

## RECENT TRENDS IN BANKING AND CUSTOMER SATISFACTION

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### *Abstract*

*The high level of globalization of markets, increasing competition and asymmetric information means new challenges for the participants of the markets, and the banking is no exception. Requirements for quality and levels of provided services increases on the demand side. Because of these new trends, the need for investment in the acquisition of knowledge capital in the customer behaviour increases in importance. Satisfying a customer is regarded as the cheapest means of product and service promotions because positive word-of-mouth or product and service recommendation from satisfied customers are likely to induce positive post-purchase behaviour. To remain competitive in the global banking service market, it is necessary for banks to assess service quality and identify the factors that influence customer satisfaction.*

*The present study is about study of recent trends in banking service sector and customer satisfaction.*

**Keywords:** *Recent Trends, Banking Sector, Customer Satisfaction.*

### Introduction

The banking industry in India has a huge canvas of history, which covers the traditional banking practices from the time of British to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, Banking in India has been through a long journey. Banking industry in India has also achieved a new height with the changing times. From the recent negative activities in banking industries like Scams, Phishing, Rising NPA and liquidity crisis make the behavioural change in the mind of Indian customers.

The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same.

The majority of the banks are still successful in keeping with the confidence of the shareholders as well as other stakeholders. However, with the changing dynamics of banking brings new risk exposure.

Today in banking sector artificial intelligence is being used very much which helps to measure human errors, complex numerical calculations and also it places a field of opportunity in banking sector for our new generation. Artificial intelligence is a vast and universal field. It is the field which emphasizes the need of many challenging researchers in computer science. There is a vast applications of AI in the banking and financial sectors. There are some latest technologies for example: Data science, biometrics, CBS, SWIFT, Cloud computing,

block chain and Digital dashboards which are helping to banks in automation. AI is useful for the banks in high – quality customer experience, speed & efficiency, cost saving and providing personalized support.

### Objectives of the Study

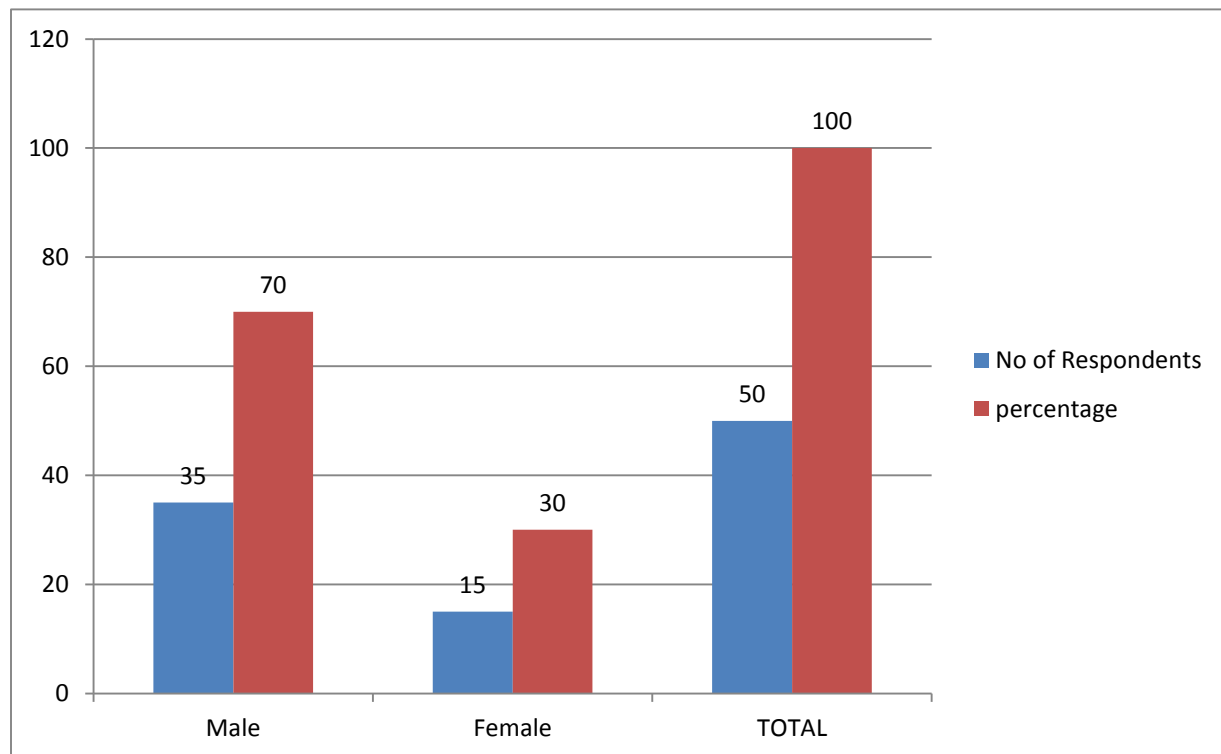
- To know about the customer satisfaction level associated with the product and the customer preference level.
- To study about demographic factors of customers and understand the needs of customers.

**Sampling Size** - This research is concerned, the sample size is 50.

### Demographic, Social and Economic Profile of the Respondents

#### Gender Wise Classification of Respondents

Gender	No. of Respondents	Percentage
Male	35	70
Female	15	30
Total	50	100



It could be seen from the table that 70 percent of the respondents were male and 30 percent were woman. In short, majority of the respondents were men in the study area.



**Age wise Distribution of the Respondents**

AGE GROUP	NO OF RESPONDENTS	PERCENTAGE
21-30	15	30
31-40	20	40
41-50	15	30
Total	50	100

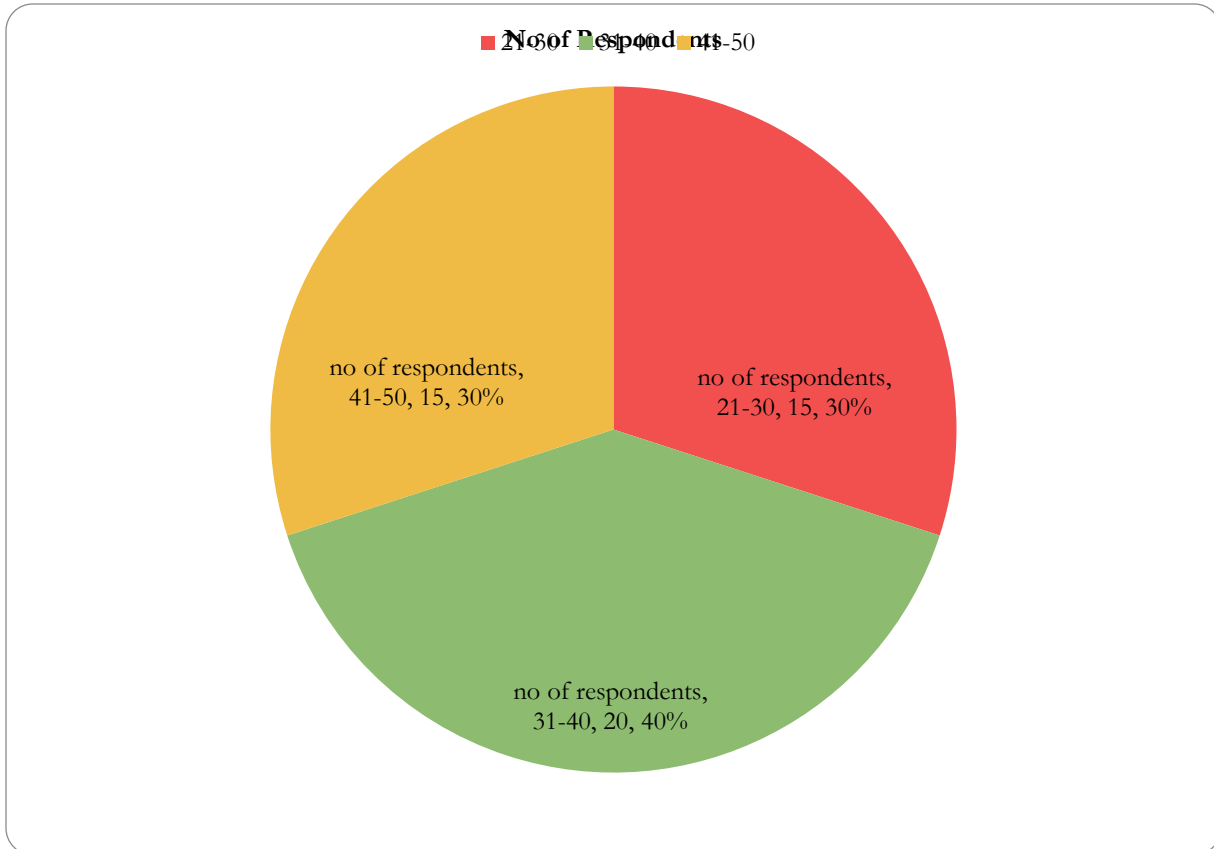


Table shows that 30 percent of the respondents fall between the age group of 21-30 years, 40 percent of the respondents were in the age group of 31-40 years and 30 percent of the respondents were between 41-50 years. The above analysis leads us to the inference that younger generation are far away from the orbit of banks. In this part of the country youths normally get employed at the age of 21-30. Their incomes during this period do match with their expenses and many are interested to open bank accounts. The results revealed that the passive role of banks in designing appropriate schemes to attract them is reflected here. It is an accepted fact that the younger generation below 40 years constitute more major chunk of the customer, the low percentage of 41-50 also needs proper attention in the sense that banks cannot ignore them as their proportion to total population. At the outset younger age people preferred to have account in bank.



**Educational wise classification of the Respondents**

EDUCATION	NO OF RESPONDENTS	PERCENTAGE
Secondary	0	0
Sr. Secondary	5	10
UG	25	50
PG	10	20
Professional	10	20
<b>TOTAL</b>	<b>50</b>	<b>100</b>

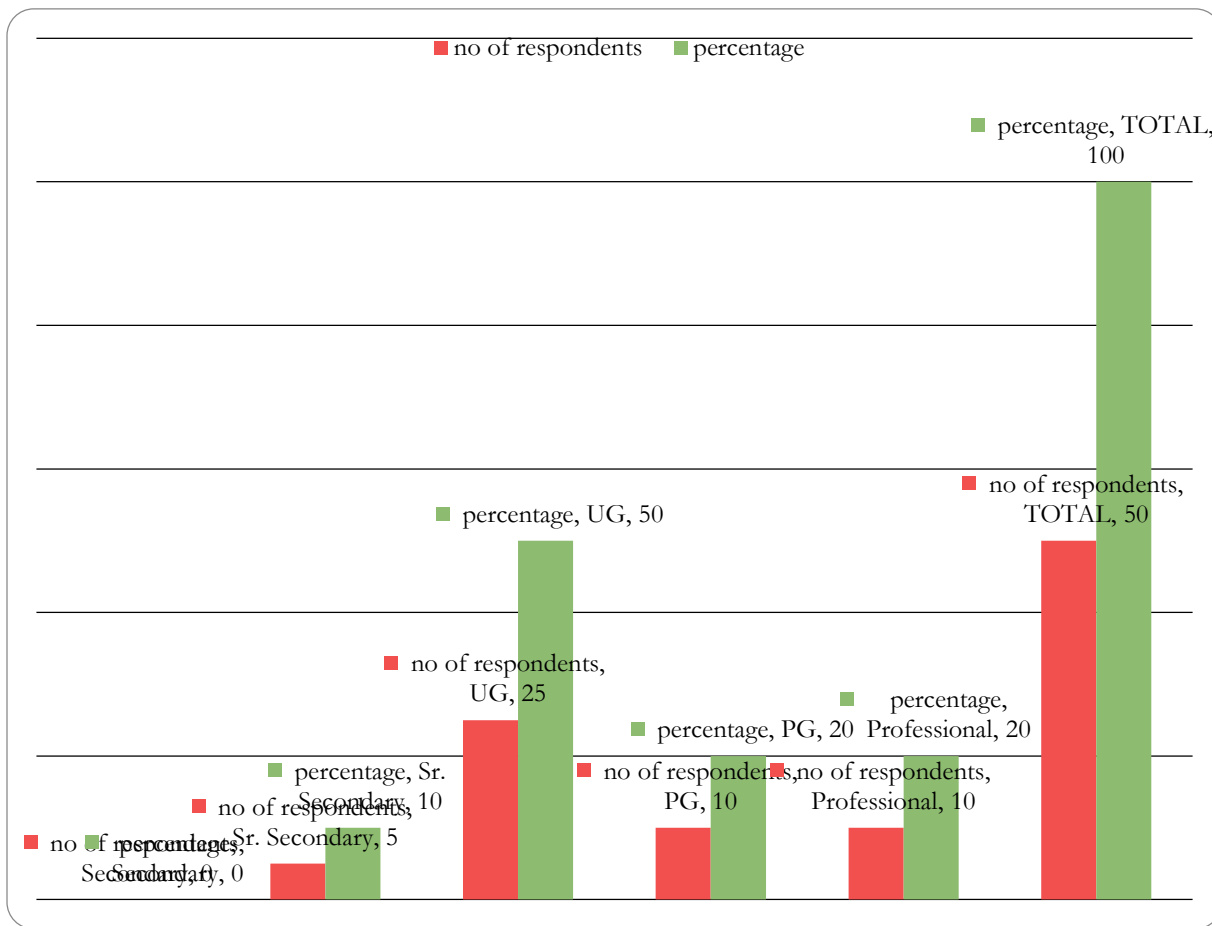


Table depicts the education level of sample respondents. As a whole 0 percent of respondents were secondary, 5 percent senior secondary 25 percent were graduates, 10 percent post graduates and 10 percent are professionals. It is interesting to note that, when the respondents from secondary level onwards put together had 90 percent respondents. The Table clearly indicated that 100 percent of the respondents had secondary level education and above. As far as bank marketing is concerned, the level of education has a direct bearing on the efforts of banks of communicate and convince the customers about their schemes and services. It is easier for them to create awareness among the target groups of customers regarding their services in the same line



consumers are also more aware about the service delivery of the banks, it also interesting to note the higher level of educated customers would actively involved in the process.

**Occupation - Wise Classification of Respondents**

Occupation	No Of Respondents	Percentage
Government	10	20
Private	15	30
Self - Employed	10	20
Professionals	10	20
Housewives	5	10
<b>TOTAL</b>	<b>50</b>	<b>100</b>

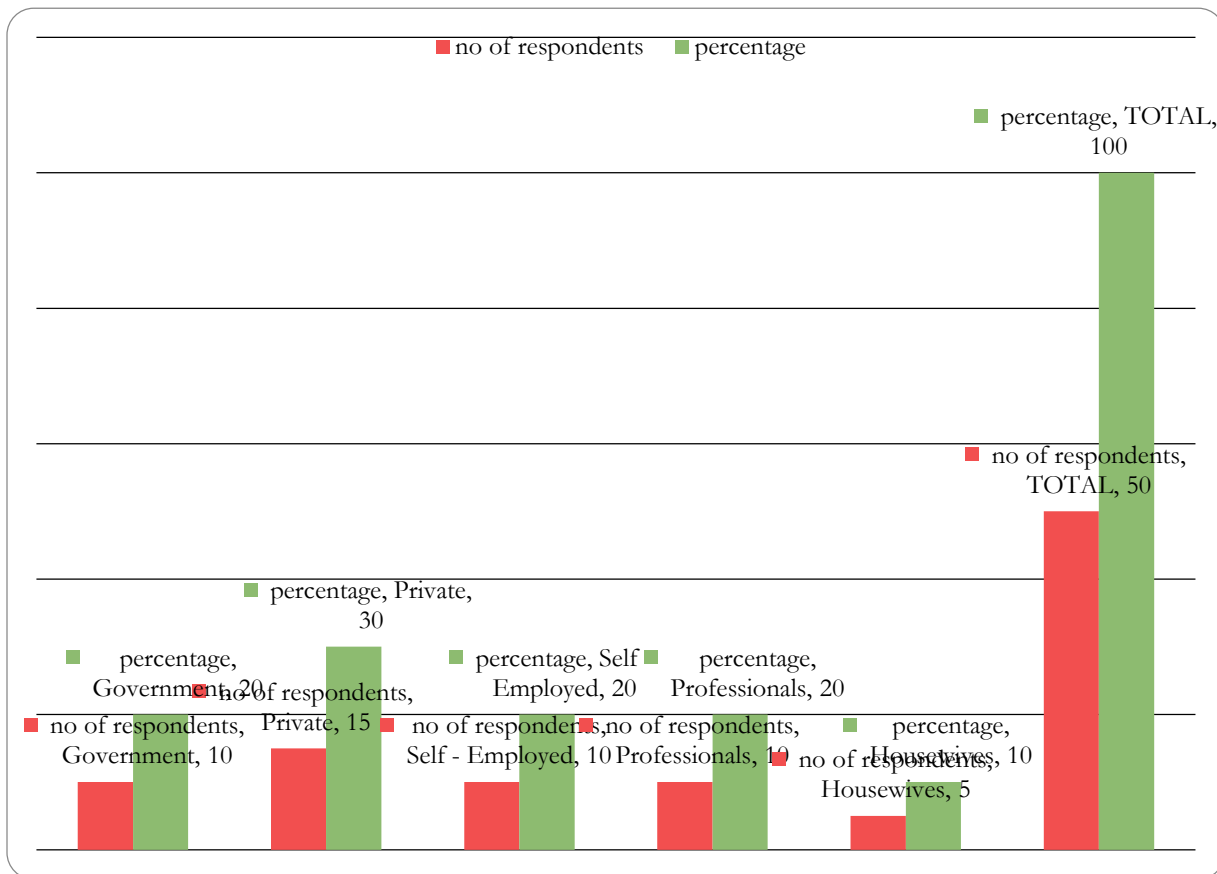


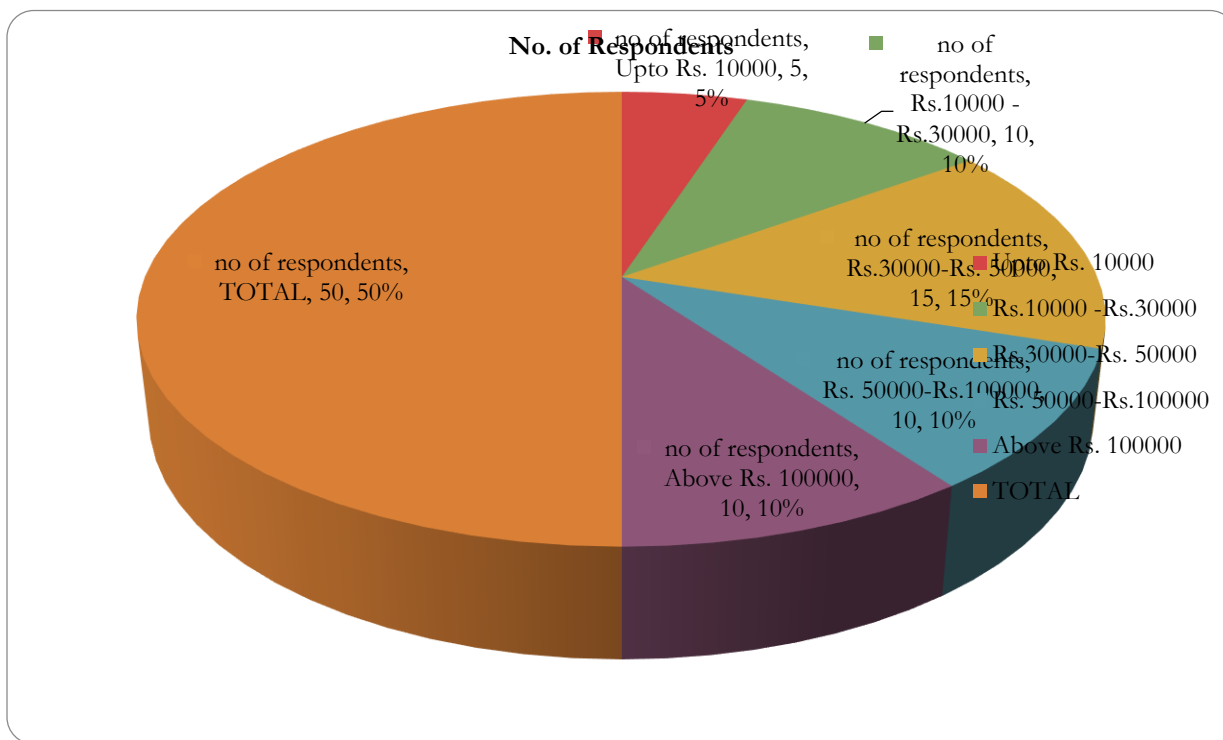
Table shows the occupation - wise distribution of sample respondents. The entire sample population was divided in to five occupational groups Govt, Private, Self employed, Independent professional, and Housewives. It can be observed that Government employee’s class formed 20 percent; Private employees constitute 30, independent professionals constitute 20, and Housewives represented 10. Occupation wise analysis showed



that on an average 70 percent of class came in the case of business and private employees were of this category. It could be inferred that the business people and the private employees are more inclined towards bank's operation. Although, customers were selected at random, their occupational distribution was found to be of a representative nature considering the location of the branches and certain peculiarities of its area of operation. It can be noted that southern region had comparatively higher number of business groups than two other branches. This may be due to the high concentration of business units in its operational area. Similarly middle region had the highest percentage of salaried groups because of its proximity to the IT corridors and other government offices.

**Income wise classification of Respondent**

Income	No Of Respondents	Percentage
Upto Rs. 10000	5	10
Rs.10000 -Rs.30000	10	20
Rs.30000-Rs. 50000	15	30
Rs. 50000-Rs.100000	10	20
Above Rs. 100000	10	20
<b>TOTAL</b>	<b>50</b>	<b>100</b>



The distribution of respondents on the basis of their annual income is given in Table 5.5. It can be seen that 10 percent of the respondents were having monthly income upto Rs.10,000, 20 and 30 percent of the respondents were having the monthly income between Rs.10,000 to Rs.30,000 and Rs.30,000 to Rs.50,000 respectively, 40 percent of the respondents having the monthly income of Rs.50,000 – Rs. 1,00,000 and above per month. As expected the business groups and private employees dominated the higher income category in all banks. The salaried groups were nearly half of the business group in higher income class. But very few Govt. employees



came under the highincome group. It could be inferred from the above table that the higher income group and upper middle income group prefer to choose the banking services.

### Banking Habits

Having seen the general information about sample respondents the study now proceeds to examine their banking habits, covering the types of accounts maintained, duration of these accounts, reasons for selecting the branch and the necessity of somebody known in the branch for expending their transitions.

Motivator	No of Respondents	Percentage
Self	6	12
Family Members	9	18
Friends	25	50
Advertisement	5	10
office Tie-ups	5	10
<b>TOTAL</b>	<b>50</b>	<b>100</b>

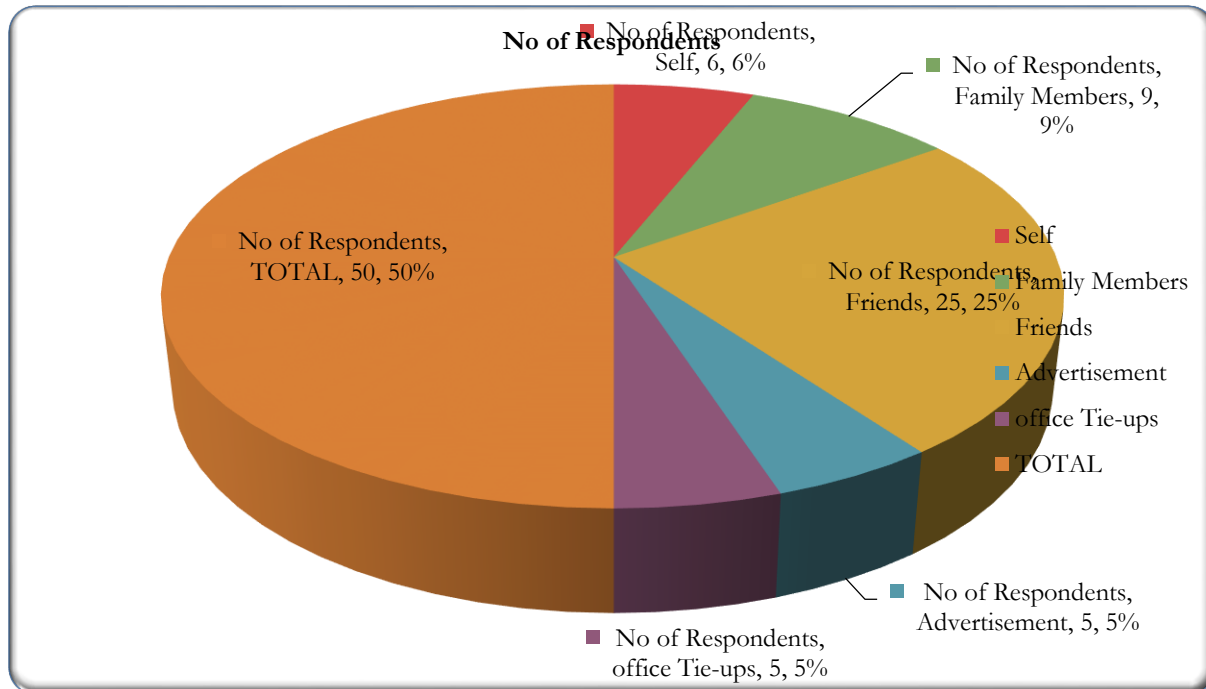


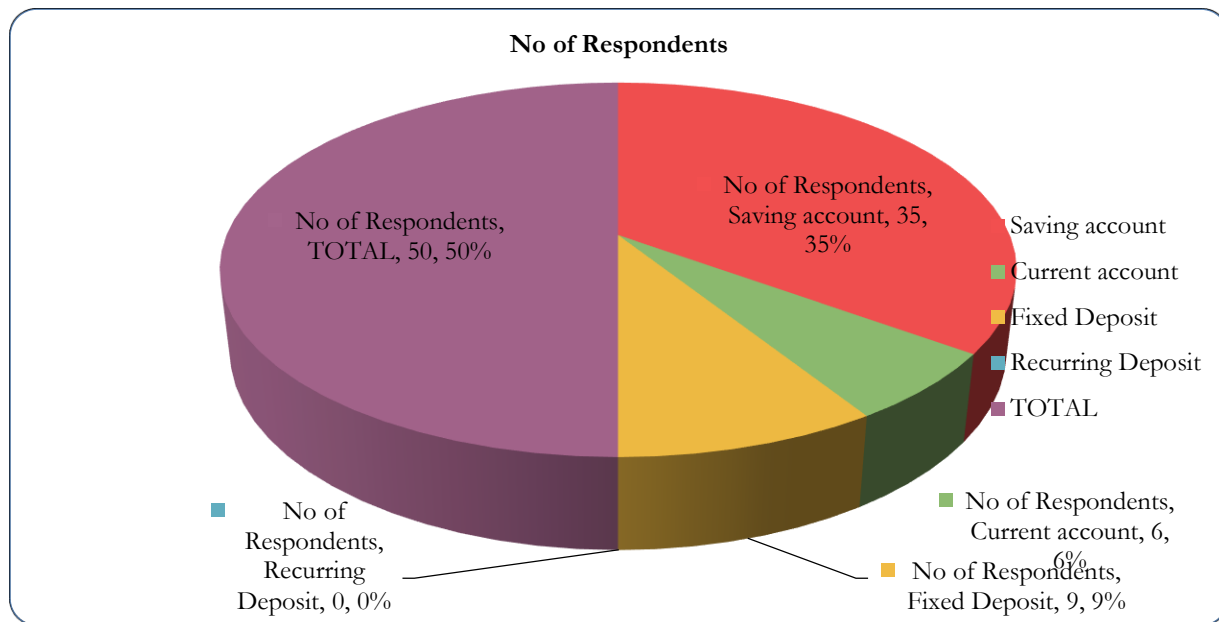
Table exemplifies the information about the person who motivated to open account in banks, 12 percent of the people opened the Account on their own interest, 50 percent of the people got influence from their friends to open the Account, 10 percent of the respondents taken the decision on the basis of the Advertisement, 18 percent and 10 percent of the respondents have opened the Account by the motivation of the family members and the office tie –up respectively. It could be inferred from the above table that friend and the family members



are the prominent factors influence to open the Account nearly 68 percent of the people got influence from these sources.

**Types of accounts maintained**

Type of Account	No of Respondents	Percentage
Saving account	35	70
Current account	6	12
Fixed Deposit	9	18
Recurring Deposit	0	0
<b>TOTAL</b>	<b>50</b>	<b>100</b>



It can be observed that savings deposits accounts formed 70 percent of the accounts maintained by the sample respondents, current deposits constituted 12 percent fixed deposits were around 18 percent whereas Recurring deposits were zero. The numbers of savings deposit accounts were more among the respondents, the urban branches had a slight superiority in fixed deposits and in rest of the branches savings and current Account constitute higher numbers. When the salaried group dominated in fixed deposit and savings deposits accounts, current account and loan account were operated mostly by business group. Private employees group are more interested in Loan accounts and savings Account and the current Account maintained by the commercialized occupation in the study area. Another important feature is the poor demand for recurring deposit accounts, which is generally preferred by salaried class. The increasing influence of chit fund business and its popularity in the area may be a proper explanation of this situation.





**Duration of Accounts Maintained**

Duration	No of Respondents	percentage
1 -3 years	15	30
3 -5 years	30	60
5 - 10 years	3	6
More than 10 years	2	4
<b>TOTAL</b>	<b>50</b>	<b>100</b>

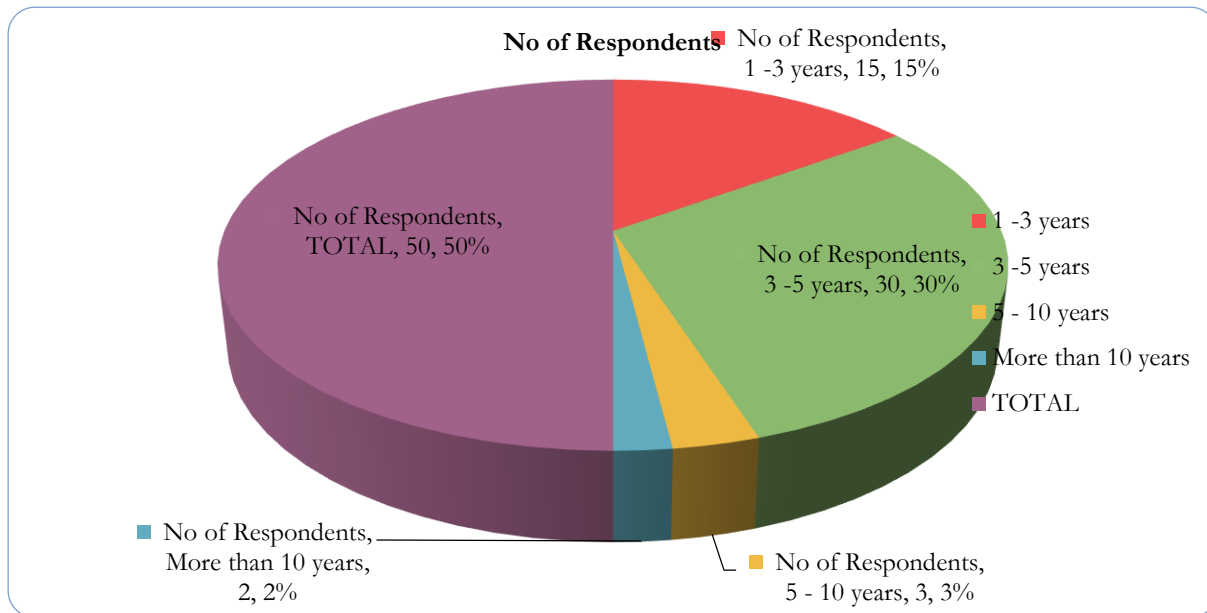


Table illustrates the duration of the accounts maintained in bank by the respondents, 30 percent of the respondents maintaining the account between 1 year to 3 years, 60 percent of the people maintaining for 3 to 5 years, 6 percent of the respondents keeping the Account for 5 to 10 years and 4 percent of the respondents maintaining more than 10 years. The salaried groups and business people are maintaining more long duration accounts. It can be observed those business groups were mostly operating shorter duration accounts in five of the sample banks. Since the duration of the accounts have its significance on the relationship between the banker and the customer, the table is more relevant to the study. It is an accepted fact that retention of customer is easier and less expensive than winning a new customer. As the number of customers of longer duration exists, it is an indication of the loyalty and cordial relationship between the banker and the customer.



**Reasons for selecting the branch/bank**

Reason	No of Respondents	percentage
Popularity	15	30
Quality of service	20	40
Near to home/ office	10	20
Friends and Relatives are working	5	10
<b>TOTAL</b>	<b>50</b>	<b>100</b>

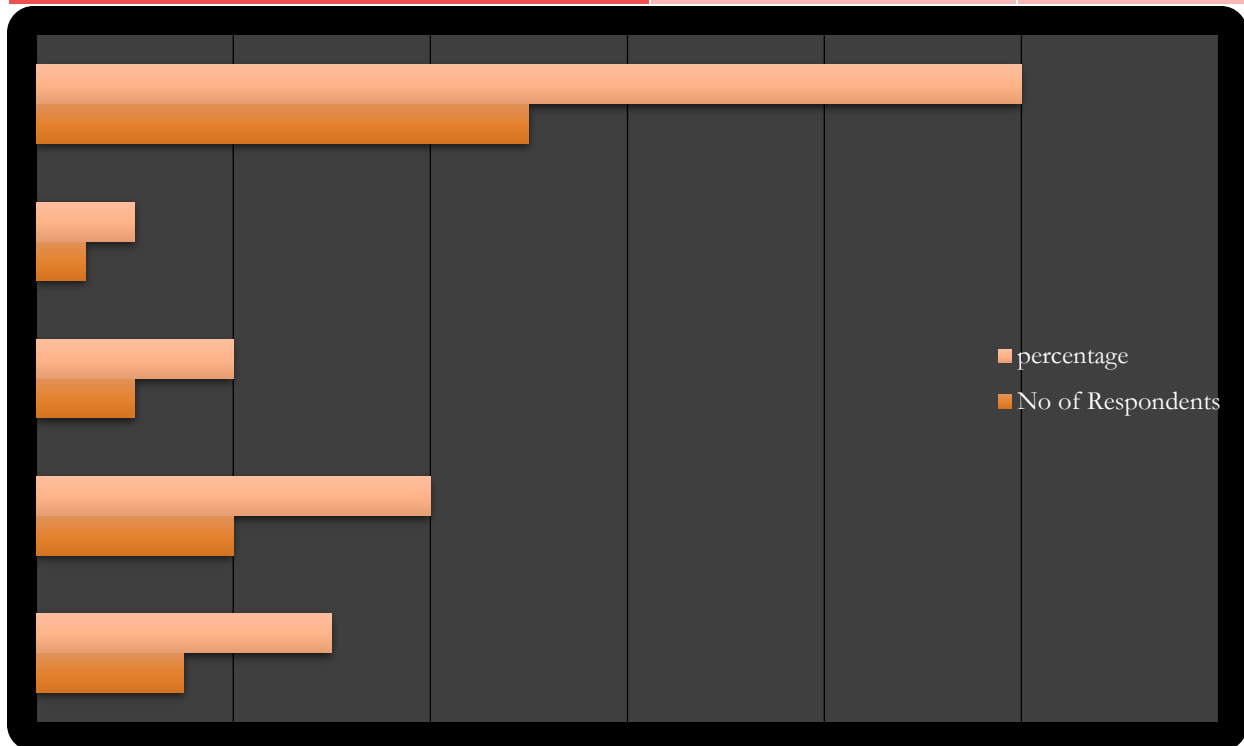


Table depicted that 20 percent of the customers preferred their bank for convenience i.e., proximity to their office or residence; 40 percent on quality of service, 30 percent on popularity of the branch and another 10 percent selected the branch because of their relatives or friends working there. It could be observed that the highest preference was given to Quality of service and the proximity as the second important reason for selecting the branch. From the analysis it can be safely inferred that Quality of the service is the most important factor influencing the selection of bank, followed by proximity and convenience and popularity of the branches.



**Opinion about the banking Environment**

Opinion	No of Respondents	percentage
Excellent	23	46
Good	12	24
Need to Improve	8	16
Bad	7	14
<b>TOTAL</b>	<b>50</b>	<b>100</b>

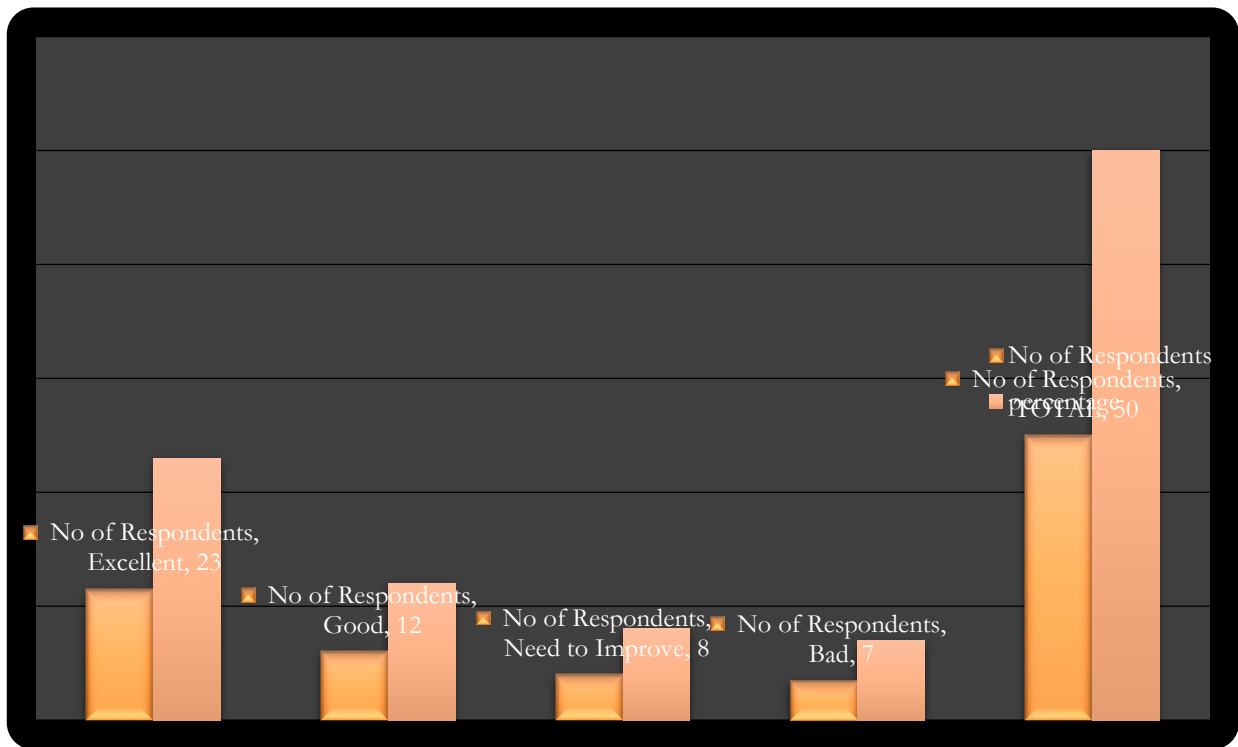


Table illustrates the respondent’s opinion on the environment of the bank 46 percent of the respondents revealed it is excellent, 24 percent of the respondents viewed that it is good, 16 percent considered it needs to be improved more and 14 percent of the respondents viewed that it is not up to the mark, It could inferred from the above empirical evidence that people generally felt comfortable of the environment exists in bank branches in jaipur which could be observed from the empirical evidence that 85 percent of the people rated the status of environment is good.



### Frequency of receiving personalized service

Opinion	No of Respondents	Percentage
Always	11	22
Often	27	54
No Opinion	3	6
Sometimes	4	8
Rarely	5	10
<b>TOTAL</b>	<b>50</b>	<b>100</b>

Table exemplifies the respondents opinion on the frequency of personalized service received during transactions, 22 percent of the respondents revealed that they always receive the personal attention in every transactions, 54 percent of the people stated that they often receive the personalized service from the bankers, 8 percent and 10 percent are felt sometimes and rarely respectively, 6 percent of the people didn't register any opinion, it could be noted that the nearly 84 percent of the people receive the personalized service from the bank employees, it is the good provision of the service the customers. It is a common practice among customers to seek the assistance of bank staff in expediting their transactions since the clerks and subordinate staff has more interfaces with customers, their popularity may be related to their role as immediate problem solving authorities.

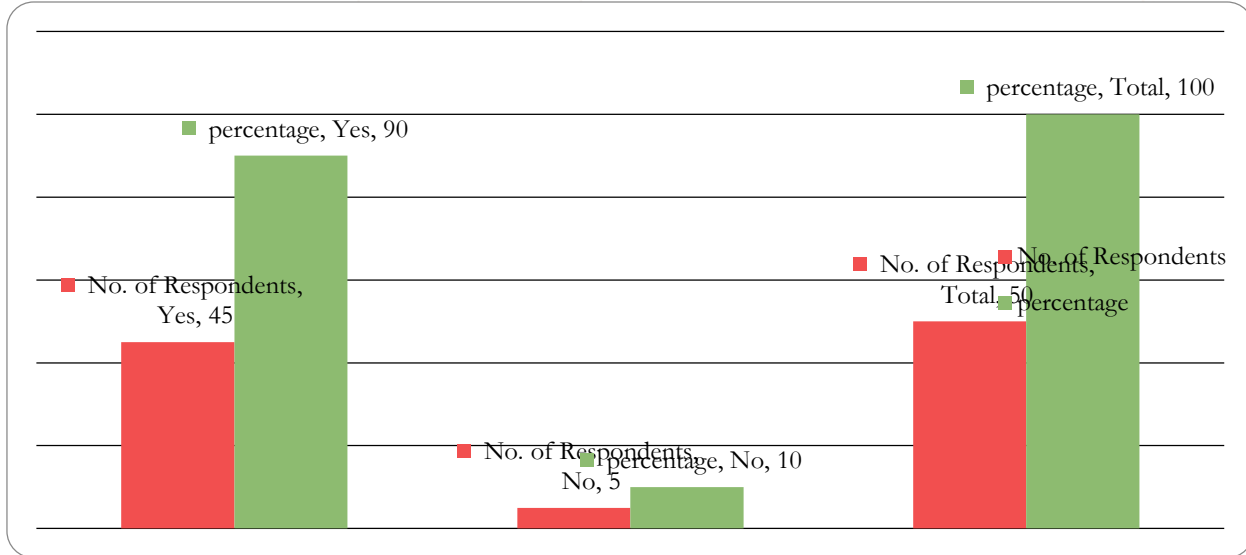
### Knowledge about innovative Banking offered by banks in Jaipur

Banks offers various king of innovative banking to its customers like facility of ATM, mobile banking, online banking, NEFT, etc. But on the other hand it's also important that customers should be well aware about these facilities. Almost every customer is having debit cards and ATM facility. Except this study puts question that customers know about the facilities or not.

The sample reveals that about 90 percent respondents are aware about innovative banking.

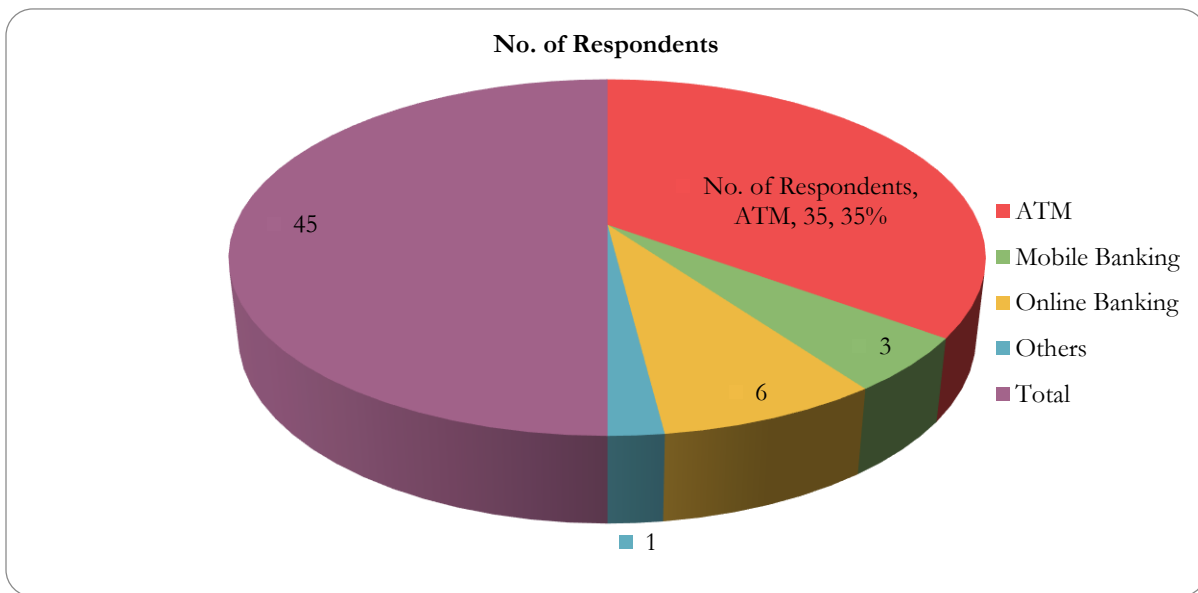
Options	No. of Respondents	Percentage
Yes	45	90
No	5	10
<b>Total</b>	<b>50</b>	<b>100</b>





**Types of Innovation and Preference of Customers**

Innovations	No. of Respondents	percentage
ATM	35	70
Mobile Banking	3	6
Online Banking	6	12
Others	1	2
Total	45	100



The table shows that 70 percent respondents were user of ATM on the hand only 6 percent respondents were user of mobile banking. It makes study concentrated with ATM users only. As they are high in number.



**Opinion about Frequency of the Usage of ATM**

Frequency	No. of Respondents	Percentage
Less than 3 times per month	2	4.44
3 to 5 times per month	3	6.66
5to 8 times per month	8	17.77
more than 8 times per month	32	71.11
<b>Total</b>	<b>45</b>	<b>100</b>

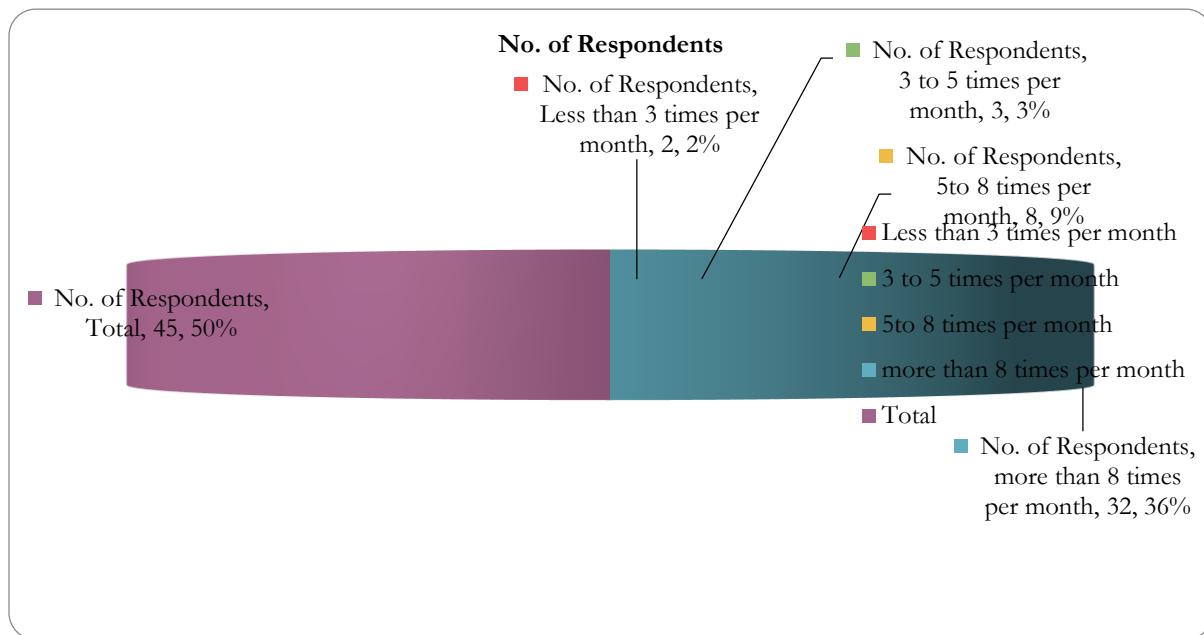


Table illustrates the respondents opinion on the frequency of the usage of the ATM services by the customers, 4.44 percent of the respondents opined that they use the ATM services less than 3 times in a month, 6.66 percent of the respondents were use the service for 3 to 5 times, 17.77 percent of the respondents were 5 to 8 times, 71.11 percent of the respondents were using the ATM more than 8 times per month, it could be inferred from the empirical evidence that the usage of ATM is high among the respondent in the study area, it is also found that the respondents were quite comfortable to utilize the electronic device for the transactions frequently.



**Time taken to wait in queue for ATM transaction**

Time Taken	No. of Respondents	percentage
Less Than 5 minutes	20	44.44
5 to 10 minutes	15	33.33
More than 10 minutes	10	22.22
<b>Total</b>	<b>45</b>	<b>100</b>



Table illustrates the time consumed for the ATM transaction in the study area, 44.44 percent of the respondents revealed that less than 5 minutes time was taken for the transaction, 33.33 percent of the respondents stated that 5 to 10 minutes time was taken for the transaction, whereas only 22.22 percent of respondents said that more than 10 minutes was taken for the transactions, it could be inferred from the empirical evidence that the very less time taken for the transaction when compared to personal transaction in the bank and people were very much satisfied with the time spent for the transaction.

**Opinion about the location of ATM**

Opinion	No. of Respondents	percentage
Satisfied	34	75.55
No opinion	4	8.89
Dissatisfied	7	15.56
<b>Total</b>	<b>45</b>	<b>100</b>

Table exemplifies the opinion of the respondents on the satisfaction level of the respondents with the location of ATM provided by the Banks in jaipur. 75.55 percent of the respondents were satisfied, 8.89 percent of the respondents were neutral and 15.56 percent of the respondents were dissatisfied, it could be inferred from the



above analysis that the respondents were highly satisfied with the location of ATM and in the same line the location itself is important determinants of the satisfaction level if it is located near to shopping complex the usage would be more hence Bank in jaipur erected the ATM bank in such a place where the people prefer to utilize more. At the outset location of ATM bank is highly appreciated by the respondents.

**Opinion about the denomination required**

Opinion	No. of Respondents	percentage
Always	20	44.44
Often	12	26.67
Some Times	7	15.56
Rarely	4	8.89
Never	2	4.44
<b>Total</b>	<b>45</b>	<b>100</b>

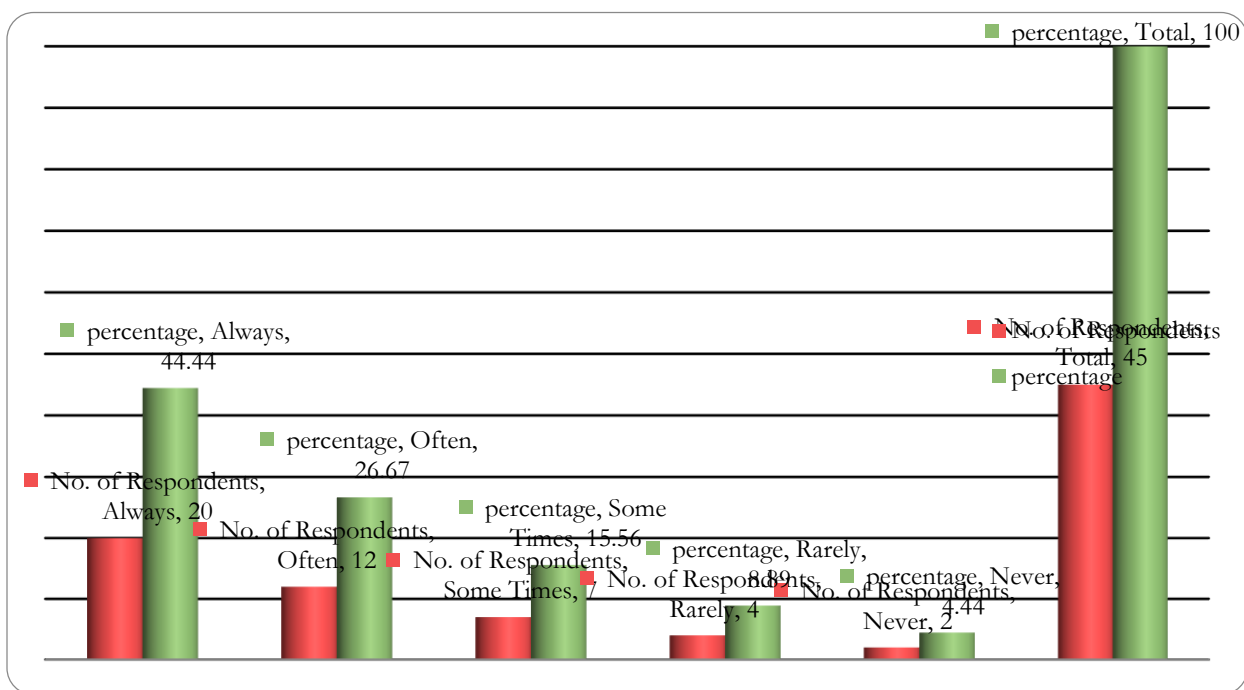


Table illustrates the frequency availing the required denomination in ATM machine, 44.44 percent of the respondents felt that it has been occurring always, 26.67 percent of the respondents opined it taking place quite often, 15.67 percent of the people stated that sometimes it happened, 8.89 percent of the people said that it happened rarely, 4.44 percent of the respondents revealed that this problem never happened to them during the transaction. It could be inferred from the empirical evidence that respondents always have the privilege to get the required denomination from the ATM machine. It is also found that people are very keen to avail the various denominations to ease their transaction.





**Opinion about Run out of cash in ATM**

Opinion	No. of Respondents	percentage
Always	3	6.67
Often	5	11.11
Some Times	7	15.56
Rarely	10	22.22
Never	20	44.44
<b>Total</b>	<b>45</b>	<b>100</b>

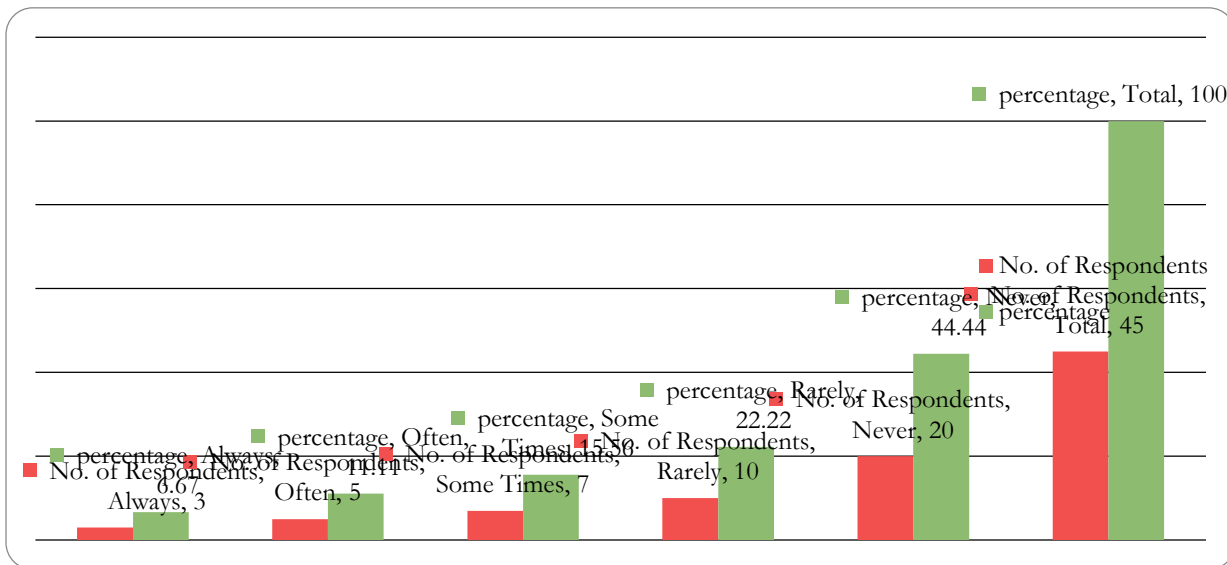


Table illustrates the frequency occurrence of run out of cash in ATM machine, 6.67 percent of the respondents felt that it has been occurring always, 11.11 percent of the respondents opined it taking place quite often, 15.56 percent of the people stated that sometimes it happens, 22.22 percent of the people said that it happens rarely, 44.44 percent of the respondents revealed that this problem never happened to them during the transaction.

**Opinion about Frequency of out of order of ATM**

Opinion	No. of Respondents	percentage
Always	5	11.11
Often	7	15.56
Some Times	9	20
Rarely	10	22.22
Never	14	31.11
<b>Total</b>	<b>45</b>	<b>100</b>



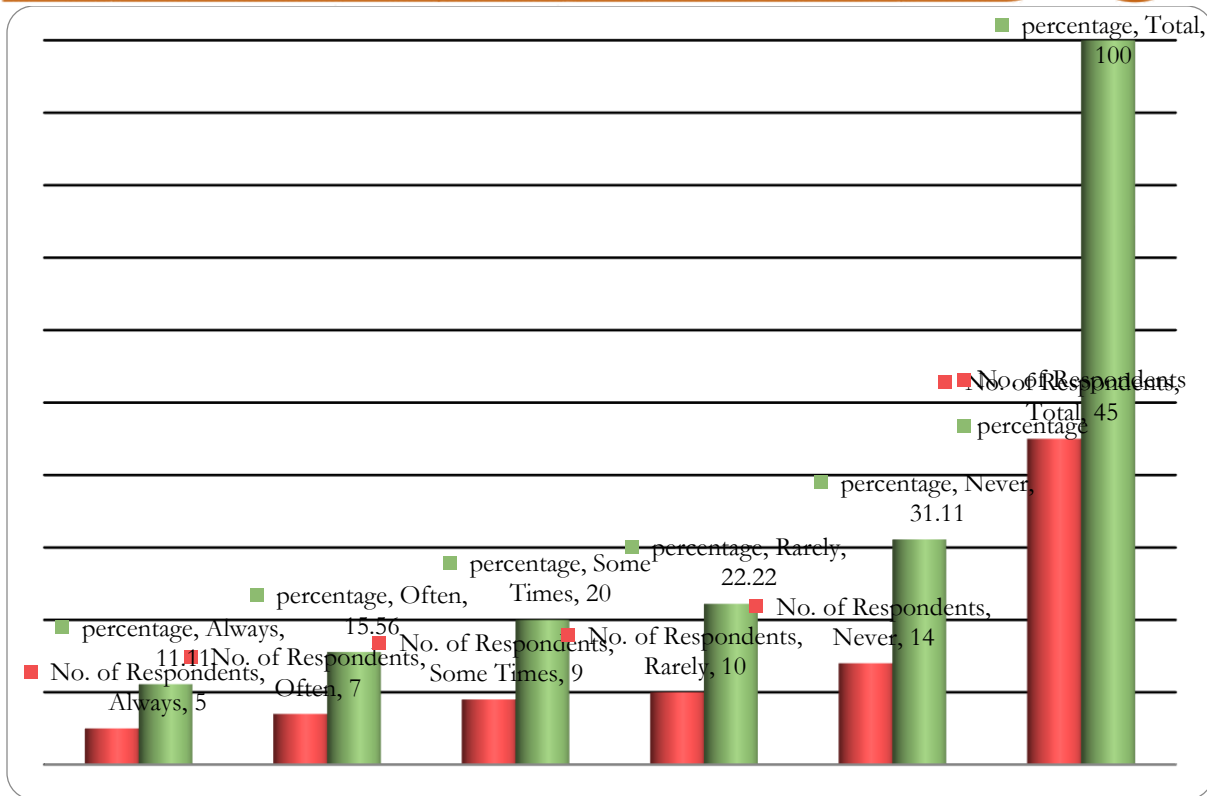


Table illustrates the frequency occurrence of out of order of ATM machine, 11.11 percent of the respondents felt that it had been occurring always, 15.67 percent of the respondents opined it taking place quite often, 20 percent of the people stated that sometimes it happened, 22.22 percent of the people said that it happened rarely, 31.11 percent of the respondents revealed that this problem never happened.

### Opinion about notification displayed about the non-availability of the service

Opinion	No. of Respondents	percentage
Always	7	15.56
Often	9	20
Some Times	9	20
Rarely	10	22.22
Never	10	22.22
Total	45	100



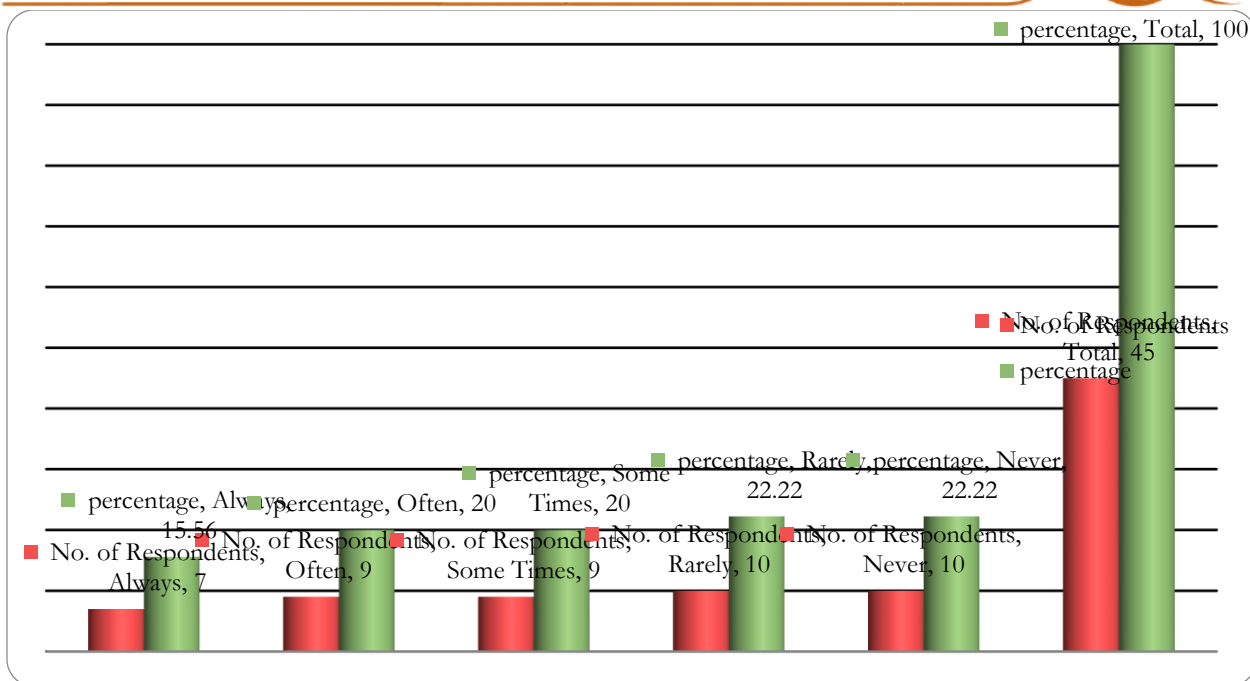


Table exemplifies the frequency occurrence of Notification about the non-availability of the service, 15.56 percent of the respondents felt that it had been occurring always, 20 percent of the respondents opined it taking place quite often, 20 percent of the people stated that sometimes it happened, 22.22 percent of the people said that it happened rarely, 22.22 percent of the respondents revealed that this problem never happened. It could be inferred from the empirical evidence that respondents have received the appropriate notification from the authorities regarding the non-availability of the service in ATM; it also found the commitment of the bankers for displaying the notification regarding the non-availability in the ATM.

**Opinion about Card get struck in the ATM machine**

Opinion	No. of Respondents	percentage
Always	5	11.11
Often	9	20
Some Times	10	22.22
Rarely	10	22.22
Never	11	24.44
total	45	100



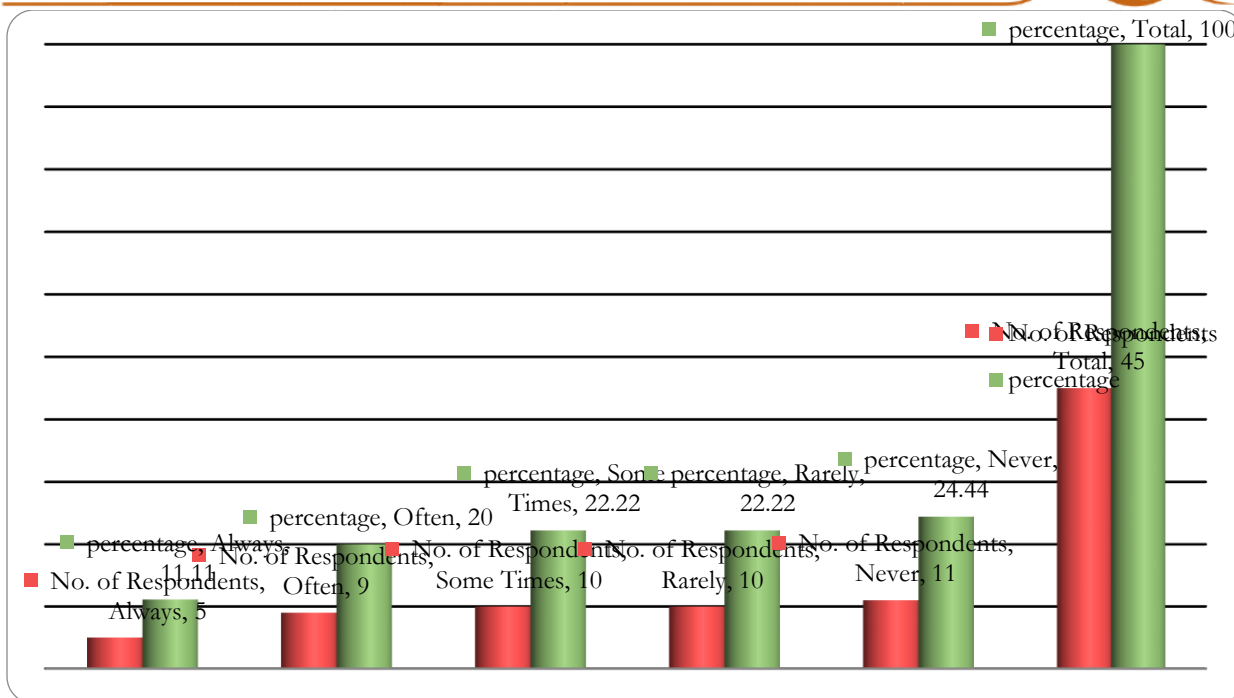


Table exemplifies the frequency occurrence of card get stuck in the ATM machine while the transaction, 11.11 percent of the respondents felt that it had been occurring always, 20 percent of the respondents opined it taking place quite often, 22.22 percent of the people stated that sometimes it happened, 22.22 percent of the people said that it happened rarely, 24.44 percent of the respondents revealed that this problem never happened. It could be inferred from the empirical evidence that card did not get stuck of the respondents in the ATM machine, however significant portion of the respondents revealed that their card got stuck in the ATM rarely which prompts the authorities to look into the matter more seriously, despite of the smaller short comings generally the there has been smooth transaction with the card through ATM.

**Opinion about Provision of Transactions statement after every transaction**

Opinion	No. of Respondents	percentage
Satisfied	35	77.78
Neutral	8	17.78
Dissatisfied	2	4.44
<b>Total</b>	<b>45</b>	<b>100</b>



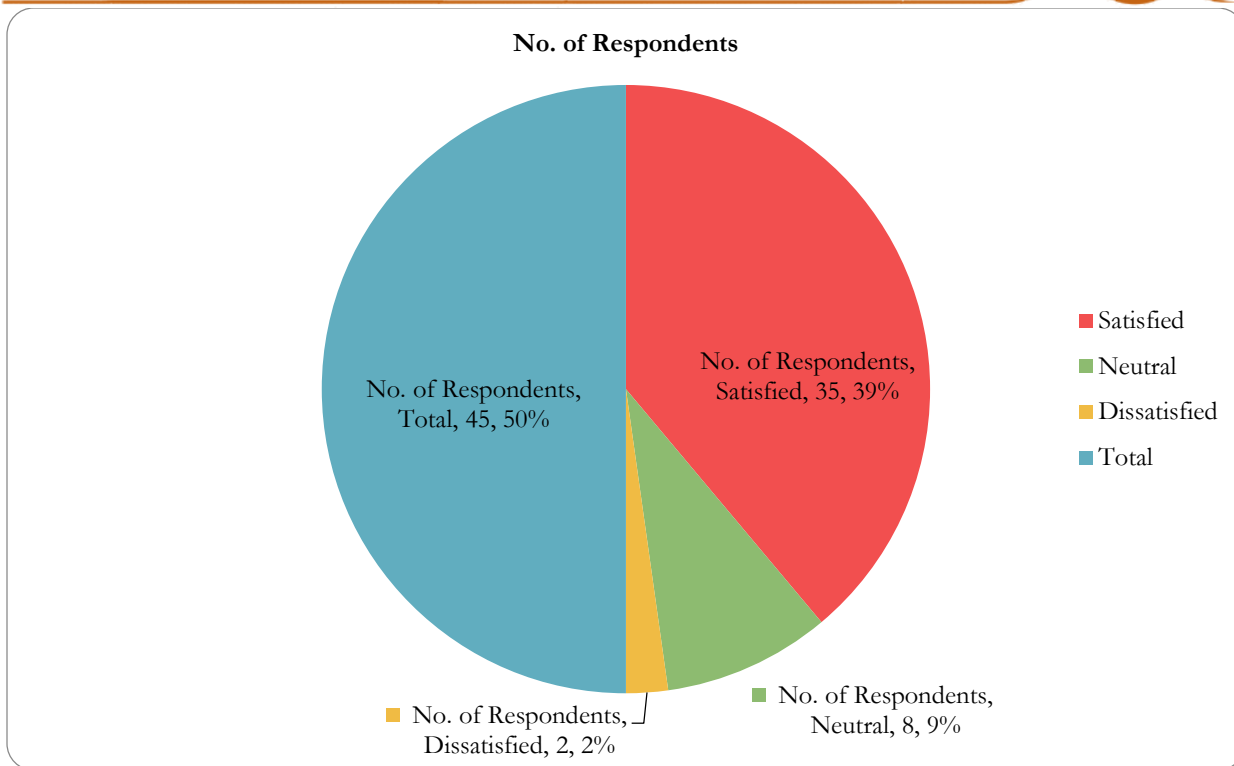


Table exemplifies the opinion of the respondents on the provision of the statement after every transaction at ATM , 77.78 percent of the respondents were satisfied,17.78 percent of the respondents were neutraland 4.44 percent of the people were dissatisfied about the service, it was evident from the empirical investigation that the nearly 70 percent of the respondents were satisfied with the provision of statement in each transaction of ATMmachine, it is also found that the respondents were able to check their amount in their respective accounts after the transactions, most of the respondents were satisfied with that privilege.

**Opinion about Banker’s commitment to Instant rectification of problem occurred in ATM**

Opinion	No. of Respondents	percentage
Satisfied	32	71.11
Neutral	8	17.78
Dissatisfied	4	8.89
Total	45	100



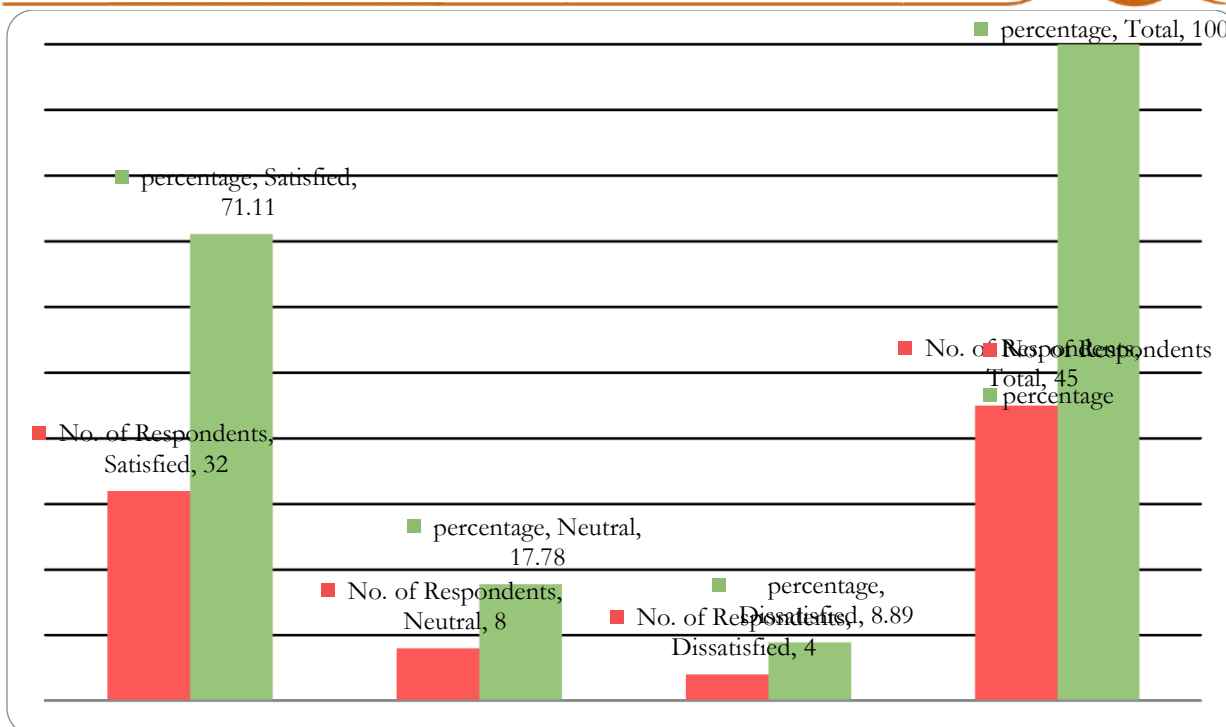


Table exemplifies the opinion of the respondents on the bank’s commitment to rectify the problem occurred in ATM centers 71.11 percent of the respondents were satisfied, 17.78 percent of the respondents were neutral and 8.89 percent of the people were highly dissatisfied about the service, it could be inferred from the empirical investigation that the nearly 88 percent of the respondents were satisfied with the approach of the bank in rectifying the problem at the earliest, it is also found that the respondents could manage to resume their transactions soon which enable them to carry out their work with more comfortably, most of the respondents were satisfied with that privilege.

**Opinion about ATM operation**

Opinion	No. of Respondents	percentage
Satisfied	34	75.56
Neutral	7	15.56
Dissatisfied	4	8.89
Total	45	100



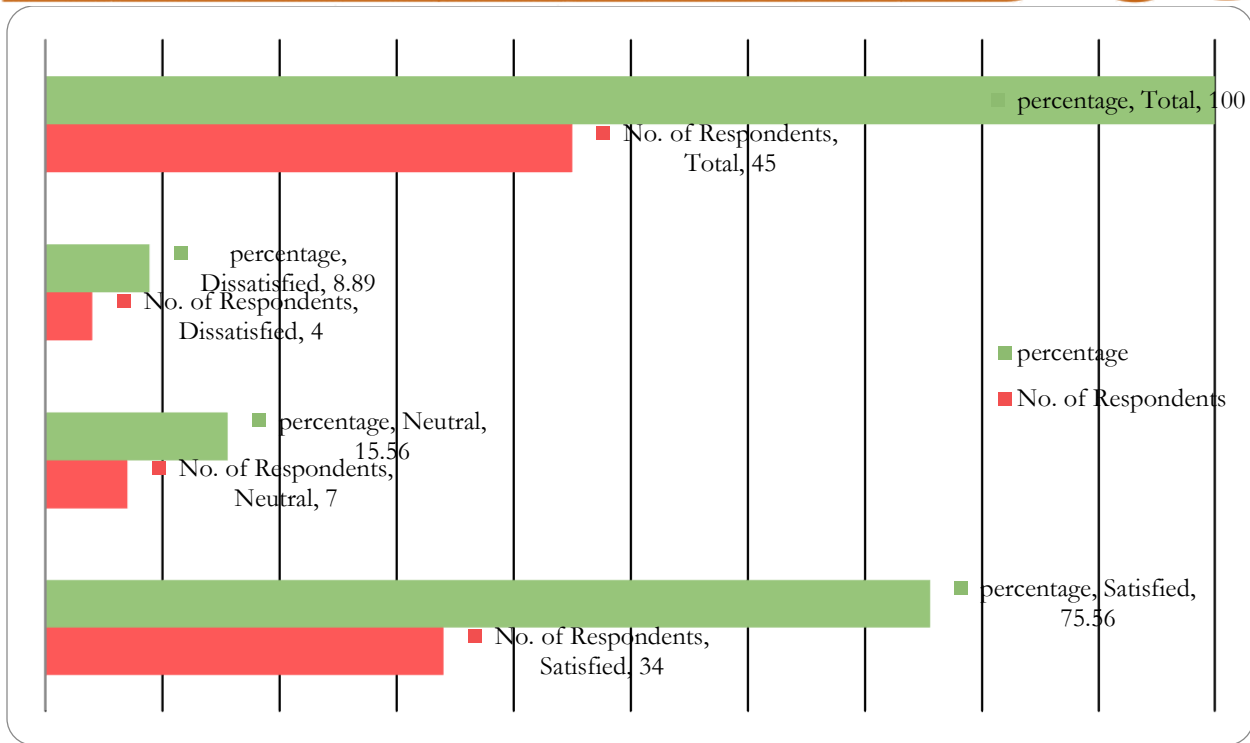


Table exemplifies the opinion on the statement that the process of ATM operation for transaction is simple and easier, 75.56 percent of the respondents were satisfied, 15.56 percent of the respondents were neutral and 8.89 percent were dissatisfied with the statement, it could be inferred from the above empirical evidence that the respondents were highly satisfied with the simple and easier procedure of ATM transaction, it is also found that the most of the respondents are educated persons hence it would be easier for them furthermore respondents also opined that even the uneducated people could afford to carry out the transaction if they taught once, hence the overall the perception implies the ATM transaction can be carry out without any complications.

**Opinion about Security for ATM and online banking**

Opinion	No. of Respondents	Percentage
Satisfied	38	84.44
Neutral	2	4.44
Dissatisfied	5	11.11
Total	45	100



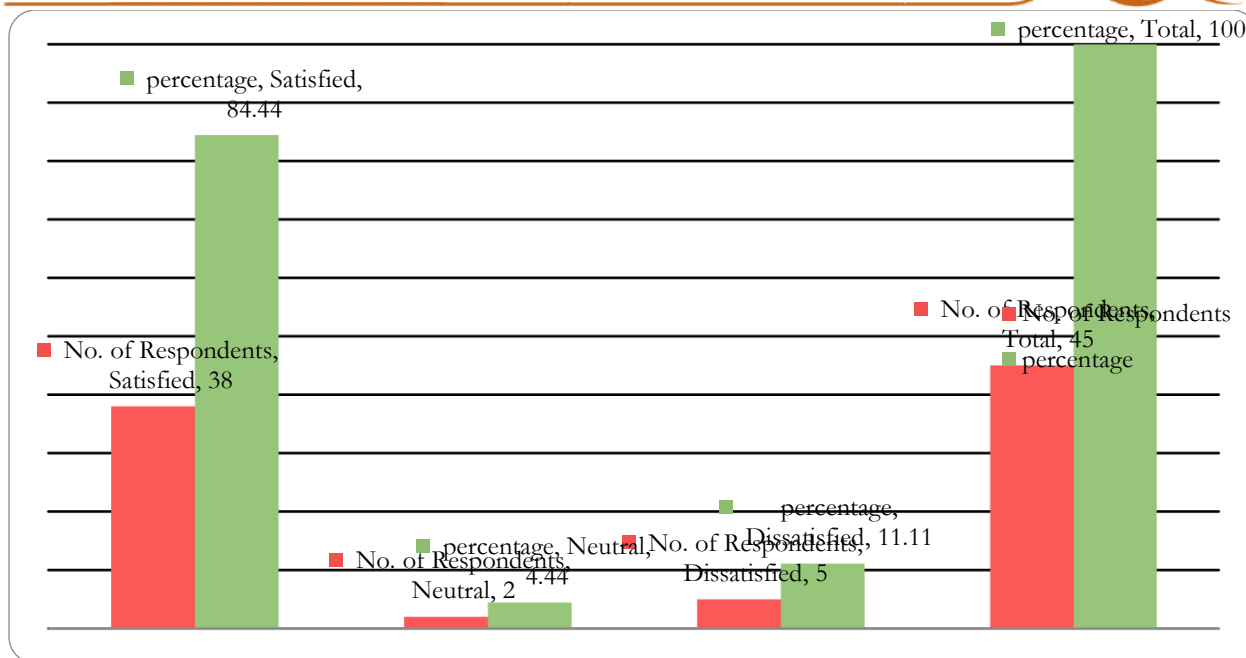


Table demonstrates the opinion on the statement that the security is good 84.44 percent of the respondents strongly satisfied, 4.44 percent of the respondents were neutral and 11.11 percent strongly dissatisfied.

### Conclusion

The above analysis empirically verified the various dimensions and innovative tools banking services rendered by the jaipur, and customer satisfaction in relation to same and result shows that customers in Jaipur are completely satisfied with banking services.

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