

An Empirical Study on Level of Customer Satisfaction in J&k Bank

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INTRODUCTION

The last few decades have sent companies operating in a highly competitive environment. The economy is referred to as “customer driven” one, with firms allowing consumers to dictate specification and quality standards and also working out strategies evolved around the consumer. However, this is not easy task because the consumers are a moving market and each consumer behaves uniquely at the market place. The ultimate success of any marketing program will depend upon how the consumer behaves and whether his/her behavior is indicative of the acceptance of the product or service offerings from the firms. But consumer behavior is unpredictable. This is the reason why consumer behavior has emerged as a separate research area of study since the past few decades. Today even the companies are pouring in a lot of money for understanding researches to have a better understanding of their consumer’s behavior.

Today in a customer driven economy, all firms are engaged in a rat race to attract consumers and build a long-term relationship with their loyal customer. The key to customer loyalty is through customer satisfaction. A satisfied customer will act as a spokesperson of the company’s product, and bring in more buyers. There is a pareto principle or the 80/20 rule, it says that 80 percent of one thing comes from 20 percent of another. That is to say a small percentage of loyal customers will lend a large weight of company’s sales. So marketers have to ensure customer value satisfaction.

CUSTOMER AND CUSTOMER SATISFACTION

Intense competition and over capacity in almost all – industrial sectors has brought the customer back to the forefront of organizational planning. Companies have been forced to elevate the customer from being ‘just a customer’ to a part of the mission statement. There is no industry where the customer is not important. A quick scan of the quality policies of any ISO certified company would reveal this. Customer satisfaction has given way to customer delight and this continues to be an evergreen buzzword. Realizing the strategic significance of keeping the customer happy, companies have adopted the path of customer relationship management in large numbers.

THE TEN BASIC RULES TO CUSTOMER SATISFACTION:

1. Involve top management.
2. Know the customers.
3. Let the customers define what attributes are important.
4. Know the relative importance of customer’s decision criteria.

5. Gather and trust the data.
6. Benchmark the data against the competitors and identify the competitive strengths and weaknesses.
7. Develop cross-functional action plans that enhance strengths and correct weaknesses.
8. Know the customer’s requirement, expectations and wants.
9. Measure performance continually and spread the data throughout the firm.
10. Be committed to getting better and better and better.

BRIEF INTRODUCTION OF THE BACKGROUND

Banking industry, one of the major contributor to the economy mainly depends on their customers. Customers are the major source who contributes to the growth and development of banks. Bank being a service provider should provide the service to the customers to a greater extent where in no customer is left with dissatisfaction. This is possible only when banks adopt good customer relations management. Under this study an attempt is made to know how the bank offers the services to the customer and also the level of customer satisfaction.

DESIGN OF THE STUDY STATEMENT OF THE PROBLEM

From the production-oriented market, the market has developed into a customer or consumer oriented market. Today customer is the king. Every industry has developed its products and provide services keeping the customer in mind. Customer has occupied the first place in the market. Customer satisfaction and customer delight is of primary importance in any kind of company be it a profit seeking industry or a service industry. Banks, by nature are both profit oriented and service institutions. Customers are of greatest importance in banks.

HISTORICAL BACKGROUND OF THE J&K BANK

The Jammu and Kashmir Bank Ltd. incorporated on October 1ST, 1938 commenced business on July 4th, 1939. From a small beginning the bank has grown to become a giant with a network of 441 branches spread over the length and breadth of the country. A significant contributing factor for this fast growth in the solid founding principles, which are dedicated to the cause of transforming

the Bank not only as a financial heart but also the social heart of the community.

The J & K Bank is the first state owned bank of the country and 53% of equity is held by the Govt. of J & K. The bank has a consistent track record of growth and profitability. It has a unique distinction of being banker to the J & K state Govt. and has also been appointed by RBI as its agency in J & K, responsible for carrying general banking business of the Central Govt. and collection of Taxes pertaining to the Central Board of Direct Taxes.

The landmark achievements in the diversification of the banks including the sponsoring of two Regional Rural Banks viz., Kamraz Rural Bank and Jammu Rural Bank; permission for dealing in foreign Exchange, holding the Lead bank responsibilities in eight of the fourteen districts in J & K, convenorship of State Level Bankers Committee (SLBC) and State Level Export Promotion Committee (SLEPC). The bank is the only one non-nationalized sector, having been entrusted with such assignments and has come up to the expectations of RBI and other agencies, like CBDT. The bank has been swift in responding to the need for technology adaptation in meeting its commitment to the customers and offers the best of services and a wide range of products. The bank is investing in a big way in information technology; Installation of ATM's at Residency Road, Srinagar and Gandhi Nagar Trikuta Nagar Jammu Ahmadabad and Mera Road Mumbai and at other important centers; introduction of EFT and e-mail services substantiate this fact. The number of computerized branches of the bank has risen to 246 as on March 2001, which accounts for 80 percent of total bank business. The Tele-banking facilities are available at 23 branches with such services being extended to 65 branches in the near future. The anywhere banking facility available at 23 branches shall be raised to 65 soon. The Bank is in the process of connecting its branches through VSAT and lease lines from the existing 23 to 85. The number of ATMs which is most convenient system of extending 24 hour banking facility is 23. ATMs at six locations including B/O Ansal Plaza, Delhi, Corporate Headquarters, Srinagar, B/O Trikuta Nagar, Jammu, B/O Government Medical College, Srinagar, B/O SSI Lal Chowk, Srinagar, Kashmir, B/O SKIMS, Srinagar and B/O Ahmadabad, are having IST Switch connectivity. Once the Data center is completed our bank shall be the first to introduce the internet banking in the J&K State. A new concept of customer facility Touch Screen kiosks shall be installed at 65 branches of the bank.

PRIME OBJECTIVE:

Care and improvement in the quality of customer service with all available hi-tech means in tune with growing needs of the customer, is the prime objective of the bank. The bank has adopted a policy of continuous up gradation of the quality of customer service through incorporation of the latest technology and streamlining of existing systems to meet such challenges.

MODERN BANKING-ITS EVOLUTION:

The growth of banking in England in the nineteenth century paved the way for the establishment of systemized banking system, performed limited functions such as receiving deposits against the bank notes and then issuing notes in the country. As time advanced, commerce and industry expanded and the

scope of banking also expanded. Banking institutions deal with a large number of services to customers.

The more highly developed a country is, the greater is the instrumentality of the banker utilized to carry through commercial transactions. From its original narrow scope and modest purpose, modern banking has developed into such a stature that it can truly be said that in countries such as England and United States Of America, there is hardly a business deal in which the assistance of bank is not sought for.

ANALYSES AND INTERPRETATION OF DATA

TABLE 1.1: PROFILE OF THE RESPONDENTS ON THE BASIS OF AGE

AGE	NO OF RESPONDENTS	PERCENT AGE
21-30	10	13.4%
31-40	25	33.4%
41-50	26	34.6%
ABOVE 50	14	18.6%

TABLE 1.2: PROFILES OF THE RESPONDENTS ON THE BASIS OF SEX

SEX	NO OF RESPONDENTS	PERCENTAGE
MALE	61	81.3%
FEMALE	14	18.7%

TABLE 1.3: PROFILES OF THE RESPONDENTS ON THE BASIS OF OCCUPATION

OCCUPATION	NO OF RESPONDENTS	PERCENT AGE
EMPLOYEE	23	30.6%
BUSINESS	32	42.66%
STUDENT	10	13.4%
RETIRED	5	6.67%
HOUSE WIFE	5	6.67%

TABLE 1.4: PROFILES OF THE RESPONDENTS ON THE BASIS OF MONTHLY INCOME

INCOME	NO OF RESPONDENTS	PERCENTAGE
< 5000	12	16%
5000 – 10000	18	24%
10000 – 15000	24	32%
>15000	21	28%

TABLE 1.5: TABLE SHOWING TIME SPAN OF RESPONDENTS BANKING WITH THE BANK

S N O	TIME SPAN	NO OF RESP OND ENTS	PERCEN TAGE
1	1 YEAR	14	18.67%
2	1-5 YEARS	27	36%
3	5 – 10 YEARS	14	18.67%
4	MORE THAN 10 YEARS	20	26.67%

TABLE 1.6: TABLE SHOWING EXPERIENCE OF RESPONDENTS WITH THE BANK.

S N O	EXPERIE NCE	NO OF RESPONDENTS	%
1	Trustwort hy Bank	45	60 %
2	Customer oriented bank	24	32 %
3	Responsi ve bank	8	10 . 6 %
4	Not in your expectatio ns	2	2 . 6 %
5	Any other	0	0 %

TABLE 1.7: TABLE SHOWING THE RESPONSE OF RESPONDENTS WHETHER THE BRANCH OPENS ON TIME OR NOT.

SR NO	RESP ONSE	NO OF RESP OND ENT S	PER CEN TAG E
1	Yes	71	94.6 %
2	No	0	0%

FINDINGS AND RECOMMENDATIONS

FINDINGS

- ❖ Majority of the respondents have been banking with the bank between 1-5 years (36%), the second highest no. (26.6%) have been banking for more than 10 years. The 18.67% have been banking between 5-10 years and the remaining 18.67% for 1 year.
- ❖ 60% of the respondents experience with the bank is that the bank is trustworthy and 32%

consider it customer oriented and another 10.6% as responsive bank. The remaining 2.6% felt that the bank is not upto their expectations.

- ❖ 94.6% of the respondents have replied that the branch opens on time and works upto specified business hours. The remaining has not responded to the question.
- ❖ Majority of the respondents (60%) reply was that it takes 10 min to deposit cash. The second major respondents (34.6%) replied that it takes 15 min and the remaining 5.4% replied that it takes 30 min.
- ❖ 62.67% respondents have replied that it takes 10 min to encash cheque/withdrawal form or any other cash instrument. 26.67% replied 15 min the remaining replied it takes 30 min.
- ❖ 54.6 respondents have replied that 10 min to make a demand draft, 32% respondents reply was that 15 min, 8% replied that it takes more than 30 min and the remaining 5.4% replied 30 min.

RECOMMENDATIONS

- As found most of customers remain loyal to this bank once they start transacting with it. This shows that the service provided by the bank is good, so they need to keep it up.
- As seen most of the customers have positive experience with the bank. But it is suggested that they should improve their service level so that the customers who are not currently happy with the service also become satisfied. For this the bank needs to be more customers oriented.
- The bank needs to maintain their consistency on opening the branch at time and working for specified business hours.
- As majority of the respondents suggest (56%) that it should take between 5-8 min to deposit cash. So the bank should work hard to meet this requirement, then only they can satisfy their customers.
- Since majority of the respondents (60%) suggest that it should take 6-10 min to encash cheque/withdrawal form or any other cash instrument. For this the bank staff needs to increase their efficiency.
- The suggestion drawn from the majority of the respondents is that it should take between 6-10 min to make a demand draft, but currently the banks efficiency is not upto the mark, which they need to increase to meet their customers expectations.
- The bank needs to increase the efficiency in sending a telegraphic transfer. Also the bank needs to increase their efficiency in payment for local as well as outstation cheques, because the

money has time value. So it is better to as early as possible in order to delight your customer.

CONCLUSION

Most of the customers are satisfied with the bank. Now the banks effort should be to satisfy the customers who presently are not satisfied ,because a satisfied customer will tell only three persons about your good deeds but a dissatisfied customer will tell eleven persons not to work with the bank.

So, it is advised to the bank to maintain and also improve the level of their services, because continuous improvement is one of the necessities to survive in this ever changing world. Nothing is constant in this world than change.

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