



A STUDY ON CUSTOMER PERCEPTION TOWARDS SERVICE RENDERED BY BANK OF BARODA WITH SPECIAL REFERENCE TO THINDAL BRANCH, ERODE

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Abstract

The banking sector is one of the biggest service sectors in India and now-a-days is in a way to attract the biggest market of Asia in investment. The banking sector today is focusing on how to provide efficient service to its customers. The Indian Banking System consists of various financial institutions whose objective is serving the people for their financial and economic needs. This paper is a survey of customer perception towards service provided by Bank of Baroda, Thindal branch, Erode. The purpose of this analysis is to measure customer's awareness, perception and level of satisfaction with regards to service offered by Bank of Baroda, Thindal branch, Erode. The attributes like internet banking, ATM service, attitude of staffs towards customer of the bank etc have been analyzed.

Keywords: Banking sector, service, perception and customer awareness.

Introduction

Banks that provide good quality service to their customers definitely would be able to increase their profits and revenues by being paid in terms of customer retention (Bennett and Hinges, 1988) and loyalty. The difference in the perception of the customer related to the quality of the services provided by different banks is dependent upon customers' perceptual construct and their earlier experiences with the banks. To be able to serve customers, it becomes imperative for banks to combine promptness with convenience, and mixing technology with human element. This study is to understand the customers' perception towards the service of Bank of Baroda with special reference to Thindal branch, Erode.

Review of Literature

Bhaumik and Mukherjee, the key focus of banking sector reforms was on technology up gradation and improvement of human resource.

Sureshchandar et al., 2003; Reddey 2007; Bedi 2010, the competition presented by private and multinational banks forced the public sector banks to adopt aggressive strategies, increase their presence in rural India and expand their customer base. (Business wire, 2009, McKinsey, 2010), Their study focusing on innovative marketing strategies like cross selling; packaged selling of retail products and technology based banking .

Statement of the Problem

Customers are lifeblood for any business and banking industry is highly service oriented business. When there is service concern, it always deals with the perceptual decision taking of the customer. Hence in this study I tried to figure out the perception of customer towards the service rendered by Bank of Baroda, Thindal branch on the basis of cost, convenience, facility and general factors like modernization of the bank, promptness for attending customer.

Objectives of the Study

- To study the customer perception towards the service rendered by Bank of Baroda, Thindal branch.
- To know about the customer satisfaction level towards the services offered by the bank.
- To understand the customer perception on internet service quality, the various dimension associated with satisfaction.

Scope of the Study

The study encompasses banking service quality of Bank of Baroda located at Thindal, Erode. The study covers respondents who are the customers of Bank of Baroda, Thindal branch. These customers belong to various professions, places, of both genders, with varied income groups and age groups. The study would help in improving the service of the bank and to bring necessary changes if needed.

Methodology

The validity of any research is based on the systematic method of data collection and analysis. Both primary and secondary data were used for the present study. The primary data was collected from 150 respondents in the study area. For collecting

the first-hand information, respondents were chosen by simple random sampling techniques. Simple statistical tools like percentage, mean, median, mode, average, standard deviation, Two – way tables and Chi-square test and multiple regression were employed appropriately.

Limitations of the Study

- The study is limited to the perception of only the customers having an account in Bank of Baroda, Thindal Branch.
- The study is limited to the time period of 6 months.
- The sample size is limited to 150 respondents.
- As this study is conducted only in Erode region the findings cannot be generalized for overall state or country.

Results and Discussion

Percentage Analysis

Table 1: Distribution of Respondents Based on Gender

S. No	Gender	No. of Respondents	% of Respondents
1	Male	69	46
2	Female	81	54
	Total	150	100

Table 1 show that 54% of the respondents are female and 46% of the respondents are male.

Table 2: Distribution of Respondents Based on Occupation

S. No	Occupation	No. of Respondents	% of Respondents
1	Business	26	17
2	Job	52	35
3	Students	57	38
4	Others	15	10
	Total	150	100

Interpretation

Table 2 shows that 38% of the respondents are students, 35% of the respondents are in job, 17% of the respondents are doing business and 10% of the respondents are coming under others (house wife, professionals, etc) category.

Table 3: Distribution of Respondents Based on Educational Qualification

S. No	Educational qualification	No. of Respondents	% of Respondents
1	Illiterate	3	2
2	School Level	32	21
3	Diploma	23	16
4	Graduate	74	49
5	Others	18	12
	Total	150	100

Interpretation

The above table shows that 49% of the respondents are graduates, 21% of the respondents are in school level category, 16% of the respondents belongs to the category of diploma, 12% of the respondents comes under others category and 2% of the respondents are illiterate.

Correlation Analysis

Table 4: Computation Of Correlation Between Educational Qualification (X) & Internet Banking Facility (Y)

X	Y	X ²	Y ²	XY
2	45	4	2025	90
21	27	441	729	567
16	17	256	289	272
49	9	1681	81	441
12	2	144	4	24
X=100	Y=100	X²=2526	Y² = 3128	XY=1394

$$r = \frac{(\sum XY)(N) - (\sum X)(\sum Y)}{\sqrt{(\sum X^2)(N) - (\sum X)^2} \sqrt{(\sum Y^2)(N) - (\sum Y)^2}}$$

$$r = \frac{(1394)(5) - (100)(100)}{\sqrt{(2536)(5) - (100)^2} \sqrt{(3128)(5) - (100)^2}}$$

$$r = \frac{-3030}{\dots}$$

$$\dots = (51.28)(75.09)$$

$$r = -0.78$$

Result

It is negative correlation. There are no significant relationship between Educational qualification and Internet banking facility.

Weighted Average Method

Weighted average point	5	4	3	2	1	Score	Weighted average score	Rank
Rank	I	II	III	IV	V			
Factor								
Easy accessibility	55	36	24	20	15			
	275	144	72	40	15	546/15	36.4	I
Clean and hygienic office	40	20	35	30	25			
	200	80	105	60	25	470/15	31.33	II
Counter facility	30	22	28	35	35			
	150	88	84	70	35	427/15	28.47	IV
Information brochures	20	25	50	25	30			
	100	100	150	50	30	430/15	28.67	III
Parking	5	47	13	40	45			
	25	188	39	80	45	377/15	25.13	V
Total	50	150	150	150	150			



From the analysis it is interpreted that Easy Accessibility ranked first, Clean & Hygienic office ranked second, Information Broachers ranked as third, counter facility ranked as fourth and Parking facility ranked as fifth by the respondents.

Findings

- It is noted that 54 % of the respondents are female.
- It is determined that 38% of the respondents are students.
- It is identified that 49% of the respondents are graduates.
- Majority 72% of the respondents are holding savings account.
- It is explored from the ranking analysis that the customers feel very satisfied with regards to the location of Bank of Baroda
- It is interpreted from the analysis that there is no significant relationship between respondent's educational qualification and their satisfaction towards Internet Banking.

Suggestions

- As the respondents are not much satisfied with the ATM service centre of BoB, the bank may concentrate on maintaining sufficient balance in ATM machines and by proper checking of its working condition.
- The customers are not satisfied with the customer care service so the bank could improve the 24/7 customer care service.
- There is no advertisement in media which is one of the reason for peoples ignorance about BoB so the bank may give advertisement in various media to attract more customers.
- The respondents feels dissatisfied in the case of getting response from employees for queries so employees of Bank of Baroda may pay more attention on listening & responding to the queries of the customers.
- Parking facility is much uncomfortable in Bank of Baroda, Thindal branch so the bank may take some action to improve the parking facility for the convenience of the customers.

Conclusion

The present study helps the bank to satisfy their customers by providing various services based on the customers perception and technological development. The bank has to realize the implication of market economy and adjust accordingly. In the new environment the bank renders better service with a view to attract and retain the customers and maximize the profit.

Books

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