A Study of Customer Satisfaction in the Era of Digitalization: A Study of Customer Satisfaction in Digitalized Banking Services in Lucknow City, Uttar Pradesh

DR.HARI MOHAN SAXENA
Associate Professor -Department of Management
Lucknow Public College of Professional Studies, Lucknow
(Affiliated to University of Lucknow, Lucknow)

Ms.Mohini Gupta
Assistant Professor-Department of
Lucknow Public College of Professional Studies, Lucknow
(Affiliated to University of Lucknow, Lucknow)

KEYWORDS

Banking Industry, Customer Satisfaction, CRM practices, Desires of the customers, Marketing Strategies

ABSTRACT

According to the philosophy of marketing management, Customer is the king of the market who plays an important role in the development of any business strategy, development of business entity. Customer satisfaction contributes a lot in the growth and development of any business.

This paper aims in understanding, predicting and controlling the customer satisfaction towards digitalized banking services offered by public and private bank of Lucknow city in Uttar Pradesh. Focus of the study is to emphasis on relationship between digitalized banking services and customer satisfaction. Researcher has attempted modest approach of modern banking services which can be adapted in the banking industry for the betterment of Banking services and customer satisfaction. Researcher has approached of 220 respondent, out of 200 respondent responded.Data was collected through structured questionnaires and scheduled interview methods through online and offline mode. Secondary sources of data were used and it include record files, brochures, dissertations, project reports, research papers, books, hand books, government reports, bank annual reports, newspapers, websites and other published and unpublished material of the institutions. The researcher presented a descriptive analysis of the data obtained through data collection instruments.

1. INTRODUCTION

Banking Industry plays a great role in the economic development of a Nation. Without a sound and effective banking system, no country can have a growing and developed economy. Banks help channel savings to investments and encourage economic growth by allocating savings to investments that have potential to yield higher returns.

Bank is a financial institution that performs several functions like accepting deposits, lending loans thus helps in agriculture and rural development etc.

Now in 21 century Banks are introducing new way and modern techniques of banking system viz. offering digitalized banking services which contributes a lot in the satisfaction of customer.

1.1 DIGITALIZED BANKING SERVICES IN BANKING

Following are the digitalized banking services, that researcher has focused on the following.

- Digital bank statements: Allows customer to generate e-transaction.

- Checking/savings account management: Allows customer to check the balance and update in their accounts.

- Opening a digital bank account: Allows customer to open or improved account services in saving and other accounts.

- Loan management: Allows customer to borrow the capital without visiting the branch.

- Bill payments: Allows customer to pay the payment and receive the payment from others electronically.

- Cheques management: Allows customer to withdraw and payment to interested parties.

- Transaction records monitoring: Allows customers to regular monitoring of their transactions electronically.

1.2 STATEMENT OF THE PROBLEM

Present study focuses on the customer satisfaction towards banking service offered by public and private banks in Lucknow city. Many of the banks are still focusing on the traditional approach of banking services r which directly correlates to customer satisfaction. Therefore present study identifies the digitalized banking practices and suggests the modern approach of banking service offered by banks.

2. OBJECTIVES OF RESEARCH

The distinct objectives of the research are as follows:

- To study the digitalized banking services influencing customer satisfaction in Banking Sector.
- To recommend the suggestions for the betterment of banking services.

2.1 SIGNIFICANCE OF THE STUDY BANKS

Historically, hold a non-holistic path to customer administration and customer assistance, administering products and services which pleased the banks rather than the customer's requirements. Retail banks today acknowledge that this can no longer be the case. Hence the digitalized banking services may be emphasized so that the customers are treated royally concerning banking services. Thus, the banks need to improve customer satisfaction in the utilisation of various digitalized banking services and should provide more customer-friendly services to make the new banking activity a delight for the customer to use.

3. LITERATURE REVIEW

The existing literature which leads to towards an emergence of new formats of CRM in banks. The foremost researches done on CRM practices in banking sector are as follows. Ganeshan and Balati (1991) revealed that a clear-cut difference has to be created between transaction and Relationship Management. They emphasized that such a network of CRM must be developed that the customers must not be seen just as the supporter of the company and its products rather it has to maintain a balance between both internal and external markets i.e. maintaining internal climate, culture and employee relation, external planning and customer relation. (Ganeshan & Balati, 1991). Sharma (1991) studied that retail banking clients are today demanding more interactive access to their accounts, and mobility investments. He defined Customer Delight as providing the facilities and services to the customers beyond their imagination and expectations and which can be achieved by maintaining healthy

relations with the customers. (Sharma, 1991) Krishnaiah (1992) documented that CRM provides a whole network of tools that helps in collecting the information through the application of Information Technology and knowledge derived out of it. Acharyules (1993) emphasized that due to the stiff competition among the industry and companies, the major focus is on customer retention and describes the various indicators which are significant in customer retention like appropriateness, comprehensiveness, adequacy, availability, affordability, feasibility, utilization and quality of care. Agrawal L.M. (1994) accentuated that service marketers need to build up long-term relationship with their customers by understanding the cause behind their problem and recovering them fast to build deeper and long-term relationships. Further, he strengthened the marketing principle, focusing on the repeat customers, which cost less in comparison to attract new ones. He also studied the change in customer's attitude after solving their complaints Sanjay S Kaptan (1995) highlighted that understanding, differentiating, developing and customizing, interacting and delivering value in true sense, acquiring and retaining prioritization of changes, creating an action plan and measuring success are the key ingredients of a CRM Cycle. Gummerson (1996) explored the extent of application of relationship marketing (RM) in banking sector. According to his findings, the service users hold good image of the company if it provides effective CRM services. He found that poor RM caused discontinuation of services by many customers. Service industry players need to put thrust on this area to maintain profits on a sustainable basis. Malik (1997) revealed that the organization's customer base is the result of long terms investment and efforts. The relationship system is like a communication mode between the customer and the organization, understanding customer needs and preferences, and orchestrating the products and service to meet those needs. Shaik (1998) dissected the changes in the market trends and focused that today customers are making decisions not just by considering product rather relationships too. Customers want recognition, value, quality and respect for their preferences. He emphasized on the relations between the customers and the businesses, as the achievement of any retail industry depends greatly on how their CRM is. Galbreath and Rogers (1999) finds that CRM is a new management concept. CRM is about the management of technology, processes, information resources, and people needed to create an environment that allows a business to take a 360-degree view of its customers which requires more than adequate management of the customer relationship or new technologies, it requires new forms of leadership as well. CRL is a suggested approach to bridge the gap between a CRM vision and its reality. (Galbreath & Rogers, 1999) Swift (2001) investigated that CRM as a process aimed at collecting customer data, finding profiles of customers and use the customer knowledge in

specific marketing activities. CRM has been seen as an IT-enabled business strategy focusing on developing and retaining customers through increased scores on satisfaction and loyalty. Johnstom and Tennens (2005) concluded that companies across the world persist in implementing marketing campaigns that are merely window dressing and not linked to bottom line results. Market research, telemarketing, brand image, collateral development, public relations and customer relationship management has been considered as the most vital for a successful marketing campaign. Rootman, Tait and Bosch (2008) affirmed that to survive in a competitive business environment, banks need to focus on building and maintaining client relationships and identify how their employees influence these relationships. Revealed that ―knowledge ability‖ and ―attitude of bank employees‖ variables have a statistically significant impact on the effectiveness of the CRM. Alagarsamy & Wilson (2013) describes that today Customers are demanding multiple channels through which they can interact with their providers including (i) Face to face contact (ii) Phone (iii) Websites e-mail mobile device etc. which has forced the banking sector to explore new distribution channels, so that ordinary customer which have more information about multiple banking products than earlier. Bhat & Darzi(2016) reveals that customer orientation has positive impact on customer retention staff while adopting customer oriented approach in a bank can track the customer complaints and can effectively deal with them. The bank can be able to understand the needs of customers by encouraging two-way communication between customers and employees a better position to prevent customer defection. Gupta(2018) identified CRM as an important and effective tool because new and innovative technologies are generating revolution in country and global level. For example– during demonetization ATM, Internet banking, Mbanking, E-wallet etc. played a vital role to face the challenges. Tamilarasi & Praveen (2019) revealed that after so many efforts like distribution changes (with greater usage of ATMs, PCs, Internet, M- banking), decrease of transaction costs, managing of supplier-customer relationships is still one of the critical issues in banking industry. Relationships must be such that both banking service providers and customers advantage from it on a long term

4. RESEARCH METHODOLOGY

4.1 SAMPLE DESIGN

- The present study includes public and private banks in Lucknow city.
- A set of 200 sample approached out of which 200 responded.

4.2 PRIMARY DATA

The researcher visited the selected banks to collect the data of customers. The structured questionnaire was given to the customers of the banks to collect first-hand information. This has been followed by personal interviews of informal nature. Primary data of the customers were collected through interviews. The researcher approached professional, students, relatives, friends, neighbor and other belongings. Secondary sources of data were used and it include record files, brochures, dissertations, project reports, research papers, books, handbooks, government reports, bank annual reports, newspapers, websites and other published and unpublished material of the institutions as well as outside stock broking agencies.

4.3 TOOLS FOR DATA COLLECTION

Questionnaire for customers through the questionnaire, the researcher tries to find out customers perceptions related to CRM practices of the bank on one hand and the other hand tries to find out the comparison between Public and Private sector of banks. For this, the questionnaire was divided into two sections, in the first section demographic profile of respondents was included. In the second section customers opinion towards prevailing CRM practices in banking sector included.

4.4 HYPOTHESIS

- $\mu_{1\text{-}1}$: There is significant impact of digitalized Banking services on customer satisfaction.

- $\mu_{0\text{-}2}$: There is no significant impact of digitalized Banking services on customer satisfaction.

4.5 DATA ANALYSIS AND INTERPRETATION

4.5.1 TOOLS FOR DATA ANALYSIS

The study is based on the descriptive statistics the quantitatively describes or summarizes features of collecting data.It has to simplify large amount of data in a sensible manner. The collected data has been analysed by the application of suitable tool.

4.5.2 HYPOTHESIS TESTING

- **Gender of the Respondents**
  Every person reacts to the situation differently, so researchers analysed and assessed the customer satisfaction ondemographic basis.

TABLE 1 ANALYSIS OF GENDER LEVELS BY FREQUENCY

Gender		Frequency	Percent	Valid %	Cumulative %
	male	109	41.0	54.5	54.5
Valid	Female	91	34.2	45.5	100.0
	Total	200	75.2	100.0	

Above table indicates that total number of sample size is 200 out of which 109 are male respondents and 91 are femalerespondents as customers of public and private Banks in Lucknow city.

- **Age of the Respondents**

TABLE 2 ANALYSIS OF AGE BY FREQUENCY

Age		Frequency	Percent	Valid %	Cumulative %
Valid	below 25	69	25.9	34.8	34.8
	26-40	85	32.0	42.9	77.8
	41-60	38	14.3	19.2	97.0
	above 60	6	2.3	3.0	100.0
	Total	198	74.4	100.0	

Table indicates the age of respondents. Total number of sample size is 200 out of which 69 were of the age ofbelow 25 years, 85 were of between 26-40 years,38 were of between 41-60 years and 6 were of above 60 years.

- **Educational Level of the Respondents**

TABLE 3 ANALYSIS OF EDUCATIONAL LEVEL BY FREQUENCY

		Frequency	Percent	Valid %	Cumulative %
	Up to intermediate	50	18.8	25.0	25.0
Valid	Graduate	91	34.2	45.5	70.5
	Post Graduate	49	18.4	24.5	95.0
	Others	10	3.8	5.0	100.0
	Total	200	75.2	100.0	

Table 3 indicates the education level of the respondents. The total number of sample size is 200 out of which 50 were of up to Intermediate level, 91 were graduate, 49 were post graduate and 10 were chosen other option.

- **Occupation of the Respondents**

TABLE 4 ANALYSIS OF OCCUPATION BY FREQUENCY

		Frequency	Percent	Valid %	Cumulative %
Valid	Self-Employed	26	9.8	13.0	13.0
	salaried class	52	19.5	26.0	39.0
	professional	52	19.5	26.0	65.0
	students	54	20.3	27.0	92.0
	Home maker	12	4.5	6.0	98.0
	others	4	1.5	2.0	100.0
	Total	200	75.2	100.0	

Table 4 indicates the occupation of the respondents. Total number of sample size is 200 out of which 26 were self-employed, 52 were salaried class, 52 were professionals, 54 were students, 12 home makers and 4 were chosen others option.

- **Family income of the Respondents**

TABLE 5 ANALYSIS OF FAMILY INCOME BY FREQUENCY

Family yearly Income					
		Frequency	Percent	Valid %	Cumulative %
Valid	Below 2 lacs	52	19.5	26.0	26.0
	between 2 to 5 lacs	120	45.1	60.0	86.0
	more than 5 lacs	28	10.5	14.0	100.0
	Total	200	75.2	100.0	

Table 5 indicates the family annual income(in lakhs) .Total number of sample size is 200 out of which, annual income of 52 respondents were below two lakhs, annual income of 120 respondents were between two to five lakhs and annual income of 28 respondents were more than five lakhs.

• Account (public or private) of the Respondents

TABLE 6 ANALYSIS OF ACCOUNT (PUBLIC OR PRIVATE)

BY FREQUENCY

		Frequency	Percent	Valid %	Cumulative %
Valid	Public bank	121	45.5	60.5	60.5
	Private bank	79	29.7	39.5	100.0
	Total	200	75.2	100.0	

Table 4.6 indicates that total number of sample size is 200 out of which 121 were respondents having their account in public bank and rest 79 respondents having their accounts in private banks in Lucknow city.

• **ANOVA and demographic variables**

- $\mu_{0\text{-}1}$: There is no significant impact of demographic variables on customer satisfaction.
- $\mu_{1\text{-}1}$: There is significant impact of demographic variables on customer satisfaction.

TABLE 7 ANOVA GENDER AND CUSTOMER SATISFACTION

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.038	1	.038	.073	.788
Within Groups	103.424	198	.522		
Total	103.462	199			

In ANOVA test, researcher considered gender as independent and customer Satisfaction as dependent variable. From the above table (4.7) we can see that the significance value is greater than 0.05 which indicates that gender is not significant to customer satisfaction in present study. It simply means gender hardly matters for banking services in Lucknow city. Therefore researcher rejected alternate hypothesis and found that there is no significant impact of genderon customer Satisfaction in banking services.

Table 8 ANOVA Age and customer satisfaction

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between	7.974	3	2.658	5.409	.001

Groups					
Within Groups	95.344	194	.491		
Total	103.318	197			

In ANOVA test, researcher considered age as independent and customer Satisfaction as dependent variable. From the above table we can see that the significance value is less than 0.05 which indicates that age is significant to customer satisfaction in current present study. It simply means age matters for customer satisfaction in banking services in Lucknow city. Therefore researcher rejected null hypothesis and found that there is significant impact of age on customer Satisfaction in banking services.

TABLE 9 ANOVA EDUCATION LEVEL AND CUSTOMER SATISFACTION

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.371	3	.124	.235	.872
Within Groups	103.091	196	.526		
Total	103.462	199			

In ANOVA test, researcher considered educational level as independent and customer Satisfaction as dependent variable. From the above table we can see that the significance value is greater than 0.05 which indicates that educational level is not significant to customer satisfaction in current present study. It simply means educational level hardly matters for banking services in Lucknow city. Therefore researcher rejected alternate hypothesis and found that there is no significant impact of age on customer Satisfaction in banking services.

TABLE 10 ANOVA OCCUPATION AND CUSTOMER SATISFACTION

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.412	5	1.282	2.563	.028
Within Groups	97.050	194	.500		
Total	103.462	199			

In ANOVA test, researcher considered occupation as independent and customer

Satisfaction as dependent variable. From the above table (4.10) we can see that the significance value is less than 0.05 which indicates that occupation is significant to customer satisfaction in present study. It simply means occupation matters for banking services in Lucknow city. Therefore researcher rejected null hypothesis and found that there is significant impact of occupation on customer Satisfaction in banking services.

TABLE 11 ANOVA FAMILY INCOME AND CUSTOMER SATISFACTION

ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	9.963	2	4.982	10.496	.002
Within Groups	93.499	197	.475		
Total	103.462	199			

In ANOVA test, researcher considered family income as independent and customer Satisfaction as dependent variable. From the above table (4.11) we can see that the significance value is less than 0.05 which indicates that family income is significant to customer satisfaction in present study. It simply means family income matters for banking services in Lucknow city. Therefore researcher rejected null hypothesis and found that there is significant impact of family income on customer Satisfaction in banking services.

5. FINDINGS & CONCLUSION

The researcher hypothesized in the basic frame work of the study. The results showed that most of the hypotheses have been rejected giving the acceptance of alternate hypothesis. The researcher also verified this result of hypothesis by conducting discussions with respondents. Thus the researcher became sure of result of test of hypothesis.

At initial stage of empirical study the researcher tested pre design instrument (questionnaire) for data collection and tested it scientifically. The researcher used test of reliability for scale validation and found Cronbach Alpha value 0.857 which is greater than 0.70 the acceptable value of reliability of data.

The researcher assessed the perception of the respondents (sampled customers) in term of banking services offered by banks in Lucknow city and found most of the customer were happy with the banking services provided by banks in lucknow city. Researcher found only one variable organizational commitment of bank employees which were not found the cause of customer satisfaction. Researcher have sought the measure taken by the banks to improve the banking services for

their customers. The researcher has put the measures and remedies to be taken by bankers in from of managerial implication and recommendations.

6. LIMITATIONS OF THE STUDY

- Some of the responses may be biased or inaccurate due to constraints of time and lack of knowledge.
- The quality analysis and result of the study would depend upon the nature and cooperation of the respondents from the response survey.

7. REFERENCES

- Ganeshan, S., & Balati, B. (1991). Accelerating Customer Relationship. Journal of Service Marketing, 3(4), 16-28.
- Sharma. (1991). Relationship Marketing Activities, Commitment and Membership Behaviors in Professional Associations. Journal of Marketing, 64(3), 34-49.
- Krishnaiah. (1992). Leveraging Knowledge for e-Business Success. Journal of Information technology, 2(2),67-74.
- Acharyules, G. V. (1993). Fixing Service Failure. Industrial Marketing Management, 26(5), 467-473.
- Agrawal, L. M. (1994). Service Recovery Strategies for Single and Double Deviation Scenario. ServiceIndustries Journal, 19(2), 69-82.
- Kaptan, S. S. (1995). Speedy Delivery. Information World, 19(4), 86-93.
- Gummerson. (1996). Making Relationship Marketing Operations. International Journal of Service IndustryManagement, 5(5), 67-78.
- Shaik, M. (1998). Relationship Marketing in Three Dimensions. Journal of Interactive Marketing, 7(1), 47-62.
- Galbreath, J., & Rogers, T. (1999). Customer relationship leadership: a leadership and motivation model for the twenty-first century business. The TQM Magazine, 11(3), 161-171.
- Swift. (2001). Accelerating Customer Relationships Using CRM and Relationship Technologies. Journal of service marketing, 4(2), 480-482.
- Johnstom, M., & Tennens, M. (2005). The challenge of implementing a market strategy. Journal of Medical Marketing, 5(1), 44-56.
- Rootman, Tait, & Bosch. (2008). Variables influencing the customer relationship management of banks. Journal of Financial Services Marketing, 13(1), 52-62.
- Alagarsamy, K., & Wilson, S. (2013). A Study on Customer Behavior Towards Banking Services with Special Reference to Public Sector Banks in Sivagangai Dist. Asia Pacific Journal of Marketing & Management Review, 2(2), 183-196.
- Bhat, S. A., & Darzi, M. A. (2016). Determining the Role of Employee's Perception towards CRM Practices and Customer Retention. Pacific Business Review International, 1(3), 67-75.

- Gupta, P. K. (2018). Importance of CRM in Indian Banking System - A Contemporary Insight. International Journal of Engineering and Management Research, 8(2), 124-127.
- Tamilarasi, N., & Praveen, M. (2019). A study on customer relationship management in banking sector (Special reference to Coimbatore). International Journal of Applied Research, 5(3), 243-246.

…………………………………………………………………………...........