

A study on observation of banking habits among users in Ahmedabad

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Abstract: This study lays emphasis on the fast changing banking habits of the people of Ahmedabad. The pace of change is getting faster day by day. Today, banks have to focus on smaller deposits and smaller advances and improve their operating efficiency substantially. Multiple banking choices have empowered the customer. Today most customers of the bank do not enter the branch premises for their basic transaction needs. Transactions are done through delivery channels such as ATMs, internet and mobile. Customers do not want to carry cash and this has led to the usage of various forms of plastic cards such as credit cards, debit cards and smart cards. In this changed scenario, banks must be able to recognize and respond to customers whenever, wherever and however they present themselves.

The research did give a comparative studies between Private Sector and Public Sector Banks. The research did give a glimpse on what type of customers prefer which services offered by the banks.

Keywords: Observation study, banking habits, banking service

Research Through Innovation

Introduction:

This study lays emphasis on the fast changing banking habits of the people of Ahmedabad. The pace of change is getting faster day by day. Today customers want banking services 24 hours a day, hence, many banks have introduced extended business hours such as '8 to 8' banking and 'Sunday Banking'. Customers do not want to carry cash and this has led to the usage of various forms of plastic cards such as credit cards, debit cards and smart cards. In this changed scenario, banks must be able to recognize and respond to customers whenever, wherever and however they present themselves. Besides, basic transactions are still done by visiting the banks only as people do believe in it as it gives more assurance and security is maintained.

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level 5 in the Faster Payments Innovation Index (FPII).

Literature Review:

1. (Bhavani, 2009) The authors in their article titled, "Customer's Perceptions on Banking Services of SBI" analysed the customer's perceptions about various traditional and modern services offered by SBI in general as a customer friendly organisations, providing a wide range of products and excellent services as per their convenience. Today SBI is catering to millions of customers both in the country and abroad having its branches spread over every nook and corner of the country with various customer friendly products and services. The customers are satisfied with the services offered by the bank and majority of the customers acknowledged the fact that the bank officials are courteous towards them.

References: www.asianacademicresearch.org

2. (Govindarajan, 2009) The authors in their article titled, “Customer Service in Banks: A Micro Study” contended that with the involvement of both foreign and local banks, the competition is at its peak. Mere augmentation of the product is not enough to be competitive in the market. Enhancing the service quality is also absolutely essential. There are abundant opportunities present in the market. It needs only continuous upgrading and customer orientation to be able to avail of those opportunities to a broad degree. The same is true for banking industry because ‘Quality counts in services too’.

References: www.asianacademicresearch.org

3. (Krishnan, 2004) The author in his article, “Customer Service in Banks” has dealt with some factors namely customer service such as proper orientation, greeting customers with smile, knowledge about the products of the banks, helping tendency, listening to the customers, keeping the branch premises clean and so on.

References: www.asianacademicresearch.org

4. (Graven, 2000) According to the author, the banking industry believes that the adoption of new technology, banks will be able to improve the level of customer service and tie customers closer to the shore. Meanwhile, the banking sector was also looking for new ways to expand your customer base and to counter the aggressive marketing efforts from traditional banks.

References: www.inflib.net.com

5. (Sureshchandar, 2002) The author says that Consistent delivery of services, the physical dimensions and personal interaction with customers, processes and procedures trust positively affects the delivery of quality services.

References: www.inflib.net.com

6. (Nayan, 2005) The book article says that mostly nationalized sector banks are progressing at a high rate as of better services being provided to the customers.

References: www.inflib.net.com

7. (Basu, 2002) The author says that roles of commercial banks have influenced the banking sector very much. It has helped to achieve great level of economic development of the nation.

References: www.inflib.net.com

Objectives:

The main objectives to conduct this research are as following:-

- Primary Objectives:-
 1. To understand the perception of consumers towards banking services.
 2. To conduct a comparative analysis of banking services (Private Banks/Public Banks).

- Secondary Objectives:-
 1. To know whether the services offered by the banks are helpful or not.
 2. To determine the level of involvement of a bank employee towards bank consumers.
 3. To analyse the quality of infrastructure facilities and other banking services provided by the banks.

Scope of Study:

- Area: Ahmedabad (Gujarat)
- 30 Commercial Banks (15 Private Sector Banks and 15 Public Sector Banks)

Research Design:

Descriptive Design:-

The research design is descriptive because here an observational study is carried out on the participants in the natural environment. Moreover, the research would further help us in determining the relationship between the banking services and the consumer's perception towards the same.

Data Collection Method:

- Primary Method:-

1. The data is collected through mystery audit – observational study.
 - Secondary Method:-
 1. Secondary data is collected from websites, journals, articles and newspapers.
 2. It is also collected by interacting with the consumers and bank employees.
 - Population:-

Ahmedabad (Gujarat)

- Sampling Method:-

Convenience Sampling Method

- Sampling Frame:-

The element of the population is of 30 Commercial Banks (15 Private Banks and 15 Public Banks).

Expected Contribution:

The research would benefit the people by giving them utmost knowledge regarding banking services and whether the services are beneficial to them or not, whether the quality of services is maintained, etc. Moreover, a detailed analysis would be done between different banks (Private/Public).

Hypothesis:

H₀ = There is no relationship between the customers' queries and the response towards the same by the bank.

H₁ = There is a relationship between the customers' queries and the response towards the same by the bank.

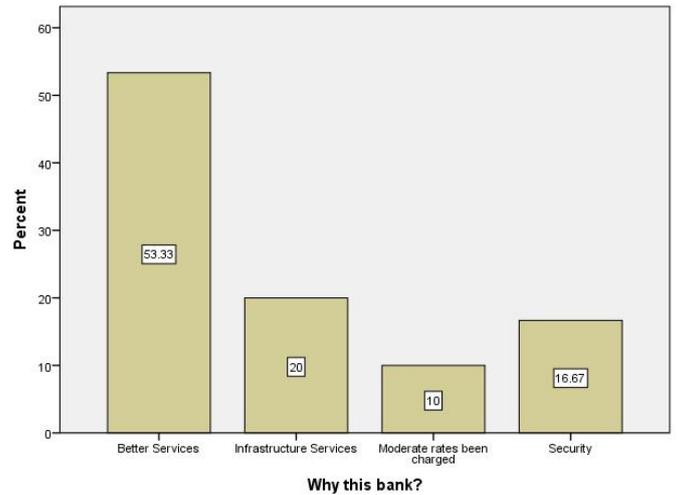
H₀ = There is no significance level between bank chosen and services offered by the bank.

H₁ = There is a significance level between bank chosen and services offered by the bank.

Data Analysis:

1. Why this bank?

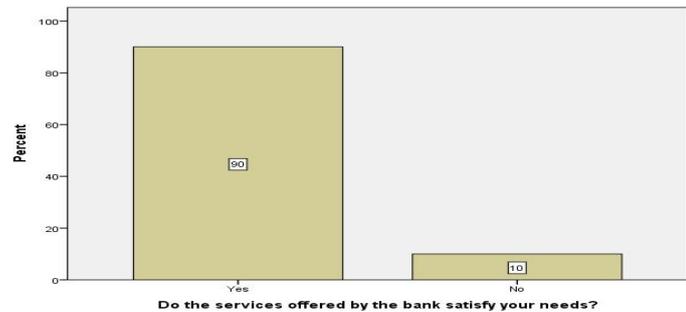
	Frequency	Percent	Valid Percent	Cumulative Percent
Better Services	16	53.3	53.3	53.3
Infrastructure Services	6	20.0	20.0	73.3
Moderate rates been charged	3	10.0	10.0	83.3
Security	5	16.7	16.7	100.0
Total	30	100.0	100.0	



Interpretation: 53.33% people prefer banks according to the services which are provided, 20% people prefer it for infrastructure facilities, 16.67% people prefer it for the sake of security and 10% people prefer it for the rates which are provided by the bank.

2 Do the services offered by the bank satisfy your needs?

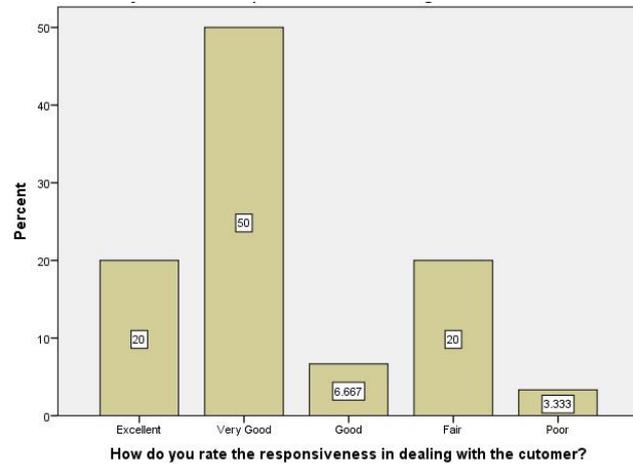
	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	27	90.0	90.0	90.0
No	3	10.0	10.0	100.0
Total	30	100.0	100.0	



Interpretation: 90% people are satisfied with the services which are being provided by the bank and 10% are not satisfied with the services provided by the bank.

3 How do you rate the responsiveness in dealing with the customer?

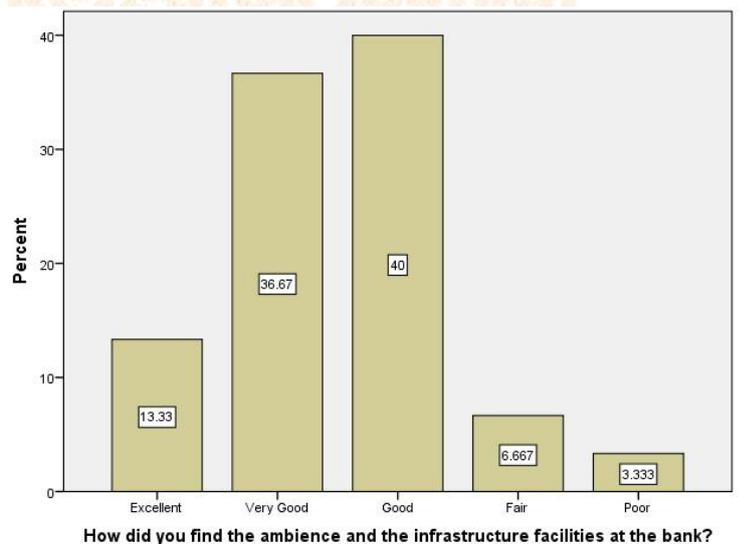
	Frequency	Percent	Valid Percent	Cumulative Percent
Excellent	6	20.0	20.0	20.0
Very Good	15	50.0	50.0	70.0
Valid Good	2	6.7	6.7	76.7
Fair	6	20.0	20.0	96.7
Poor	1	3.3	3.3	100.0
Total	30	100.0	100.0	



Interpretation: 50% people say very good among the scales for the responsiveness, 20% people say excellent, 20% people say fair, 6.667% says it is good and 3.333% say it is poor in nature.

4 How did you find the ambience and the infrastructure facilities at the bank?

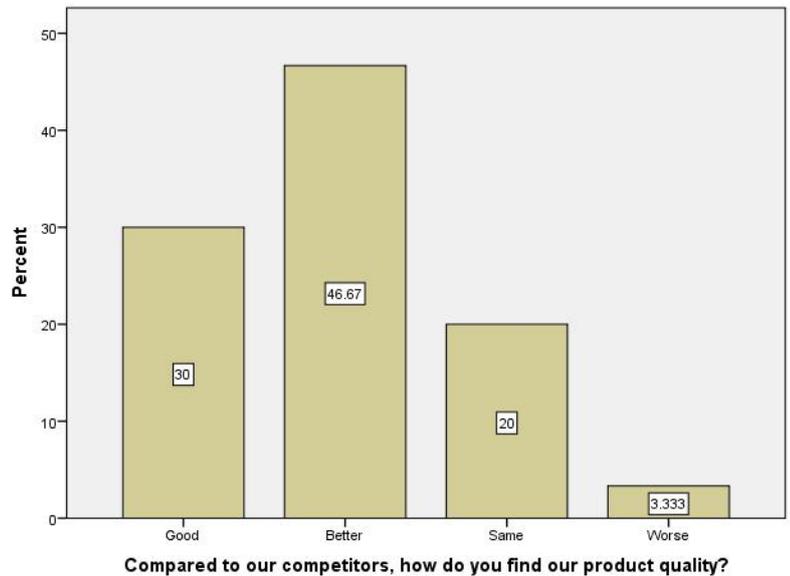
	Frequency	Percent	Valid Percent	Cumulative Percent
Excellent	4	13.3	13.3	13.3
Very Good	11	36.7	36.7	50.0
Valid Good	12	40.0	40.0	90.0
Fair	2	6.7	6.7	96.7
Poor	1	3.3	3.3	100.0
Total	30	100.0	100.0	



Interpretation: 40% banks ambience and infrastructure facilities are good in nature, 36.67% were very good, 13.33% were excellent, 6.667% were fair and 3.333% were having poor infrastructure facilities.

5 Compared to our competitors, how do you find our product quality?

	Frequency	Percent	Valid Percent	Cumulative Percent
Good	9	30.0	30.0	30.0
Better	14	46.7	46.7	76.7
Valid Same	6	20.0	20.0	96.7
Worse	1	3.3	3.3	100.0
Total	30	100.0	100.0	

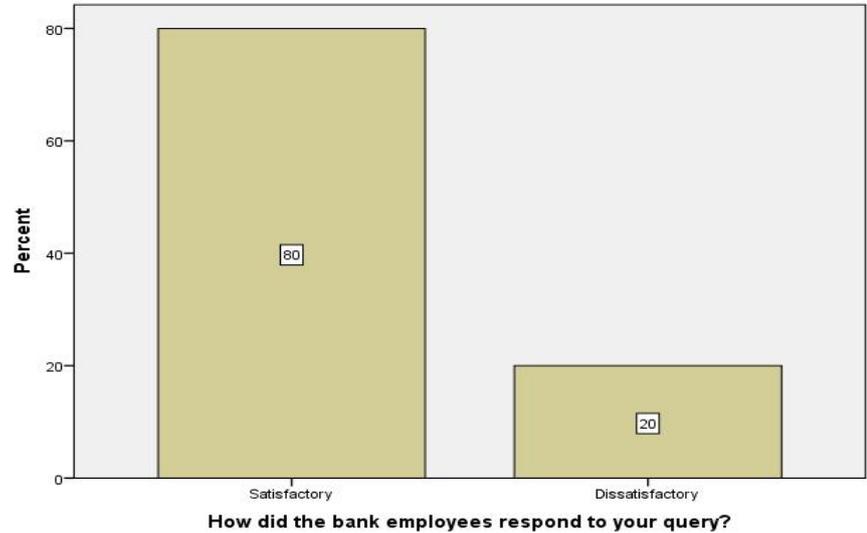


Interpretation: 46.67% prefer and say better services are offered by the same bank, 30% say the products are good, 20% banks provide same quality products, 3.333% banks provide worse products quality.



6 How did the bank employees respond to your query?

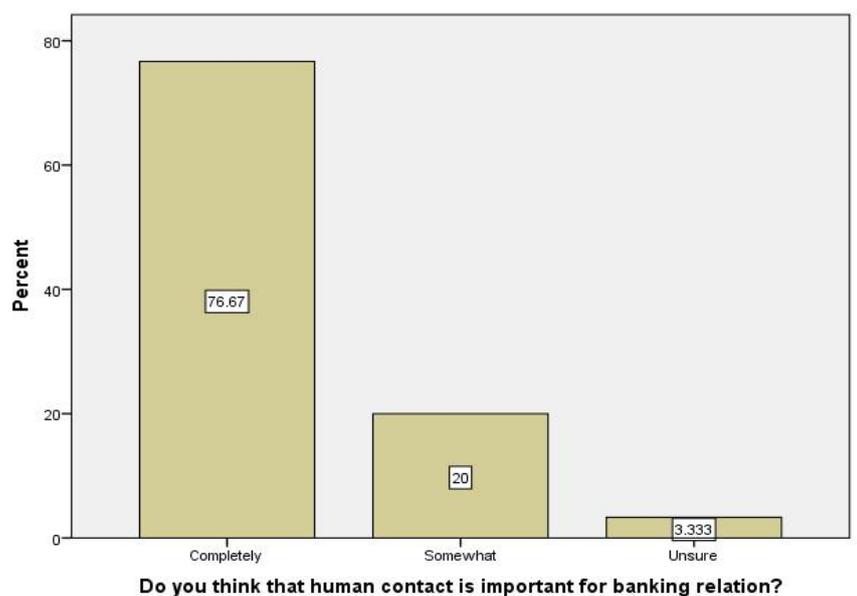
	Frequency	Percent	Valid Percent	Cumulative Percent
Satisfactory	24	80.0	80.0	80.0
Dissatisfactory	6	20.0	20.0	100.0
Total	30	100.0	100.0	



Interpretation: 80% banks did respond satisfactory response while 20% banks did respond dissatisfactory response to the customers' queries.

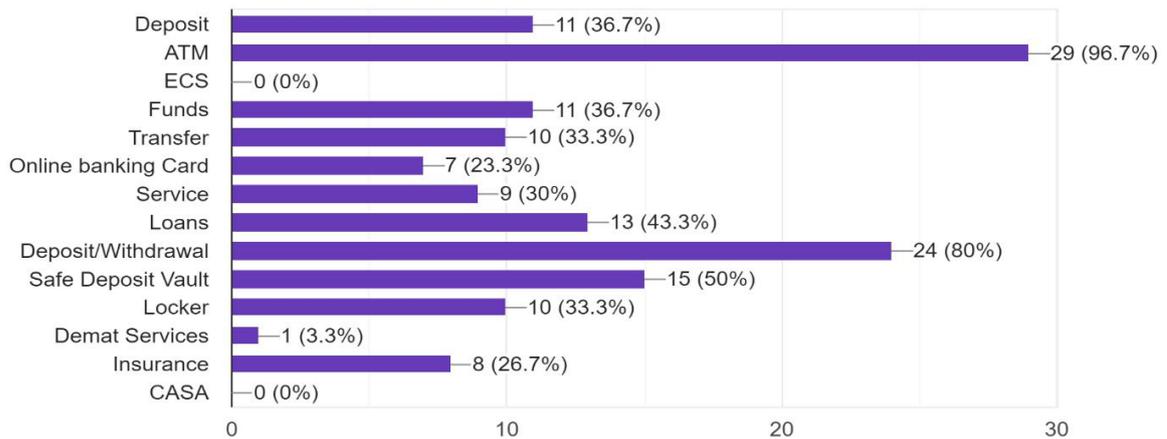
7 Do you think that human contact is important for banking relation?

	Frequency	Percent	Valid Percent	Cumulative Percent
Completely	23	76.7	76.7	76.7
Somewhat	6	20.0	20.0	96.7
Unsure	1	3.3	3.3	100.0
Total	30	100.0	100.0	



Interpretation: 76.67% banks have to completely maintain human contact, 20% banks somewhat only agree to maintain human contact and other 3.333% banks are not sure rather to maintain a contact.

8 What is the most useful banking service you have observed?



Interpretation: The services like ATM, Deposits/Withdrawals and Locker Services are commonly used by the customers who visit banks on daily purposes.

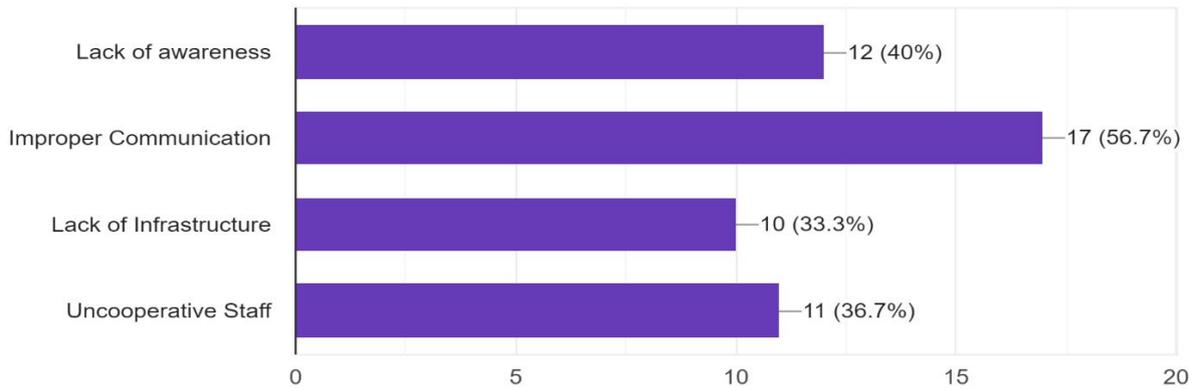
9 Classifying according to the gender, which gender was more prevalent during the banking hours?

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	26	86.7	86.7	86.7
Female	4	13.3	13.3	100.0
Total	30	100.0	100.0	



Interpretation: 86.67% were male in the banks while 13.33% were female in the banks.

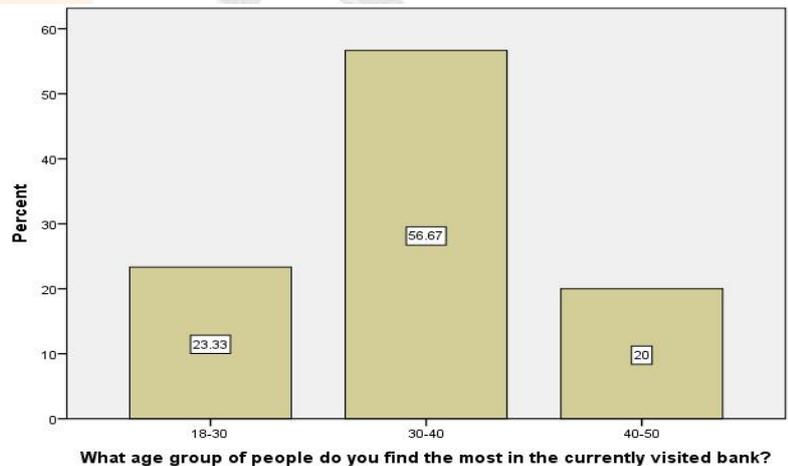
10 What were the problems faced by you while visiting the bank?



Interpretation: Mostly, improper communication is the major problem which is received by most of the customers who visit the banks, followed by the lack of awareness, uncooperative staff and lack of infrastructure facilities.

11 What age group of people do you find the most in the currently visited bank?

	Frequency	Percent	Valid Percent	Cumulative Percent
18-30	7	23.3	23.3	23.3
30-40	17	56.7	56.7	80.0
40-50	6	20.0	20.0	100.0
Total	30	100.0	100.0	



Interpretation: Mostly 30-40 age group were found in 56.67% banks, 18-30 age group in 23.33% banks and 40-50 age group in 20% banks.

12 How do you rate the responsiveness in dealing with the customers? & How did the bank employees respond to your query?

Test Statistics

	How do you rate the responsiveness in dealing with the customers?	How did the bank employees respond to your query?
Chi-Square	20.333 ^a	10.800 ^b
df	4	1
Asymp. Sig.	.000	.001

Interpretation: As the significance level is less than 0.05, H₀ is rejected.

Therefore, there is a relationship between the customer’s query & the responsiveness by the bank in dealing with the customers.

13 Why this bank? & Do the services offered by the bank satisfy your needs?

Correlations

		Why this bank?	Do the services offered by the bank satisfy your needs?
Why this bank?	Pearson Correlation	1	.518**
	Sig. (2-tailed)		.003
	N	30	30
Do the services offered by the bank satisfy your needs?	Pearson Correlation	.518**	1
	Sig. (2-tailed)	.003	
	N	30	30

** . Correlation is significant at the 0.01 level (2-tailed).

Interpretation: As per the Pearson’s Correlation value 0.518 is positive correlation, so H₀ is rejected and H₁ is accepted.

Therefore, there is a significance level between the services offered by the bank and the customers' preference towards the banks.

Findings:

- 53.33% people prefer banks according to the services which are provided.
- 90% people are satisfied with the services which are being provided by the bank
- 40% banks ambience and infrastructure facilities are good in nature.
- 80% banks did respond satisfactory response while 20% banks did respond dissatisfactory response to the customers' queries.
- 76.67% banks have to completely maintain human contact otherwise they will lose their goodwill.
- There is a direct relationship between the banks chosen and the services offered by the bank.
- The public sector banks are very much liberal in nature while solving the customers' queries.
- The private sector banks give a high rate of return during investment and also provide better infrastructure facilities and so people are more approaching towards the private sector banks.

Recommendations & Conclusion:

- The banks have to utmost take care about the customers' perception and values of the customers.
- The banks have to solve the problems of the customers very efficiently so that the customers are satisfied.
- The bank should provide good qualitative services and facilities to the customers.
- This research helped us to study a clear picture of why the customers still prefer traditional banking.
- This research also helps the banks to know where the banks can improve themselves and can generate more customers.

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