	20	20.0	20.0
	TOTAL	100	100.0	100.0

WHICH BANK ACCOUNT ARE YOU USING?				
		frequency	percent	Valid percent
Valid	Private bank	38	38.0	38.0
	Public bank	42	42.0	42.0
	Both	20	20.0	20.0
	TOTAL	100	100.0	100.0

WHICH KIND OF ACCOUNT DO YOU MAINTAIN IN THIS BANKING INDUSTRY				
		frequency	percent	Valid percent
Valid	Current a/c	10	10.0	10.0
	Savings a/c	70	70.0	70.0
	Loan a/c	1	1.0	1.0
	Credit card	19	19.0	19.0
	TOTAL	100	100.0	100.0

DOES YOUR BANK CONDUCT ANY RECREATION FACILITIES FOR THE CUSTOMER				
		frequency	percent	Valid percent
Valid	Yes	51	51.0	51.0
	No	49	49.0	49.0
	TOTAL	100	100.0	100.0

DO BANK CHARGE ANY UNNECESSARILY FOR NOT MAINTAIN MINIMUM BALANCE IN YOUR ACCOUNT				
		frequency	percent	Valid percent
Valid	Yes	67	67.0	67.0
	No	33	33.0	33.0
	TOTAL	100	100.0	100.0

PRESENTATION COMMUNICATION AND MANNERISM OF STAFF LEVEL				
		frequency	percent	Valid percent
Valid	Excellent	6	6.0	6.0
	Very good	12	12.0	12.0
	Good	40	40.0	40.0
	Bad	20	20.0	20.0
	Very bad	22	22.0	22.0
	TOTAL	100	100.0	100.0

THE REASON FOR SELECTING THIS PARTICULAR BANK				
		frequency	percent	Valid percent
Valid	Good service	47	47.0	47.0
	Cost charge	27	27.0	27.0
	People reference	17	17.0	17.0
	Others	9	9.0	9.0
	TOTAL	100	100.0	100.0

ARE YOU COMFORTABLE WITH MODERN BANKING SYSTEM				
		frequency	percent	Valid percent
Valid	Yes	83	83.0	83.0
	No	17	17.0	17.0
	TOTAL	100	100.0	100.0

THE EMPLOYEES APPROACH				
		frequency	percent	Valid percent
Valid	Highly satisfied	10	10.0	10.0
	Satisfied	29	29.0	29.0
	Neutral	30	30.0	30.0
	Dissatisfied	12	12.0	12.0
	Highly dissatisfied	19	19.0	19.0
	TOTAL	100	100.0	100.0

BANK HAS UP-TO-DATE EQUIPMENT AND TECHNOLOGY				
		frequency	percent	Valid percent
Valid	Highly satisfied	13	13.0	13.0
	Satisfied	32	32.0	32.0
	Neutral	25	25.0	25.0
	Dissatisfied	16	16.0	16.0
	Highly dissatisfied	14	14.0	14.0
	TOTAL	100	100.0	100.0

THE PROCEDURE TO OPEN AN BANK ACCOUNT WITH THE BANK WAS DIFFICULT				
		frequency	percent	Valid percent
Valid	Yes, To a certain extent	24	24.0	24.0
	No	76	76.0	76.0
	TOTAL	100	100.0	100.0

HOW YOU KNEW ABOUT THE BANK				
		frequency	percent	Valid percent
Valid	Friends/relative	26	26.0	26.0
	Television	22	22.0	22.0
	Advertisement	17	17.0	17.0
	Social media	35	35.0	35.0
	TOTAL	100	100.0	100.0

USING THE SCALE BELOW, PLEASE INDICATE YOUR LEVEL OF OVERALL SATISFACTION WITH YOUR EXPERIENCE AT THIS BANK				
		frequency	percent	Valid percent
Valid	Highly satisfied	21	21.0	21.0
	Satisfied	19	19.0	19.0
	Neutral	32	32.0	32.0
	Dissatisfied	11	11.0	11.0
	Highly dissatisfied	17	17.0	17.0
	TOTAL	100	100.0	100.0

CONCLUSION:

Existing customer to succeed in the market. Customer centric approach is a prerequisite to retain the customers because customer centric organisations will focus on providing quality services and will deliver these services within time. Firms have to build a quality relationship with the customers to make them loyal to the organisation as emotional cost (switching barrier) is attached with it. Service providers must also focus on creating switching barrier to stop or reduce the defection of customer. Customer satisfaction should be given utmost importance as it is one of the most important variables impacting customer retention. It has always been claimed that customer retention efforts cost less to the organisation as compare to customer acquisition efforts. Reichheld & Sasser, (1990) suggested that managers should shift their focus from prospective customers to retaining the existing customers through Customer Relationship management. The real focus remains on reducing defection of the profitable customer (Cao & Gruca, 2005; Reinartz et al. 2005). Most importantly as per this study Indian banks should deliver services to the customers within the prescribed time, they should put sincere efforts in solving customers' problems and if there is any fault from bank side, they should accept it and try to correct the same

ANNEXURE

A STUDY ON CUSTOMER SATISFACTION IN MODERN BANKING INDUSTRY WITH REFERENCE TO INDIAN BANKING INDUSTRY

CUSTOMER SATISFACTION

***Required**

1. EMAIL ID *

2. GENDER *

Mark only one oval.

☐ MALE

☐ Female

☐ Others

3. AGE *

Mark only one oval.

☐ 15 - 19

☐ 20-25

☐ 25-30

☐ 30 ABOVE

4. MARITAL STATUS *

Mark only one oval.

- ☐ MARRIED
☐ UNMARRIED

5. EDUCATIONAL QUALIFICATION *

Mark only one oval.

- ☐ PRIMARY
☐ HSC
☐ GRADUATION
☐ PROFESSIONAL

6. DO YOU HAVE BANK ACCOUNT? *

Mark only one oval.

- ☐ YES
☐ NO

7. IN WHICH MODE IS COMFORTABLE FOR YOU IN BANKING INDUSTRY?

Mark only one oval.

- ☐ ONLINE MODE
☐ OFFLINE MODE

8. WHICH BANK ACCOUNT ARE YOU USING?

Mark only one oval.

☐ PRIVATE BANK

☐ PUBLIC BANK

☐ BOTH

9. FOR PAST HOW MANY YEARS YOU HAVE ACCOUNT IN BANKING INDUSTRY?

10. WHICH KIND OF ACCOUNT DO YOU MAINTAIN IN THIS BANKING INDUSTRY?

Mark only one oval.

☐ CURRENT A/C

☐ SAVING A/C

☐ LOAN A/C

☐ CREDIT CARD

11. DOES YOUR BANK CONDUCT ANY RECREATION FACILITIES FOR THE CUSTOMER?

Mark only one oval.

☐ YES

☐ NO

12. DO BANK CHARGE ANY UNNECESSARILY FOR NOT MAINTAIN MINIMUM BALANCE IN YOUR ACCOUNT?

Mark only one oval.

☐ YES

☐ NO

13. PRESENTATION COMMUNICATION AND MANNERISM OF STAFF LEVEL?

Mark only one oval.

☐ EXCELLENT

☐ VERY GOOD

☐ GOOD

☐ BAD

☐ VERY BAD

14. THE REASON FOR SELECTING THIS PARTICULAR BANK?

Mark only one oval.

☐ GOOD SERVICE

☐ COST CHARGED

☐ PEOPLE REFERENCE

☐ OTHERS

15. ARE YOU COMFORTABLE WITH MODERN BANKING SYSTEM?

Mark only one oval.

☐ YES

☐ NO

16. THE EMPLOYEES APPROACH?

Mark only one oval.

- ☐ HIGHLY SATISFIED
- ☐ SATISFIED
- ☐ NEUTRAL
- ☐ DISSATISFIED
- ☐ HIGHLY DISSATISFIED

17. BANK HAS UP-TO-DATE EQUIPMENT AND TECHNOLOGY?

Mark only one oval.

- ☐ HIGHLY SATISFIED
- ☐ SATISFIED
- ☐ NEUTRAL
- ☐ DISSATISFIED
- ☐ HIGHLY DISSATISFIED

18. THE PROCEDURE TO OPEN AN ACCOUNT WITH THE BANK WAS DIFFICULT?

Mark only one oval.

- ☐ YES, TO A CERTAIN EXTENT
- ☐ NO, IT WAS EASY

19. HOW YOU KNEW ABOUT THE BANK?

Mark only one oval.

- ☐ FRIENDS/RELATIVES
- ☐ TELEVISION
- ☐ ADVERTISEMENT
- ☐ SOCIAL MEDIA

20. HOW OFTEN DO YOU VISIT THE BRANCH?

Mark only one oval.

- ☐ ONCE A YEAR OR LESS
- ☐ A FEW TIMES PER YEAR
- ☐ ONCE PER MONTH
- ☐ AT LEAST ONCE PER WEEK

21. USING THE SCALE BELOW , PLEASE INDICATE YOUR LEVEL OF OVERALL SATISFACTION WITH YOUR EXPERIENCE AT THIS BANK?

Mark only one oval.

- ☐ HIGHLY SATISFIED
- ☐ SATISFIED
- ☐ NEUTRAL
- ☐ DISSATISFIED
- ☐ HIGHLY DISSATISFIED

22. ANY SUGGESTION TO IMPROVE MODERN BANKING INDUSTRY? *
