

CUSTOMER SATISFACTION OF SATARA DISTRICT CO-OPERATIVE BANK



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ABSTRACT

Introduction : Satara District co-operative bank is a commercial bank and deducted to provide banking services for rural activities in Satara District. It is a rural co-operative bank and operating its activities within Satara District with 307 branches, and 12 Extension counters along with 10 Divisional Offices (as on 31st March 2022). **Objectives :** The government wants to increase the income of farmers and co-operative banks are the front line facilitator in rural development by providing good banking services and easy rural credit. This paper is assessed the customer satisfaction of Satara district co-operative bank customers. **Research Methodology :** 100 scheduled interviews of customers and Annual reports of Satara district co-operative banks have been processed to achieve the objectives of this paper. ANOVA test has used to test the hypothesis. Microsoft Excel, Microsoft word and other analysis tools have been used to prepare tables, diagrams and summarizing the details. **Practical Implications :** The outcomes of this study enhance the knowledge on the performance of rural area banks. Managers, officers and policymakers can improve their services as per the customer need. **Research Time :** January to April 2023

Keywords : Satara District co-operative Bank, Service Quality of Bank, Customer Satisfaction, and Rural Credit.

(A) Introduction

The success of the bank depends upon its functioning .the functioning is measured in term of its schemes. Every bank should take efforts to educate its customers about the schemes of bank, Ex- Deputy Prime Minister of India Hon'ble late Y. B. Chavan, Hon'ble late Balasaheb Desai & Hon'ble late Kisan Veer. In the modern entire world, every person provides their services to the economy but same services may be a very less price or a very higher price due Quality of services makes the service valuable and maintains the goodwill of the organization. Maintaining service quality is the biggest challenge in front of every organization. If organizations want to earn profit more and more, they need to maintain high service quality.

Co-operative Banks Overview

“Cooperative banks in India have become an integral part of the success of Indian Financial Inclusion story. They have achieved many land marks since their

creation and have helped normal rural Indian to feel Empowered and secure. Cooperative banks in India have a history of almost 73 years Y. B. Chavan, Hon'ble late Balasaheb Desai & Hon'ble late Kisan Veer.

At present The Indian banking system consists of 12 public sector banks, 22 private sector banks, 44 foreign banks, 56 regional rural banks, 1,485 urban cooperative banks, and 96,000 rural cooperative banks in addition to cooperative credit institutions Banks are working in India and fulfilling approximately 50% rural credit needs of the total rural credit need of Indian People. NABARD is responsible for regulating and supervising the functions of Co-operative banks. The first co- operative bank in India was Establish in Gujarat. At present 97,000 rural cooperative banks are working in India. All co-operative banks are commercial banks providing general banking services as other private and public banks in India. Co-operative banks are working in District or state level as per their structure with a small number of branches. All Co-operative banks are registered under the state co-operative societies Act. Every state has its own co-operative societies Act. Three

Abhijeet Nikam-B.com, M.Com, PGDFM, GDC&A, IRDA, IIBF, LLB Asp.

types of co-operative banks are working in India. These are State co-operative banks (34 State co-operative banks are working in India), District central co-operative banks (31 District central co-operative banks are working in India) and there are 1531 Urban co-operative banks and 97006 rural Co-Operative banks are working in India.

(B) Satara District Co-operative Bank

At present Satara District co-operative bank is the biggest co-operative bank in of Satara district and consecutively provides the highest loan for rural activity in the Satara district. Satara District co-operative bank in 1949 after adopting the Rural Credit Survey of Reserve Bank of India, known as Satara District Co-operative Bank. At present Satara Bank is working with its 307 branches, and 12 Extension counters along with 10 Divisional Offices (as on 31st March 2022, banking primary credit co-operative society (Provide some and small banking services in the highly rural area) and 200 non-banking co-operative societies (E.g. Dairy Societies, Water Boat Men Societies, Telecom Societies, etc). All bank branches and societies have been authorized only to work within the border limit of the Satara District only because it is a District level co-operative bank and working in Satara District.

(C) Review of Literature

Gogoi, Dr. Bidyut Jyoti, (2020). Customer satisfaction has a positive influence on the customer loyalty. A satisfied customer spreads good word of mouth about the experience encountered. The journey of the customer begins right from choosing a location to exploring the place and back home. The customer remembers the good moments in the entire journey and relates it to his everyday experiences. If the entire journey at the location is cherished upon, this spreads out faster than any promotional campaigns. This is what the service providers should think of capitalizing on instead of looking out for new customers and new promotional techniques.

Phetogo Mosimanegape, Olumide Jaiyeoba, et al., (2020). Found that service quality dimensions of tangibility, empathy, assurance and responsiveness impact customer satisfaction positively. But, these findings are not enough. We declare this on the basis of

the continued dissatisfaction of customers regarding public sector service delivery standards. Despite the Botswana's governments interventions namely the National Productivity Program, Work Improvement Teams Strategy (WITS), decentralization and a Performance Management System (PMS) to address concerns over public service delivery, this study insists that the government of Botswana and several others will continue to experience service delivery displeasures unless a proper establishment and uptake of training programs by the government and its employees; the establishment of reward and incentive programs for excellent performance as well as a continuous review of service quality standard programs take place.

Herath H.M.A.K., (2019), Bankers and policy makers will be able to understand the level of customer satisfaction regarding different aspects of green initiatives. Most importantly, they will be able to understand the level of impact generated by each category on overall green customer satisfaction. Hence they can decide necessary actions to be done regarding their green initiatives, in order to uplift customer satisfaction on overall green banking.

Jothilingam K., Silambarasan S., And Padmasrimathi T., (2019). The study was conducted to identify the customer satisfaction in general and analyses the customer satisfaction of Lakshmi Villas Bank in Erode district. The study attempted to analyses the various factors response to satisfaction of banking services of customers. The study is concluded that the bank concentrate on rural area. Improve ATM facilities etc. So the bank takes necessary steps to concentrate these areas in order to improving the performance of the bank.

Lekshmi V., (2019). The origin of the co-operative banks in Kerala was mainly for common people. In the three tier co-operative structure, the primary agricultural co-operative societies are meant to mingle freely with common people. As earlier said there are many primary agricultural co-operative societies which not only satisfy the financial requirements of the common people, but also distribute seeds, fertilizers and agricultural implements. And Kerala State Cooperative Bank through its District Cooperative Bank render all the assistance to

these Primary Agricultural Cooperative Societies. This is the unique quality of Kerala State Cooperative Bank.

Hema Adhikari, dr. Kamal Joshi, (2018).

District co-operative banks are two folds, on the one hand they are supposed to provide cheap and timely credit to rural masses and on the other hand have to ensure their profitability and viability in turbulent interest regime. To be able to create a balance between their social objective and economics compulsion these banks were needed to change working strategy. In conclusion, it can be pointed out that the financing of agricultural development as a part of rural development, through the concerned District co-operative bank has been partially effective.

(D) Research Methodology

Objectives : This study has been designed with the basic objective to assess the customer satisfaction level of the Satara district co-operative bank and to disclose the financial position of Satara District Co-operative Bank.

(E) Table 1. Financial Position of Satara District Co-operative bank

	Share Capital Society	Govt. Share Money	Individuals	Free Reserve	Total Funds Owned	Deposit	Borrowing	Working Capital	CRAR Ratio
Satara District Co-operative Bank Ltd	80.966	0	.079	49601.46	16273.40	91220.33	94255.96	255311.52	14.23

Satara State Co-operative Bank has taken loan rs.14355329052.57 from Seasonal S.T Agril Loans i.e. the 98.71% of the total loan of Satara State Co-operative Bank.

Data Collection

Primary Data : Primary data has been collected by took 100 interviews with Bank Customers. 20 samples have been collected from 5 branches i.e. 15% of the total number of branches.

Secondary Data : Secondary data has been collected by the Head Office of Satara District Co-operative Bank, Book, online & offline Journals, Annual Report of Banks, NABARD website and RBI website.

Time of Data Collection : All Primary data and annual report of the bank have been collected during the month of January 2023. Offline data has been collected till the paper finalizing.

Design of Interview Schedule : The interview schedule has been designed after the review of relevant bank customers and employees. It includes 26 questions in three factors. All relevant and major questions have been included in the interview schedule.

and this paid-up capital of Satara District Co-operative bank is 26,22,869 Share of total loans. Satara District Co-operative bank is a district co-operative bank and its 30,00,000 Shares paid-up capital subscribed by 253 primary co-operative societies.

(F) Table 2. Descriptive Statistics

Table for Main Paper Service Quality of Satara District Co-operative bank in Indian Rural Culture							
Occupation	Emp-loyed	Agricu-lturist	Busi-ness	Stu-dents	House Wife	Reti-red	Total
Account Type							
Saving Account	20	16	17	4	18	12	87
Current Account	0	0	1	0	0	0	1
Saving + F.D.	1	0	0	0	1	5	7
Saving + Current	0	0	4	0	0	0	4
Saving + R.D.	1	0	0	0	0	0	1
Total	22	16	22	4	19	17	100
Loan Type							
Agriculture Loan	2	7	0	0	0	0	9
Home Loan	2	2	4	0	1	0	9
Education Loan	0	0	0	0	0	0	0
Loan on Deposits	2	0	1	0	1	1	5
Business Loan	0	0	1	0	0	2	3
Vehicle Loan	0	0	2	0	0	0	2
Employee Loan	1	0	0	0	0	0	1
No Loan	15	7	14	4	17	14	71
Total	21	16	20	4	19	17	100
Time of Account Holding							

New & Below 1 Year	1	0	1	0	0	0	2
1-5 Years	4	1	6	2	3	11	27
5-10 Years	6	11	9	1	5	0	32
Above 10 Years	11	4	6	1	11	6	39
Total	22	16	22	4	19	17	100
Gender							
Male	15	15	22	4	1	17	74
Female	7	1	0	0	18	0	26
Total	22	16	22	4	19	17	100

Age							
Below 18 Years	1	0	0	2	2	1	6
18-60 Years old	0	0	0	0	0	0	68
Above 60 Years	4	7	0	0	6	9	26
Total	22	16	22	4	19	17	100
Educational Qualification							
Up to High School	5	10	0	0	6	3	24
Inter mediate	2	3	0	0	1	2	8
Graduate	4	1	13	3	3	9	33
Post Graduate and Above	10	2	9	1	7	3	32
Illiterate	1	0	0	0	2	0	3
Total	15	3	22	4	12	12	100

Source: Primary Data

Good descriptive statistics is an important part of the study. It increases the usability of results for the reader and provides an idea about the people on which results are based. All samples have been taken by random sampling. Most customers have at least 1 saving bank account. 97% of customers are educated and 68% of customers are

between the age of 18 to 60 years, both are a good opportunity for employees to provide good services. 29% of customers have loans and 2 retired persons have business loans and doing business after retirement. Satara District Co-operative Bank Branches have mostly in rural areas, thus males are more visit the bank.

(G) Table 3. Customer Satisfaction of Satara District Co-operative Bank

Constructs	Items	Mean	Percentage
Infrastructure and Instruments	Availability of forms	4.20	83.84%
	ATM services	3.21	64.04%
	Online banking services	2.34	48.89%
	Bank branch infrastructure (Seating, Water, Toilet)	2.05	81.01%
	Parking facility	3.67	69.49%
	Bank has good and modern equipments	4.17	83.43%
	Bank branches are located in a convenient location	4.24	82.83%
	Information of account are sent by SMS	4.71	74.14%
	Complaint solution / Grievance Redressal Cell	3.15	61.01%
	Locker facility	3.13	63.43%
	Average of Infrastructure and Instruments	3.56	71.21%
Branch Competency	Help provided by the staff in filling up the forms	3.93	78.59%
	Account open process is easy and timely	4.06	81.21%
	Passbook & statement printing	4.10	82.02%
	Cheque clearing facility	3.72	74.34%
	Demand draft facility	3.26	65.25%
	Secured bank transactions	4.03	80.61%
	Services related Information	3.42	68.48%
	Providing service within reasonable time	4.00	80.00%
	Behaviour of Bank Employees	4.54	90.71%
	Bank collects loan in a gentle manner	3.55	70.91%
	Average Staff Competency	3.86	77.21%
Financial Activities	Bank accepts all type of currency	3.63	72.53%
	Cash deposit and cash withdrawal services on bank counter	4.16	83.23%
	Service charges	3.80	75.96%
	Process of loan taken is easy and timely	3.41	68.28%
	Rate of interest on deposits is reasonable	3.79	75.76%
	Interest on loan is justified	3.31	66.26%
	Average Financial Activities	3.68	73.67%
	Average	3.70	74.09%

Source: Primary Data

Customer satisfaction of Satara District Co-operative Bank is 74.09%. It has consisted three-part of service namely "Infrastructure and Instruments of Bank", "Staff Competency" and "Financial Activities" on which customers' satisfaction levels are 71.21%, 77.21%, and

73.67% respectively. Staff competency is the most satisfactory service of Satara District Co-operative Bank and it has been a positive impact on overall customer satisfaction level.

(H) Table 4. Testing of Hypothesis

Hypothesis 1	Alpha Value	P-Value	Result
H1: There is a moderate relationship between the customer satisfaction from “Infrastructure and Instruments”, “Branch Competency” and “Financial Activities”	0.05	0.36	Accept

ANOVAs Single Factor Test shows the P-Value

0.36 and it is more than the Alpha Value 0.05, (Alpha Value $0.05 < P\text{-Value } 0.36$). Therefore H1 is accepted and there is a moderate relationship between the customer satisfaction from “Infrastructure and Instruments”, “Branch Competency” and “Financial Activities”. Average of “Infrastructure and Instruments” (n=10), “Branch Competency (n=10)” and “Financial Activities (n=6)” is 3.56, 3.86 and 3.69 respectively. SD of “Infrastructure and Instruments”, “Branch Competency” and “Financial Activities” is 0.59, 0.37 and 0.30 respectively.

(I) Conclusion, Suggestions and Limitations

Conclusion

Customer satisfaction of Satara District Co-operative Bank is 74.09%. It is a good satisfaction level of customers. It has consisted three-part of service namely “Infrastructure and Instruments of Bank”, “Staff Competency” and “Financial Activities” on which customers' satisfaction levels are 71.21%, 77.21%, and 73.67% respectively. Customer satisfaction is also good on the “Infrastructure and Instruments of Bank”, “Staff Competency” and

“Financial Activities”.

Suggestions

Satara District Co-operative Bank needs to improve the online banking services, complaint solution/grievance Redressal cell, locker facility, ATM services, demand draft facility, the interest rate on loan, the process of loan taken, services related information, parking facility, Bank collects loan in a gentle manner.

Limitations

Customer satisfaction result is limited to the 100 sample people who have at least one type of account in Satara District Co-operative bank.

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