

**A STUDY ON CUSTOMER SERVICES OF SELECTED  
PRIVATE SECTOR BANKS WITH SPECIAL REFERENCE  
TO UDAIPUR CITY**

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**Abstract**

Banking in India originated in the last decades of the 18th century, & the rapid development in banking industry has given powerful push to private banks. Large number of Private Banks are offering wide range of services to Indian Customers & because of increased competition, banks are required to become more and more customer focused. So it is essential for private banks to know about the customers' awareness towards banking service. The paper is based on descriptive research design & questionnaire is used to collect the primary data from private banking customers. This paper highlights the awareness level & satisfaction of customers regarding banking services of Private Sector Banks. Conclusions of paper reveal the impact of customers' demographic on the awareness level about Private Bank Services.

**Key Words:** Customer Services, Private Bank, Udaipur

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**Introduction:**

In the early 1990s Narasimha Rao government embarked on a policy of liberalization, licensing and then small number of private banks entered into Indian Economy. Huge growth in private banking sector has been observed in this span of 22 years & this sector is contributing a lot in the GDP of nation. But now a day Considerable regulatory and cost pressures are forcing private banks to adopt new business models and clearly distinguish between their client segments. Banks are finding the fact that it is more costly to acquire new customers than it is to retain existing customers. Retaining customers requires customer service staff in banks to provide service that is quick, error-free and convenient so banking officials are continuously working for the betterment of services.

In the present scenario banks have to be service oriented in order to keep ahead of competition (Lohani & Shukla, 2011). Private sector banks must concentrate on providing updated information to customers regarding the new services offered by them. They must also change their policies, customer service norms and service efficiency keeping in view the strategies adopted by private sector banks. Ananthan & Egadeeshwaran (2012) concluded that “Majority of the Private Bank customers have savings account and the main purpose to open an account is for the purpose of savings. Convenience & necessity are the main reasons persuading the customers for having an account in Private sector bank”. Reasons for opening accounts with a bank by the customers are factors like convenient location, overall reputation, etc. (Mishra, Mishra, Praharaj & Mahapatra, 2011). Private Banks are offering more value-added services for special group of customers. Singh & Arora (2011) identified in their study that “Cheque deposit and cheque clearance were the most common banking services used by the customers of all six banks. While the charges levied by the bank on different services were perceived higher by the customers in private and foreign banks in comparison to nationalized banks. A small number of respondents were using IT enabled services other than ATM. Security, lack of facility, improper awareness and so on were found to be the reasons for not using IT enabled services”

**Objectives:**

The purposes of this research paper are as follow:-

1. Identify the reasons for having account in Private Sector Bank.
2. Study the awareness of customers regarding banking services of Private Sector Banks.
3. Identify the significant difference between the satisfaction levels of different private bank customers of Udaipur City.
4. Identify the impact of customers' demographics on their awareness level about Private Bank Services.

### Research Methodology

**(a) Research Design:** - To serve the purpose of research paper descriptive research design was used. Primary data was collected with the help of close ended questionnaire.

**(b) Sample Design:** - Our target population involves the users of banking services of Private Sector Banks. 200 respondents of Axis Bank (36), IDBI (42), ICICI (58), HDFC (52) & Yes Bank Ltd. (12) were selected through convenience sampling from Udaipur.

**(c) Analysis:** - The data collected was analyzed with the help of various statistical tools like Chi-square test, ANOVA (F-test), Weighted Arithmetic Mean etc.

### Analysis & Interpretations

#### a) Demographics of Respondents

Descriptive statistics are illustrated in Table 1, which indicates demographic wise distribution of respondents. 66% respondents are male & majority of customers are graduate & Post Graduate (40% & 31%). Major number of Private Bank customers belongs to the age group of 26 to 50 (57%). Percentage of Private employees is maximum (36%) & 31% of respondents are having monthly income between Rs. 30,001 to 40,000.

**Table-1: Demographics of Respondents**

Particulars	Frequency	Percent	Cumulative Percent	Particulars	Frequency	Percent	Cumulative Percent
<b>Gender</b>				<b>Monthly Income</b>			

Male	132	66	66	Less Than Rs. 10,000	18	9	9
Female	68	34	100	Rs. 10,001 - Rs. 20,000	32	16	25
<b>Total</b>	<b>200</b>	<b>100</b>		Rs. 20,001 - Rs. 30,000	54	27	52
<b>Education</b>				Rs. 30,001 - Rs. 40,000	62	31	83
Intermediate	22	11	11	More Than Rs. 40,000	34	17	100
Graduate	80	40	51	<b>Total</b>	<b>200</b>	<b>100</b>	
Post Graduate	62	31	82	<b>Profession / Occupation</b>			
Professional	36	18	100	Govt. Employee	36	18	18
<b>Total</b>	<b>200</b>	<b>100</b>		Pvt. Employee	72	36	54
<b>Age Group</b>				Professional	22	11	65
Below 25	40	20	20	Businessman	28	14	79
25-35	52	26	46	Student	12	6	85
36-50	62	31	77	Retired	22	11	96
51-60	46	23	100	Other	8	4	100
<b>Total</b>	<b>200</b>	<b>100</b>		<b>Total</b>	<b>200</b>	<b>100</b>	

### b) Types of Accounts

Table 2 exhibits the details of the types of account of the respondents. Data shows that majority of customers have saving account (38%) followed by Loan account (30%). Few customers have Current Account (14%), Recurring Deposit Account (10%) & Fixed Deposit Account (8%).

**Table-2: Types of Accounts**

Particulars	Frequency	Percent	Cumulative Percent
Saving Account	76	38	38
Current Account	28	14	52
Fixed Deposit Account	16	8	60
Loan Account	60	30	90
Recurring Deposit Account	20	10	100

Total	200	100	
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**c) Reasons for having Account in Private Bank**

Table 3 reveals the reasons for having an account in Private bank. Final ranking is done with the help of weighted arithmetic mean.

**Table-3: Reasons for having account in Private Bank**

Weights	6	5	4	3	2	1	Total	Weighted Total	Weighted Avg.	Rank
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>				
Rank										
Reasons										
High Interest Rate	12	24	42	34	32	56	200	582	27.71	4
Nearness to Residence / Office	34	44	34	10	40	38	200	708	33.71	3
Status	6	18	28	56	64	28	200	562	26.76	6
Convenience	66	46	46	30	4	8	200	916	43.62	1
Necessity	20	22	24	32	42	60	200	566	26.95	5
Friendliness of Bank Employees	62	46	26	38	18	10	200	866	41.24	2

Data shows that the major reason behind opening account in Private Bank is Convenience followed by Friendliness of Bank Employees. The least rank is given to the status.

**d) Awareness on various services**

Table 4 highlights the mean awareness score for each of the four major services offered by private banks.

**Table-4: Awareness Score on Various Services**

Service	Awareness Level			Total Score	Mean Score	Rank
	Fully Aware	Partly Aware	Not Aware			
Deposit Services	136	62	2	534	89.00	1

Mercantile Services	64	78	58	406	67.67	4
Loan Services	86	72	42	444	74.00	2
Technology Based Services	60	92	48	412	68.67	3

In order to calculate total awareness score, the numbers of respondents whose opinions are “fully aware”, “Partly aware” & “Not aware” are multiplied by 3, 2 & 1 respectively. The mean score is calculated by dividing the total score by total number of weights (6). Data reveals that among four services, deposit services have got the highest score followed by the Loan, Technology based & mercantile services.

**e) Hypothesis Testing: -**

$H_{01}$  = There is no significant difference between the satisfaction levels of different private bank customers of Udaipur City

**Table-5: Satisfaction Level of Consumers**

Bank	Satisfaction Level towards Banking Services					Total
	Highly Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Highly Dissatisfied	
Axis	8	10	7	5	6	36
IDBI	11	13	10	4	4	42
ICICI	12	15	13	10	8	58
HDFC	12	13	12	9	6	52
Yes Bank	1	2	5	3	1	12

ANOVA (F-ratio)			
Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value
20.51	(4,16)	5%	3.01

The analysis provides enough evidence to reject the null Hypothesis. In other words there is a significant difference between the satisfaction levels of different private bank customers of Udaipur City

H<sub>02</sub> = Gender of respondents doesn't affect their awareness level about Private Bank Services.

H<sub>03</sub> = Age of respondents doesn't affect their awareness level about Private Bank Services.

H<sub>04</sub> = Income of respondents doesn't affect their awareness level about Private Bank Services.

H<sub>05</sub> = Education of respondents doesn't affect their awareness level about Private Bank Services.

Hypothesis	Factor		Awareness Level for all Services			Test	Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value	Result
			Fully Aware	Partly Aware	Not Aware						
H <sub>02</sub>	Gender	Male	62	46	24	Chi - Square	2.11	2	5%	5.991	Accepted
		Female	25	30	13						
H <sub>03</sub>	Age	Younger (<35 Years)	34	36	22	Chi - Square	4.43	2	5%	5.991	Accepted
		Older (≥35 Years)	53	40	15						
H <sub>04</sub>	Income	Relatively Low (< Rs. 30,000)	42	40	22	Chi - Square	1.32	2	5%	5.991	Accepted
		Relatively High (≥ Rs. 30,000)	45	36	15						
H <sub>05</sub>	Education	Intermediate	4	14	4	Chi - Square	40.81	6	5%	12.592	Rejected
		Graduate	20	40	20						
		Post Graduate	38	10	12						
		Professional	25	12	1						

The result of the study shows that the null-hypothesis holds to be valid for Gender, Age & Income, but it has been proved wrong in the case of Educational level. So it can be clearly stated that Gender, Age & Income of Respondents don't affect their awareness level about private banking services but Educational level does.

**Conclusions:**

1. Analysis of data reveals that convenience is most influencing factor which leads customers to have an account in private sector bank.
2. Majority of customers are aware about the deposit services of Private Banks. Loan services are ranked on second position on awareness scale.
3. There is no significant difference between the satisfaction level of public & private bank customers towards services offered.
4. The awareness level about private bank services is affected by Educational qualification of customers, while gender, age & income differences don't have any impact on the awareness level about private bank services.

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