

Customer's Satisfaction Towards Sustainable Banking Services of Public Sector Banks in India: A Study on SBI in the District of Hooghly, West Bengal

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ABSTRACT

The banking industry is one of the most important pillars in the Indian financial system for the sustainable progress and improvement of the Indian economy. The banking industry is a direct, customer-oriented service industry. After the induction of reforms in the financial sector of India in 1991, customer satisfaction with the banking products and services offered by the bankers in India has become the key factor for all types of banking business. Finally, customer service has turned into a differentiating factor for bankers' profitability, prospects, and sustainability. So, to survive and sustain in the globalized and competitive market, Indian public sector banks should have to satisfy their customers by offering newer and more innovative banking products and services as offered by the private sector and foreign banks to retain existing customers as well as attract prospective clients. The current research work attempts to analyze the satisfaction level of customers with sustainable financial services offered by the State Bank of India (SBI) in the Hooghly district of West Bengal. The study reveals that the customer's satisfaction level has an association with demographic aspects like gender, age, education, occupation, and annual income level.

Keywords: *Indian Financial System; Banking Industry; Indian Economy; Public Sector Banks; Customer Satisfaction*

Introduction

The Indian banking system plays a significant role in the sustainable economic improvement and growth of the country. It has been broadly classified into commercial banks (public sector banks, private sector banks, foreign banks, and regional rural banks), small finance banks, payments banks, and cooperative banks. The Reserve Bank of India regulates their functions. Before financial sector reforms, public-sector banks dominated the financial sector. The focus of the bankers then was to earn profit rather than the satisfaction level of customers with their services. As a result of financial sector reforms in 1991, public sector banks started to lose their shares in the banking market to private banks and foreign banks. The system has witnessed a paradigm shift in the focus of the banking sector towards customer satisfaction. Banking profitability and sustainability depend on how the banks are effectively mobilizing and utilizing funds and how they are satisfying the desires and wants of their customers. So, to stay alive and sustain themselves in the globalized and

competitive market, Indian public sector banks have started to induce newer and more innovative banking products and services, as induced by the private sector and foreign banks. The aim was to keep existing customers and attract prospective clients as well. The present study endeavors to analyze the satisfaction level of customers with sustainable banking services offered by the SBI in the district of Hooghly.

Problem Statement

Since the reforms in the financial sector in India in 1991, the public sector, private sector, and foreign banks have been serving bank customers in the Indian financial system simultaneously. Over time, public sector banks have started to face huge competition from the private sector and foreign banks, which has resulted in a reduction in clientele. Customer orientation should be the main focus of the public sector banks' efforts to stay alive in this aggressive world. Public-sector banks will have to induce newer and more innovative financial products and services for their customers now and then, as will private sector and foreign banks. It may help the public sector banks keep the subsist customers and incline prospective clients as well.

Literature Review

Numerous research studies have been done by many researchers and academicians on diverse perspectives of the customer satisfaction level with the various services provided by the Indian public sector banks over time. Some of those are highlighted below.

Saxena and Jindal (2019) analyzed the satisfaction level of customers with banking services in the district of Nainital. He revealed that the satisfaction level of customers is around 73.80% based on the analysis of the field-surveyed primary data.

Sugavaneswari and Rajan (2018) measured the satisfaction level of customers with various banking services and also analysed various types of services offered by the private sector as well as public sector banks in the Chennai district. They established that banks are able to opt for modern information technology to modify the technique of providing services to attract more customers and boost their level of satisfaction.

Mohan (2017) aimed to evaluate the worth of the services of the bank and their impression on the satisfaction level of customers. He also examined the connection between a customer's loyalty and their satisfaction level. The study revealed that the improving people factor and modern banking services have prime importance in attracting banking customers.

Vanitha and Velmurugan (2015) attempted to identify the determinants of clients' pleasure. dwelling area, sex, knowledge, quality, ability, skill, family proceeds, account occupying period, and sensation of service proficiency have been disclosed as the determinates of the satisfaction level of customers.

Rabb (2015) evaluated different aspects like the behavior of bank employees, available services of the bank, execution of the bank, infrastructure proficiency, credit related facilities, and additional significant services of the SBI in the Kanyakumari district that establish the satisfaction level of customers. The outcome of the study is that there is a noteworthy association between the various banking services offered by the SBI and the customer satisfaction variables. The study also found that there is a moderate level of satisfaction among the customers.

Research Gap

From the above literature reviews, it has been found that no such influential research work has been conducted on the satisfaction level of customers with the sustainable banking services of SBI in the district of Hooghly, West Bengal. The present study has tried to emphasize this untouched area.

Research Objective

The research objective of the present work is to overview and analyse the level of customer satisfaction with sustainable banking services offered by the public sector banks in India, especially the State Bank of India (SBI) in the district of Hooghly, West Bengal.

Methodology

1. Database: The study is analytical in nature. It is basically based on primary data that has been composed from ground-level investigations by interviewing respondents with the help of a controlled questionnaire. Some secondary data has also been used in the study. These are collected from various research-based articles, journals, and papers published by various academicians and researchers over time in India. The present study has been conducted on the SBI in the district of Hooghly, West Bengal. There are a total of 47 SBI branches in the Hooghly district. Randomly, 10 branches have been visited, and the questionnaires have been circulated among the banking customers of those branches of SBI. The convenient sampling technique has been applied to select and interview the customers with the structured, closed-ended questionnaire from February to July 2022. Finally, 250 banking customers have responded to the questionnaire.

2. Methods: The questionnaire has two parts: the first part consists of six demographic questions, and the second part consists of sixteen technical questions relating to banking services. The questions relating to banking services have been designed using a five-point Likert scale. The score, ranging from 5 to 1, has been assigned to the questions. It goes like this: '5' for 'highly satisfied', '4' for 'satisfied', '3' for 'neutral', '2' for 'dissatisfied', and '1' for 'highly dissatisfied'. So, the maximum score a customer would get is 80. The scores obtained by each bank customer have been divided by 80 and multiplied by 100 to form an index. It has been named the "Customer Satisfaction Index". On the basis of this index of satisfaction, surveyed respondents are grouped into three categories: customers with a high satisfaction level, customers with a moderate satisfaction level, and customers with a low

satisfaction level. To divide the three types of customer categories, quartiles have been applied. As a result, customers with a satisfaction index ranging from 61.26 and above are named high satisfaction level customers; those with an index value between 46.26 and 61.25 are named moderate satisfaction level customers; and those with an index value up to 46.25 are named low satisfaction level customers. Out of 250 surveyed customers, 120 (48%) have a high satisfaction level; 60 (24%) have a moderate satisfaction level, and the remaining 70 (28%) have a low satisfaction level. Frequency tables, percentages, and statistical tools like the chi-square test are applied for analysing primary data collected from the field survey to accomplish the objective of the study and draw a logical conclusion. The Cronbach's alpha test has been used to measure the inner uniformity of the questionnaire. The test result is 0.962. Usually, a reliability coefficient above 0.60 is considered sufficient for the reliability and consistency of the questionnaire in social science research. So, the measures taken in this research work based on the questionnaire are reliable and suitable. The data are processed and analysed with the aid of MS Excel and a statistical package (SPSS-20.0 version).

3. Hypothesis: Five flocks of inferences are formed to achieve the research objective. They are shown below:

1. H_0 : The gender of customers and their level of satisfaction with the overall banking services offered by SBI have no relationship.
2. H_0 : The age of customers and their level of satisfaction with the overall banking services offered by SBI have no association.
3. H_0 : There is no connection between the education of customers and their level of satisfaction with the overall banking services offered by SBI.
4. H_0 : There is no association between occupation and their level of satisfaction with the overall banking services offered by SBI.
5. H_0 : The annual income level of customers and their level of satisfaction with the overall banking services offered by SBI have no relationship.

Results and Discussion

The data collected from the field survey through the questionnaire have been analyzed below:

Table 1: Determinants of Satisfaction Level of Customers towards Sustainable Banking Services Provided by SBI in Hooghly district, West Bengal

Variables		Customer Satisfaction Level					
		Low [70 (28%)]		Moderate [60 (24%)]		High [120 (48%)]	
		Frequency	Percentage	Frequency	Percentage	Frequency	Percentage
Sex	Male	70	100.00	30	50.00	70	58.33
	Female	0	0.00	30	50.00	50	41.67
Total		70	100.00	60	100.00	120	100.00

Age	20 Yrs & Below	40	57.14	30	50.00	40	33.33
	21 Yrs-40 Yrs	10	14.29	30	50.00	60	50.00
	41 Yrs-60 Yrs	20	28.57	0	0.00	20	16.67
	61Yrs & Above	0	0.00	0	0.00	0	0.00
	Total	70	100.00	60	100.00	120	100.00
Education	Primary	0	0.00	0	0.00	0	0.00
	MP	10	14.29	0	0.00	0	0.00
	HS	10	14.29	10	16.67	10	8.33
	UG	20	28.57	50	83.33	60	50.00
	PG	30	42.86	0	0.00	30	25.00
	Others	0	0.00	0	0.00	20	16.67
	Total	70	100.00	60	100.00	120	100.00
Occupation	Employed	30	42.86	0	0.00	50	41.67
	Unemployed	40	57.14	60	100.00	70	58.33
	Total	70	100.00	60	100.00	120	100.00
Annual Income Level	Below Rs. 200000	40	57.14	60	100.00	80	66.67
	Rs. 200001-500000	20	28.57	0	0.00	10	8.33
	Rs. 500001-1000000	10	14.29	0	0.00	30	25.00
	Above Rs. 1000000	0	0.00	0	0.00	0	0.00
	Total	70	100.00	60	100.00	120	100.00
Satisfaction Level on the Overall Banking Services Offered by SBI	Highly Dissatisfied	50	71.43	0	0.00	10	8.33
	Dissatisfied	20	28.57	10	16.67	0	0.00
	Neutral	0	0.00	30	50.00	20	16.67
	Satisfied	0	0.00	20	33.33	80	66.67
	Highly Satisfied	0	0.00	0	0.00	10	8.33
	Total	70	100.00	60	100.00	120	100.00

Source: Field Survey

Review: From the above table 1, it is seen that out of low satisfaction level customers, male respondents are 100%, respondents in the age group of 20 years or below are 57.14%, 42.86% of respondents are post-graduates, 57.14% of respondents are unemployed, 57.14% of respondents have an annual income level below Rs. 200000, and 71.43% of respondents are extremely dissatisfied with the overall banking services provided by the SBI. This has also been found that out of moderate satisfaction level customers, female or male respondents are 50%, respondents in the age group of 20 years or below are 50%, graduate respondents are 83.33%, unemployed respondents are 100%, respondents having an annual income level below Rs. 200000 are 100%, and 50% of respondents are neutral with the overall banking services offered by the SBI. It has also been seen that out of high-satisfaction customers, male respondents are 58.33%, respondents in the age group of 20 years or below are 33.33%, graduate respondents are 50%, unemployed respondents are 58.33%, 66.67% of respondents have an annual income level below Rs. 200000, and 66.67% of respondents are pleased with the overall banking services offered by SBI.

1. Test of Chi-Square:

The chi-square test is used to check the assumption that two categorical variables are independent of each other or not associated with each other.

1.1. Hypthesis-1

H₀: The gender of customers and their level of satisfaction with the overall banking services offered by SBI have no relationship.

H₁: The gender of customers and their level of satisfaction with the overall banking services offered by SBI have a relationship.

Table 2: Cross Tabulation between Gender and Satisfaction Level on the Overall Banking Services Offered by SBI

			Satisfaction Level on the Overall Banking Services Offered by SBI					Total
			Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Gender	Male	Number	60	30	10	60	10	170
		% of Total	24.0%	12.0%	4.0%	24.0%	4.0%	68.0%
	Female	Number	0	0	40	40	0	80
		% of Total	0.0%	0.0%	16.0%	16.0%	0.0%	32.0%
Total		Number	60	30	50	100	10	250
		% of Total	24.0%	12.0%	20.0%	40.0%	4.0%	100.0%

Source: Field Survey

Table 3: Chi-Square Test

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	102.941	4	0.000
Likelihood Ratio	128.792	4	0.000
Linear-by-Linear Association	27.708	1	0.000
No of Valid Cases	250		

Source: Field Survey

Explanation: The *P*-value of the above test is 0.000, which is significant at the 1% level of significance under the Pearson Chi-Square. So, the alternative hypothesis has been accepted, and the null hypothesis has been rejected. Finally, the concluding remark is that the gender of customers and their level of satisfaction with the overall banking services offered by SBI have a relationship.

1.2. Hypthesis-2

H₀: The age of customers and their level of satisfaction with the overall banking services offered by SBI have no association.

H₁: The age of customers and their level of satisfaction with the overall banking services offered by SBI have an association.

Table 4: Cross Tabulation between Age and Satisfaction Level on the Overall Banking Services Offered by SBI

			Satisfaction Level on the Overall Banking Services Offered by SBI					Total
			Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Age	20 Yrs & Below	Number	20	30	20	30	10	110
		% of Total	8.0%	12.0%	8.0%	12.0%	4.0%	44.0%
	21 Yrs-40Yrs	Number	20	0	30	50	0	100
		% of Total	8.0%	0.0%	12.0%	20.0%	0.0%	40.0%
	41Yrs-60Yrs	Number	20	0	0	20	0	40
		% of Total	8.0%	0.0%	0.0%	8.0%	0.0%	16.0%
Total		Number	60	30	50	100	10	250
		% of Total	24.0%	12.0%	20.0%	40.0%	4.0%	100.0%

Source: Field Survey

Table 5: Chi-Square Tests

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	85.53	8	0.000
Likelihood Ratio	105.415	8	0.000
Linear-by-Linear Association	0.332	1	0.565
No of Valid Cases	250		

Source: Field Survey

Explanation: The *P*-value of the above test is 0.000, which is significant at the 1% level of significance under the Pearson Chi-Square. So, the alternative hypothesis has been accepted, and the null hypothesis has been rejected. Finally, the concluding remark is that the age of customers and their level of satisfaction on the overall banking services offered by SBI have an association.

1.3. Hypthesis-3

H₀: There is no connection between the education of customers and their level of satisfaction with the overall banking services offered by SBI.

H₁: There is a connection between the education of customers and their level of satisfaction with the overall banking services offered by SBI.

Table 6: Cross Tabulation between Education and Satisfaction Level on the Overall Banking Services Offered by SBI

			Satisfaction Level on the Overall Banking Services Offered by SBI					Total
			Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Education	MP	Number	10	0	0	0	0	10
		% of Total	4.0%	0.0%	0.0%	0.0%	0.0%	4.0%
	HS	Number	10	0	0	20	0	30
		% of Total	4.0%	0.0%	0.0%	8.0%	0.0%	12.0%
	UG	Number	10	30	40	40	10	130
		% of Total	4.0%	12.0%	16.0%	16.0%	4.0%	52.0%
	PG	Number	30	0	0	30	0	60
		% of Total	12.0%	0.0%	0.0%	12.0%	0.0%	24.0%
	Others	Number	0	0	10	10	0	20
		% of Total	0.0%	0.0%	4.0%	4.0%	0.0%	8.0%
Total		Number	60	30	50	100	10	250
		% of Total	24.0%	12.0%	20.0%	40.0%	4.0%	100.0%

Source: Compiled by Researcher

Table 7: Chi-Square Tests

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	148.825	16	0.000
Likelihood Ratio	178.792	16	0.000
Linear-by-Linear Association	3.970	1	0.046
No of Valid Cases	250		

Source: Compiled by Researcher

Explanation: The *P*-value of the above test is 0.000, which is significant at the 1% level of significance under the Pearson Chi-Square. So, the alternative hypothesis has been accepted, and the null hypothesis has been rejected. Finally, the concluding remark is that the education of customers and their level of satisfaction with the overall banking services offered by SBI have a connection.

1.4. Hypthesis-4

H_0 : There is no association between occupation and their level of satisfaction with the overall banking services offered by SBI.

H_1 : There is an association between occupation and their level of satisfaction with the overall banking services offered by SBI.

Table 8: Cross Tabulation between Occupation and Satisfaction Level on the Overall Banking Services Offered by SBI

			Satisfaction Level on the Overall Banking Services Offered by SBI					Total
			Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Occupation	Employed	Number	30	0	10	30	10	80
		% of Total	12.0%	0.0%	4.0%	12.0%	4.0%	32.0%
	Unemployed	Number	30	30	40	70	0	170
		% of Total	12.0%	12.0%	16.0%	28.0%	0.0%	68.0%
Total		Number	60	30	50	100	10	250
		% of Total	24.0%	12.0%	20.0%	40.0%	4.0%	100.0%

Source: Field Survey

Table 9: Chi-Square Tests

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	47.794	4	0.000
Likelihood Ratio	58.044	4	0.000
Linear-by-Linear Association	0.002	1	0.966
No of Valid Cases	250		

Source: Field Survey

Explanation: The P -value of the above test is 0.000, which is significant at the 1% level of significance under the Pearson Chi-Square. So, the alternative hypothesis has been accepted, and the null hypothesis has been rejected. Finally, the concluding remark is that the occupation of customers and their level of satisfaction with the overall banking services offered by SBI have an association.

Hypthesis-5

H_0 : The annual income level of customers and their level of satisfaction with the overall banking services offered by SBI have no relationship.

H_1 : The annual income level of customers and their level of satisfaction with the overall banking services offered by SBI have a relationship.

Table 10: Cross Tabulation between Annual Income Level and Satisfaction Level on the Overall Banking Services Offered by SBI

			Satisfaction Level on the Overall Banking Services Offered by SBI					Total
			Highly Dissatisfied	Dissatisfied	Neutral	Satisfied	Highly Satisfied	
Annual Income Level	Below Rs.200000	Number	30	30	40	70	10	180
		% of Total	12.0%	12.0%	16.0%	28.0%	4.0%	72.0%
	Rs.200001-500000	Number	20	0	0	10	0	30
		% of Total	8.0%	0.0%	0.0%	4.0%	0.0%	12.0%
	Rs.500001-1000000	Number	10	0	10	20	0	40
		% of Total	4.0%	0.0%	4.0%	8.0%	0.0%	16.0%
Total		Number	60	30	50	100	10	250
		% of Total	24.0%	12.0%	20.0%	40.0%	4.0%	100.0%

Source: Field Survey

Table 11: Chi-Square Tests

Chi-Square Tests	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	50.694	8	0.000
Likelihood Ratio	60.311	8	0.000
Linear-by-Linear Association	1.221	1	0.269
No of Valid Cases	250		

Source: Field Survey

Explanation: The P -value of the above test is 0.000, which is significant at the 1% level of significance under the Pearson Chi-Square. So, the alternative hypothesis has been accepted, and the null hypothesis has been rejected. Finally, the concluding remark is that the annual income level of customers and their level of satisfaction with the overall banking services offered by SBI have a relationship.

Findings

From the above data analysis, some important findings have been established. These are expressed below.

1. The gender of customers and their level of satisfaction with the overall banking services offered by SBI have a relationship.
2. The age of customers and their level of satisfaction with the overall banking services offered by SBI have an association.
3. There is a connection between the education of customers and their level of satisfaction with the overall banking services offered by SBI.

4. There is an association between their occupation and their level of satisfaction with the overall banking services offered by SBI.
5. The annual income level of customers and their level of satisfaction with the overall banking services offered by SBI have a relationship.

Suggestions

From the above study, some suggestions can be given for improving customer satisfaction at a much higher level. These are as follows:

1. The banking staff should be more helpful to customers.
2. Customer relationship management should be given more importance.
3. The service quality should be improved to increase customer satisfaction levels.
4. Customers should be made aware of all kinds of banking services. It can be done effectively through proper and increased advertising by banks.
5. Banks should organise workshops to educate customers about the process of adopting modern technology in banking services.

Conclusion

In the present competitive market, clients' satisfaction is the key and most prioritised factor for any industry's long-term survival and sustainability. The banking industry is no exception. The public sector banks in India must adopt more modern technologies to change the way they provide services to their customers. It would enhance the customers' level of satisfaction. The present study reveals that the satisfaction level of customers with the sustainable bank services of SBI has an association with the customer's demographic aspects like gender, age, education, occupation, and annual income level. The public sector banks must make essential policy measures for enhancing clients' level of pleasure towards sustainable banking services at the cent percent level by introducing newer banking services as given by the private sector banks and foreign banks in India. The ideal working environment should be nurtured properly in the public sector banks so that they can effectively survive and sustain themselves in the current globalized and competitive financial market with higher and sustainable profitability in comparison to the private sector and foreign banks in India.

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