



INFLUENCE OF DEMOGRAPHIC VARIABLES ON BANKING SERVICES: A STUDY OF WOMEN CUSTOMERS' SATISFACTION IN PUBLIC SECTOR BANKS, CHENNAI CITY

R. Geetha* & Dr. R. Poornima Rani**

* Research Scholar, Mother Teresa Women's University, Kodaikanal, Tamilnadu

** Assistant Professor of Commerce, Mother Teresa Women's University, Kodaikanal, Tamilnadu

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Abstract:

Service sector is the lifeline for the social and economic growth of a country. Today, it is the fastest and largest growing sector, contributing to a major share in global output and creation of employment opportunities more than other sectors. In the service sector, banking industry plays a critical role in the country's economy. After the Privatisation policy, the competition for Public Sector banks became high. With a large number of players, customers have a variety of choice. Customers will choose the bank which provides maximum satisfaction and good quality service. This led banks to adopt more customer oriented policies and schemes so as to attract new customers and also to retain their existing customers. So an attempt has been made by the researcher to study the demographic variables that influence the customer satisfaction. The study was conducted only in Public Sector banks of Chennai. The study has been conducted only on the women customers of the banks. The Sample size was 600. Both primary and secondary data were used for the study. The data collected was then statistically analysed with SPSS package by using ANOVA. The findings show the influence of demographic variables on customer satisfaction. This information may be helpful for the banks to increase their customer satisfaction.

Key Words: Banking, ATM, Public Sector Banks & Customers' Satisfaction

Introduction:

Banking industry in India has grown remarkably during the past few decades. The scale and scope of bank activities have undergone substantial changes in response to the changing social, political and economic environment. And also, the banking industry is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers. In the post privatization scenario of mid nineties, the government owned public sector banks found themselves placed in a highly competitive and rapidly changing environment. To survive in this competitive environment, customer satisfaction turned out to be an important key factor. To provide continual customer satisfaction, the banking services providers are required to frequently increase the quality of services. In banking business it is seen that only 5% increase in customer retention can extend 35% profitability. It calls for the retention of customers for the long term, which is more economical than attracting new customers. Achieving customer focus requires leveraging existing customer information to gain deeper insight into the relationship a customer has with the institution and improving customer service related process so that the services are quick, error free and convenient for the customers. The level of service quality and customer satisfaction can be determined by some of the demographic factors like age, gender, education, income, occupation etc. So the researcher has made an attempt to study the influence of demographic variables on customer satisfaction through a study of Public Sector Banks in Chennai.

Review of Literature:

Vaijayanthietal (2012)¹ study based on the service quality perceptions and customer satisfaction in banking industry has revealed the facets of service quality needing improvement. It has also identified the facets of service quality in which the organization is effective, there by defining them as the strengths of the services. Thus the result of this study states that consumer satisfaction exerts a relatively stronger influence on purchase intentions than does service quality.

Waquarul Haqetal (2012)² in the study entitled customer satisfaction in banking sector shows that customer satisfaction vary according to the nature of the services and in this case, highest customer satisfaction is shown in such areas like price charged by banks is nominal, convenient location of bank branches and staff attitude towards problem solving of customers. When the private sector banks are compared with public sector banks, private bank customers were more satisfied with their bank because of their multiple branches at convenient locations and technology (like cheque deposit machines, utility bill accepting machines etc.) which

¹ Vaijayanthietal. (2012) "An Empirical Study of Service Performance, Customer Satisfaction and Purchase Intention in the Banking Industry", Journal of Contemporary Management Research, pg 119-127

² Waquarulhaqetal... (2012) "Customer satisfaction: A comparison of public and private banks of Pakistan". IOSR journal of business and management (IOSRJBM)

were not even seen in public sector banks. But the public sector banks customers were more satisfied with reputation, reliability and the prices which public sector banks impose on services like cheque/cash deposit and cheque/cash withdraw.

Uma et al., (2011)³ Good sites and suitable site of the branch are essential for bank branches for smooth operation of banking business. When the private banks were compared with public banks, all the private banks have excellent locations from business point of view compared to public banks in India and for providing better service to customers proper training should be given to the staff by the banks. The public sector banks should invest and concentrate more on staff development where as private sector gives more priority on infrastructural aspects. The rigid policy of public banks creates more dissatisfaction among the customers while private banks mostly the value of service is the key factor of satisfaction.

Tiwary (2011)⁴ in his study on consumer perception and satisfaction of banking products and services conclude that it is necessary to increase adoption of technology to better meet customer requirements, improve efficiencies, reduce costs and ensure customer delight and it was the private sector and foreign banks which established the technological revolution in Indian banking. Considering the fact that in the new economy, mind share leads to market share and mind share is influenced not only by the promotions and advertisements but more importantly on favourable customer perception which in turn is based on satisfaction with regard to products, services and interaction.

Surabhi et al., (2011)⁵ has found that cheque deposits and cheque clearing are most common services used by customers, the charges levied by the banks on these services are higher in private and foreign banks than in nationalized banks. Their study also shows that the customers of public banks were not much satisfied with the behaviour of employee and infrastructure, while customers of private and foreign banks were not much satisfied with high charges, approachability and communication. They have also suggested that training on stress management and public dealing should be imparted to the employees of nationalized banks and nationalized banks need to improve their infrastructure and ambience to compete with private and foreign banks in India.

Objectives:

Following are the objectives of the study:

- ✓ To know the demographic profile of the women respondents in public sector banks.
- ✓ To find out the influence of demographic profile on various dimensions of services.

Methodology:

The research work is descriptive in nature. The present research endeavours to appraise the women customer satisfaction in the Public Sector Banks. Both primary and secondary data are used as the source for the study. Sampling unit for the study was the women customers of public sector banks in Chennai. Four Banks were considered for the study, namely: Indian Bank, Indian Overseas Bank, Canara Bank, State Bank of India from Central, South and North regions in Chennai City.

The total sample size was 600, i.e., 200 from each regions of the study area. Convenience sampling method was adopted for the study. Research instrument used for the study was a structured questionnaire addressed to the bank customers. The period of the study was about 6 months i.e., from June 2016 to December 2016. First, the descriptive analysis was carried out for the study and then the statistical analysis was done with the help of SPSS package by using ANOVA.

Profile of the Respondents:

Descriptive analysis is used to discuss the profile of the respondents. The analysis revealed that most of the respondents are in the age group 26 to 40 years and 62% of the respondents were married. Considering the educational qualification, a majority of the respondents were Graduates. Regarding the occupation, major of them were salaried persons. About 50% of the respondents' income is below Rs. 25,000 per month. The detailed descriptions of the profile of the respondents obtained through primary data are mentioned in Table 1.

Profile	Description	Number of Sample Respondents	Percentage
Age	Below 25 years	160	26.70
	26-40 years	215	35.80
	41-55 years	133	22.20

³ Uma Sankar Mishra, BibhutiBhusan Mishra, SwagatPraharaaj & Ramchandra Mahapatra (2011). CRM in Banks: A Comparative Study of Public and Private Sectors in India. European Journal of Social Sciences Volume 24.

⁴ Tiwary B.K (2011). Consumer Perception and Satisfaction of Banking Products and Services. A Comparative Study of Select Indian Public and Private Sector Banks. Indian Streams Research Journal Vol -I.Chennappa, D; Eliat, M.J (2009). Satisfaction of the Credit Card Holders of the Public,

Private and Foreign Sector Banks. European Journal of Management Volume: 9, ISSN: 1555-4015.

⁵ Surabhi Singh &RenuArora (2011). A Comparative Study of Banking Services and Customer Satisfaction in Public, Private and Foreign Banks. Kamla -Raj, J Economics J Economics, 2(1): 45 - 56.

	Above 55 years	92	15.30
Marital Status	Single	228	38.00
	Married	372	62.00
	Professional	148	24.70
Educational Qualification	Postgraduate	128	21.30
	Graduate	213	35.50
	Others	111	18.50
	Professional	149	24.80
Occupation	Businessman	124	20.70
	Salaried person	262	43.70
	Retired person	65	10.80
	Below Rs.25,000	301	50.10
Monthly income	Rs.25,001- Rs.50,000	175	29.20
	Above Rs.50,000	124	20.70

Customer Satisfaction on the Services Provided By the Banks:

Banks provide many services to the customers. But only General services and ATM services were selected for this study.

To test the significance of opinions about satisfaction levels towards various aspects of the services, Friedman's test for k-related samples was applied to the study. This test was chosen as the parameters are independent. It is used to detect differences in treatments across multiple test attempts. The procedure involves ranking each row (or block) together, then considering the values of ranks by columns.

i) Opinions of Women Customers Towards Satisfaction Level in General Services:

Out of the various General Services provided by the banks, following eight variables were considered for study namely: Payment of cash, cheques; Receipt of cash; Purchase of DD; Collection of cheques; Delivery of fixed deposit receipts; Updating of savings /RD pass books; Issue of cheque books in current/SB account and Issue of statements of accounts/pass books.

Hypothesis: There is NO significant association among customer satisfaction level in General Services.

	Mean Rank	Chi Square Value
Payment of cash, cheques	5.63	300.129** (p<.001)
Receipt of cash in the accounts	4.93	
Purchase of DD	4.12	
Delivery of Bank Orders	3.94	
Delivery of fixed deposit receipts	4.37	
Updating of savings /RD pass books	4.11	
Issue of cheque books in current/SB account	4.41	
Issue of statements of accounts/pass books	4.49	

** Significant at 1% level

From the above table it is clear that the customers have expressed higher satisfaction towards Payment of cash, cheques (mean rank is 5.63) and lower satisfaction towards Delivery of Bank Orders (mean rank is 3.94). Since the 'p' value is less than 1% significant, it is concluded that there is significant association among customer satisfaction level in general services. It can be assumed the banks have to develop the general services in order to obtain customer satisfaction.

ii) Opinions of Women Customers Towards Satisfaction Level in ATM Services:

An Automated Teller Machine (ATM) is a computerized telecommunication device that provides the customers of a financial institution with access to financial transactions in a public space without the need for a human clerk or bank teller. Using an ATM, customers can access their bank accounts in order to make cash withdrawals (or credit card cash advances), check their account balances and can perform an array of activities.

Hypothesis: There is NO significant association among customer satisfaction level in ATM services.

	Mean Rank	Chi Square Value
Location of ATM	8.86	
Availability of cash	8.10	
Time to process request	7.44	
Number of ATM's in locality	7.31	
Response to query	6.63	
Availability of desired forms	7.12	
Availability of cheque drop box	7.10	

Safety	6.79	210.509** (p<.001)
Printed statement of transaction	7.73	
Cash deposit Facility	7.38	
Availability of networked(shared) ATM	7.65	
Continuous services	7.42	
Variety of transaction	7.18	
Easy to operate ATM	8.29	

** Significant at 1% level

The above table shows clearly that woman customers have expressed more satisfaction towards Location of ATM (the mean rank is 8.86) and lower satisfaction level to Response to query (the mean rank is 6.63) and Safety (the mean rank is 6.79). Since the 'p' value is less than 1% significant, the null hypothesis is rejected. Hence it can be observed that there is significant association among customer satisfaction level in ATM services. It can be assumed the banks have to develop the ATM services in order to obtain customer satisfaction.

Parametric Relationship Between Demographic Variables and Dimensions of Services:

One way analysis of Variance (ANOVA) is found suitable to find the influence of independent variables on the dependent variables. This tool adapts the mechanism of comparing the mean value of the variables to exactly determine their significance.

i) Testing for Significant Difference Between Demographic Variables With Respect to the General Services Offered by the Public Sector Banks:

One way ANOVA was applied to ascertain if there is any significant difference between the Demographic Variables with respect to the General Services.

Table 4: Mean difference between Demographic Variables and General services.

Profile	Description	N	Mean	SD	F-value	P-value
Age	Below 25 years	160	31.22	3.918	8.876**	<.001**
	26-40 years	215	31.55	3.511		
	41-55 years	133	31.61	3.286		
	Above 55 years	92	33.56	4.025		
Marital Status	Single	228	31.28	3.886	2.608**	0.009**
	Married	372	32.09	3.602		
Educational Qualification	Professional	148	32.00	3.408	0.773	0.510
	Postgraduate	128	31.42	3.133		
	Graduate	213	31.95	3.573		
	Diploma, School	111	31.61	4.901		
Occupation	Professional	149	31.48	3.447	2.179	0.089
	Businessman	124	31.68	4.051		
	Salaried person	262	31.74	3.473		
	Retired person	65	32.86	4.541		
Monthly Income	Below Rs.25,000	301	31.33	4.166	4.627*	0.010**
	Rs.25,000toRs.50,000	175	32.14	3.117		
	Above Rs.50,000	124	32.38	3.265		

From Table-4 it is clear that respondents with age above 55 years have scored higher mean value of 33.56 and the lowest mean was scored by the respondents with age of below 25 years 31.22. This shows that the respondent's with age above 55 years are more satisfied with the General services. Since the p-value is less than the 1% significant level the **Null Hypothesis is rejected**. So, there is significant difference between age group of the respondent's and general services.

With respect to marital status, respondent's who were married have scored higher mean value of 32.09 than the respondents who are living single (31.28). So the married respondents' are satisfied more than the single respondents' towards the General services. The p-value is greater than 1% significant level. Thus the **Null Hypothesis is accepted**. Thus, there is no significant difference between the marital status of the respondents and the General services.

Respondent's who are professionals have scored higher mean value of 32.00 and postgraduates have scored lowest mean value of 31.42. Thus, professionals are more satisfied than other qualifications. The obtained 'p' value is 0.510 and it is not significant at 5% level, and thus the **Null Hypothesis is accepted**. The value indicates that there is no significant mean difference between respondent's educational qualifications with respect to General services.

With respect to occupation, respondent's who are retired person have scored higher mean value of 32.86 and the respondents who are professionals have scored lowest mean value of 31.48. Therefore, retired persons are more satisfied than other occupations, towards the General services. The obtained 'p' value is

0.089 and it is not significant at 5% level and thus the *Null hypothesis is accepted*. The value indicates that there is no significant mean difference between respondent's Occupation with respect to General services.

Respondent's who are earning monthly income above Rs.50,000 have scored higher mean value of 32.38 and the lowest mean value of 31.33 was scored by the respondents who are earning monthly income below Rs.25,000. This shows that the respondent's with monthly income above Rs.50, 000 are more satisfied than the respondent's with other monthly income slabs with respect to General services. The obtained 'p' value is 0.010 and it is not significant at 5% level and thus *Null hypothesis is accepted*. The value indicates that there is no significant mean difference between monthly incomes of respondent's with respect to General services.

ii) Testing for significant difference between Demographic Variables with respect to the ATM Services offered by the public sector banks:

Profile	Description	N	Mean	S D	F-value	P-value
Age	Below 25 years	160	54.07	6.619	10.088**	<0.001**
	26-40 years	215	58.26	5.983		
	41-55 years	133	55.33	5.143		
	Above 55 years	92	55.11	5.334		
Marital status	Single	228	54.71	6.855	2.071*	0.039*
	Married	372	55.76	5.429		
Educational qualification	Professional	148	56.24	6.374	1.914	0.126
	Postgraduate	128	54.58	4.689		
	Graduate	213	55.13	6.725		
	Diploma & School	111	55.55	5.391		
Occupation	Professional	149	55.36	6.279	0.469	0.704
	Businessman	124	55.03	6.020		
	Salaried person	262	55.33	5.894		
	Retired person	65	56.12	6.055		
Monthly income	Below Rs.25,000	301	54.60	6.653	6.045	0.003**
	Rs.25,000-Rs.50,000	175	55.71	4.258		
	Above Rs.50,000	124	56.74	6.306		

The above table indicates that respondents with age 26 - 40 years have scored higher mean value of 58.26 and the lowest mean value of 54.07 was scored by the respondents with age of below 25 years. This shows that the respondent's with age 26 - 40 years are more satisfied than other age groups with respect to ATM services. Since the p-value is less than the 1% significant level the *Null hypothesis is rejected*. Hence it can be understood that there is significant difference between age group of the respondent's and the ATM services. Respondent's who were married have scored higher mean value of 55.76 than the respondents who are single (54.71). This shows that the married respondent's are satisfied more than the single respondent's towards the ATM services. The p-value is greater than 1% significant level. Thus the *Null Hypothesis is accepted*. Thus, there is no significant difference between the marital status of the respondents and the ATM services.

With respect to educational qualification, respondents' who are professionals have scored higher mean value of 56.24 and postgraduates respondents have scored lowest mean value of 54.58. This shows that the professionals are more satisfied than people with other qualifications towards the ATM services. The obtained 'p' value is 0.126 and it is not significant at 5% level, and thus *Null hypothesis is accepted*. The value indicates that there is no significant mean difference between respondent's educational qualifications with respect to ATM services. Respondent's who were retired have scored higher mean value of 56.12 and lowest mean value of 55.03 was scored by business woman. This shows that the retired person are more satisfied than the business woman towards the ATM services. The obtained 'p' value is 0.704 and it is not significant at 5% level. Thus the *Null hypothesis is accepted*. The value indicates that there is no significant mean difference between respondent's Occupation with respect to ATM services.

Respondents' with monthly income above Rs.50, 000 have scored higher mean value of 56.74 than the respondent's earning monthly income below Rs.25, 000(54.60). This shows that the respondent's with monthly income above Rs.50, 000 are more satisfied than the respondent's with other income slabs with respect to ATM services. The obtained 'p' value is 0.003 and it is not significant at 5% level. Thus, the *Null hypothesis is accepted*. The value indicates that there is no significant mean difference between monthly incomes of respondents' with respect to ATM services.

Findings of the Study:

General Services:

- ✓ The respondent's with age above 55 years are more satisfied.
- ✓ The married respondent's are more satisfied towards the General services.

- ✓ Professionals show more satisfaction level towards the General services.
- ✓ The retired person is more satisfied.
- ✓ That the respondent's with monthly income above Rs.50, 000 are more satisfied.

ATM Services:

- ✓ The respondent's with age 26 - 40 years are more satisfied.
- ✓ The married respondent's show higher satisfaction level towards the ATM services.
- ✓ The professionals are more satisfied.
- ✓ The retired person is more satisfied towards the ATM services.
- ✓ The respondent's with monthly income above Rs.50, 000 are having more satisfaction with the ATM services.

With regard to the General & ATM Service, out of the five demographic variables, only Age factor was rejected and the other four were accepted. This means that Age factor plays an important role in determining the satisfaction level of customers in Public sector banking.

Conclusion:

Results of this study show that there is significant relationship between the demographic variables and the satisfaction level. In today's competitive world, banks can get competitive advantage by providing superior services to their customers. The finding reinforces the need for banks to place an emphasis on satisfying the customers and take into account the moderating effect of demographics and situational factors. The banks should periodically assess and monitor customer satisfaction levels and recognize its importance in developing and maintaining enduring relationship with their customers as crucial parameters leading to increased performance.

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Appendix – 1

Questionnaire:

Part – A: Demographic Profile

(Please round the alphabet of your Answer)

- | | | | | | |
|-------------------|---|---------------------|--------------------|-----------------|-------------|
| 1. Age | : | a) below 25 | b) 26 to 40 | c) 41 to 55 | d) Above 55 |
| 2. Marital status | : | a) Single | b) Married | | |
| 3. Education | : | a) Professional | b) Postgraduate | c) Graduate | d) Others |
| 4. Occupation | : | a) Professional | b) Business Woman | c) Salaried | d) Retired |
| 5. Monthly income | : | a) Less than 25,000 | b) 25,001 - 50,000 | c) Above 50,000 | |

Part – B: Customer Services Satisfaction

(Please indicate by a tick against each statement given below)

a	General Service	Excellent (5)	Good (4)	Average (3)	Poor (2)	Very Poor (1)
1	Payment of cash, cheques					
2	Receipt of cash in the accounts					
3	Purchase of DD					
4	Delivery of bank orders					

5	Delivery of fixed deposit receipts					
6	Updating of savings /RD pass books					
7	Issue of cheque books in current/SB account					
8	Issue of statements of accounts/pass books					
b	ATM Services	Excellent (5)	Good (4)	Average (3)	Poor (2)	Very Poor (1)
1	Location of ATM					
2	Availability of cash					
3	Time to process request					
4	No. of ATM's in locality					
5	Response to query					
6	Availability of desired forms					
7	Availability of cheque drop box					
8	Queues at ATM					
9	Printed statement of transaction					
10	Cash deposit Facility					
11	Availability of networked(shared) ATM					
12	Continuous services					
13	Variety of transaction					
14	Easy to operate ATM					