Management

CUSTOMER SATISFACTION OF SERVICES WITH AXIS BANK

Dr. Upasana Srivastava*
Kokila Gupta**

ABSTRACT

The banking in India is facing challenges concerning both customer base and performance. Major changes took place in the functioning of banks in India only after liberalization, privatisation and globalisation (LPG). Private Banks in India have their history dating back to 1921. There are various services provided by private banks in India like account, loans, insurances etc. Every bank is keen to provide services with the best benefits and at a low interest rate because of high level of competition among banks. Service quality, customer's satisfaction, customer's retention, customer's loyalty and happiness are the major challenges gripping the banking sector. The success or failure of business depends upon banks relationship with customers. Therefore, it becomes important to study the customer's satisfaction prevailing in private banks. In this paper, the customer's satisfaction with the performance of Axis bank has been analysed on the basis of five parameters i.e. Reliability of Financial Product, Financial Benefit, Service Responsibility, Problem Handling of Customers and Time Management for customers.

Keywords: Customer loyalty, customer satisfaction, happiness.

INTRODUCTION

UTI Bank opened its registered office in Ahmedabad and corporate office in Mumbai in December 1993. The first branch was inaugurated on 2 April 1994 in Ahmedabad by Dr. Manmohan Singh, the then Finance Minister of India. UTI Bank began its operations in 1993, after the Government of India allowed new private banks to be established. The Bank was promoted in 1993 jointly by the Administrator of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation, National Insurance Company, The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company. In 2001 UTI Bank agreed to merge with and amalgamate with Global Trust Bank, but the Reserve Bank of India (RBI) withheld approval and nothing came of this.

* **Dr. Upasana Srivastava** is Associate Professor, Mewar University, Chittorgarh, Rajasthan.
** **Kokila Gupta** is a Research Scholar, Mewar University, Chittorgarh, Rajasthan.

In 2004, the RBI put Global Trust into moratorium and supervised its merger into Oriental Bank of Commerce.

The UTI Bank became the Axis Bank in 2003. Axis Bank became the first Indian bank to launch the Travel Currency Card. In 2005, Axis Bank got listed on London Stock Exchange. Axis Bank opened its first overseas branch in 2006 in Singapore. That same year it opened a representative office in Shanghai, China. Axis Bank opened a branch in the Dubai International Financial Centre in 2007. That same year it began branch operations in Hong Kong. In 2008, it opened a representative office in Dubai.

In 2011, Axis Bank opened a representative offices and commercial branch in Colombo and as a Licensed Commercial Bank in Abu Dhabi. In 2011, Axis bank inaugurated Axis House, its new corporate office in Worli, Mumbai. In 2013, Axis Bank's subsidiary, Axis Bank UK commenced banking operations. Axis Bank UK has a branch in London at St.Paul's. In 2015, Axis Bank opened its representative office in Dhaka. Axis Bank Ltd is the third largest of the private-sector banks in India offering a comprehensive suite of financial products. The bank has its head office in Mumbai and registered office in Ahmedabad. Axis Bank is one of the fastest growing banks in private sector. The Bank operates in four segments, namely treasury, retail banking, corporate/ wholesale banking and other banking business. The treasury operations include investments in sovereign and corporate debt, equity and mutual funds, trading operations, derivative trading and foreign exchange operations on the account, both for customers and central funding. Retail banking includes lending to individuals/ small businesses subject to orientation, product and granularity criterion. It also includes liability products, card services, internet banking, automated teller machines (ATM) services, depository financial advisory services, and Non Resident Indian (NRI) services.

CUSTOMER SATISFACTION

Customer satisfaction is a term used in banking. Customer satisfaction is a measure of how products and services are supplied by a bank. Customer satisfaction is defined as the number of customers, or percentage of total customers that are fully satisfied and remain loyal. In banking it is seen as a key performance indicator within business of banking and is often part of a balanced scorecard. In competitive market place banking businesses compete for customers. Customer satisfaction is seen as a key differentiator and increasingly has become a key element of banking business strategy.

In banks, customer satisfaction ratings can have powerful effects. They focus employees on the importance of fulfilling customers' expectations. Furthermore, when these ratings dip, they warn of problems that can affect sales and profitability. These metrics quantify an important dynamic. When a bank has loyal customers, it gains positive word-of-mouth marketing, which is both free and highly effective. Banks need reliable and representative measures of satisfaction to effectively manage customer satisfaction. In researching satisfaction, banks generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less

than satisfying.

The Marketing Accountability Standards Board (MASB) endorses the definitions, purposes, and constructs of classes of measures that appear in marketing metrics as part of its ongoing common language in marketing project. In a survey of nearly 200 senior marketing managers, 71 % responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses.

REVIEW LITERATURE

Mohammed Sadique Khan and Siba Sankar Mahapatra made a study titled, *Service Quality Evaluation in Internet Banking :An Empirical Study in India*(2009). This study was aimed at evaluating the service quality of internet banking (i-Banking) services in India from customer's perspective. A structured questionnaire containing 44 quality items was administered to various target groups. Seven quality dimensions, viz. reliability, accessibility, user friendliness, privacy/security, efficiency, responsiveness and fulfilment, were identified based on principal component factor analysis. Demographic analysis of data reveals that gender is hardly a bias for use and evaluation of service quality of i-Banking in most of the cases across various categories of customers. A valid mathematical model was proposed to assess the overall service quality using regression analysis. The results showed that customers are satisfied with quality of service on four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfilment, but least satisfied with the 'user-friendliness' dimension. The empirical findings not only prioritise different parameters but also provide guidelines to bankers to focus on the parameters on which they need to improve.

Pankaj Sinha, Varundeep Singh Taneja and Vineet Gothi examined *Evaluation of Riskiness of Indian Banks and Probability of Book Value Insolvency*(2010). Recently, a lot of questions were raised about the financial health of commercial banks in India. This paper analyzes the Indian banks' risk-factor and the probability of book value insolvency under the framework developed by Hannan and Hanweck (1988). A risk index, known as Z score, for Global Trust Bank that became insolvent in 2004 suggests that the framework developed by Hannan and Hanweck (1988) is also relevant in the Indian context. For a random sample of 15 Indian Banks (public & private sector), the riskiness/probability of book value insolvency over the years was evaluated and also a relative comparison between public and private sector banks in India was carried out. Results obtained in the study show that the probability of book value insolvency of Indian Banks has reduced over years and the probability of book value insolvency is lower in case of public sector banks in comparison to private sector banks.

Puja Khatri and Yukti Ahuja examined *Comparative Study of Customer Satisfaction in Public Sector and Private Sector Banks* (2010). With the advent of liberalization policy and RBI's easy norms, several private and foreign banks have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share. Banks have to deal with many customers and render various types of services to their customers and if the customers are not satisfied with the services provided by the banks then they would defect which would impact economy as a whole since banking

system plays an important role in the economy of a country. Also it is very costly and difficult to recover a dissatisfied customer. Since the competition has grown manifold in the recent times it has become a Herculean task for organizations to build loyalty, the reason being that the customer of today is spoilt for choice. It has become imperative for both public and private sector banks to perform to the best of their abilities to retain its customer-base by catering to their explicit as well as implicit needs. Many a times it happens that the banks fail to satisfy their customer which can cause huge losses for banks and therefore the need of this study arises. The purpose of this study is to compare the public sector banks and private sector banks in terms of customer satisfaction and to study the various variables of service quality using SERVQUAL model. The work has been carried out with the objective of understanding the reasons of customer dissatisfaction and what are the opportunity areas wherein these banks need to focus and strengthen their Customer Relationship Management practices. The research work uses both the sources of information, i.e. Primary and Secondary sources, and thereafter SERVQUAL model has been used to identify the discrepancies in the service delivery system.

Kajal Chaudhary and Monika Sharma examined *Performance of Indian Public Sector Banks and Private Sector Banks: A Comparative Study* (2011). The economic reforms in India started in early nineties, but their outcome is visible only now. Major changes took place in the functioning of Banks in India only after liberalization, globalisation and privatisation. It has become mandatory to study and to make a comparative analysis of services of Public sector Banks and Private Sector banks. Increased competition, new information technologies and thereby declining processing costs, the erosion of product and geographic boundaries, and less restrictive governmental regulations have all played a major role for Public Sector Banks in India to forcefully compete with private and foreign banks and to reveal how efficiently Public and Private sector banks have been managing NPA.

Uma Sankar and Bibuti Bhusan Mishra examined in the study on *Employee Evaluations of Customer Satisfaction* (2010), how the success or failure of a business depends on what of customer relationship it practices. In the modern world of competition, growing consumerism, and information explosion, the one single element that stands out as the factor of success is the customer satisfaction. As electronic banking becomes more prevalent, now-a-days customers are evaluating banks based more on their "high-touch" factors than on their "high-tech" factors in most of the developing economies like India

OBJECTIVES OF STUDY

1. To chart out the development and growth of Axis bank in India.
2. To examine and evaluate the customer satisfaction in Axis bank on the basis of various parameters taken in the study.

RESEARCH METHODOLOGY

The study is entirely based on primary data. The primary data has been collected through a predesigned questionnaire. The sample size of 100 customers of the Axis bank has been taken

to examine the customer's satisfaction. Likert scale questions have been used to analyse the satisfaction level of customers.

DATA ANALYSIS

The analysis of data has been done on the basis of the data collected through questionnaire, filled by the customers of Axis bank.

A) Gender Composition

Figure 1: Count of Male-Female
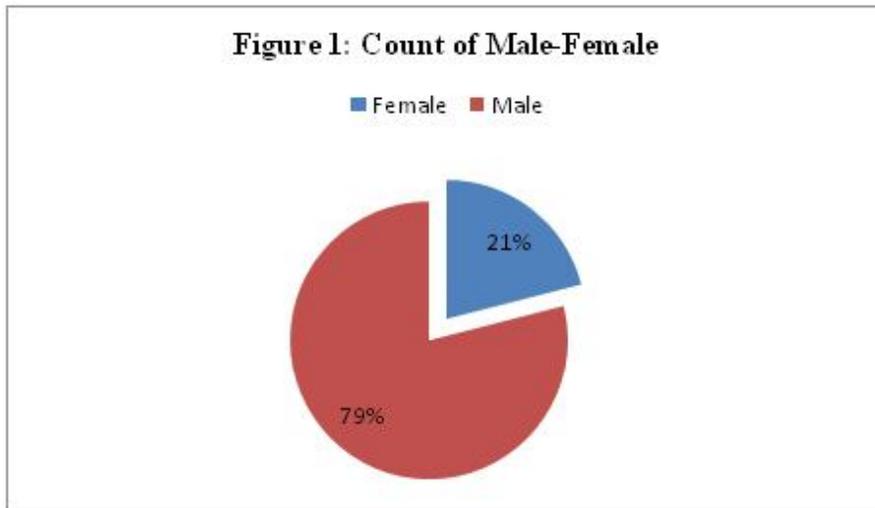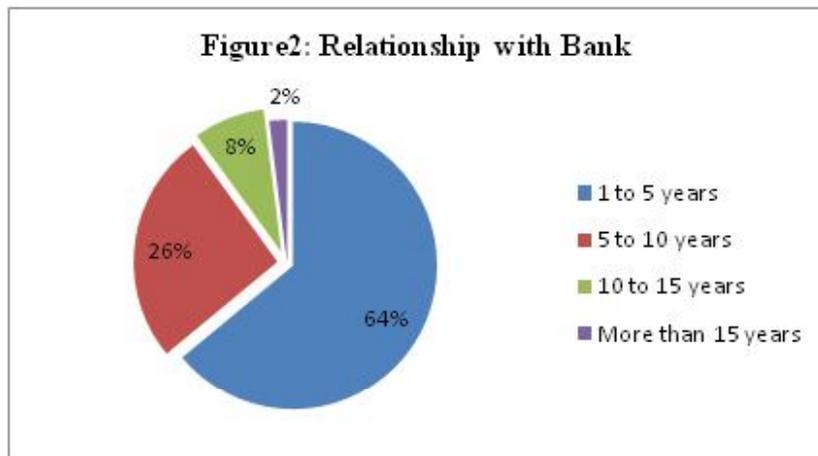
Data Analysis and Interpretation

In this study, there were 21% females and 79% males from the total sample size of 100 consumers surveyed.

B) Relationship with the Bank

Figure2: Relationship with Bank

Data Analysis and Interpretation:

On the basis of customers' relation with the bank, it has been observed that 64% of the customers had a relation with the bank for 1 to 5 yr, 26% for 5 to 10 year, 8% for 10 to 15 year and 2% for more than 15years.

C) Age Composition

Figure 3: Age of Customers
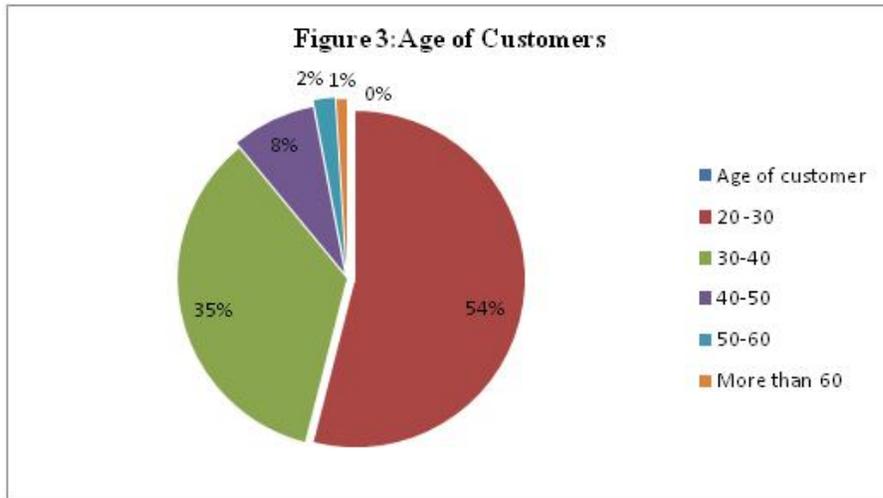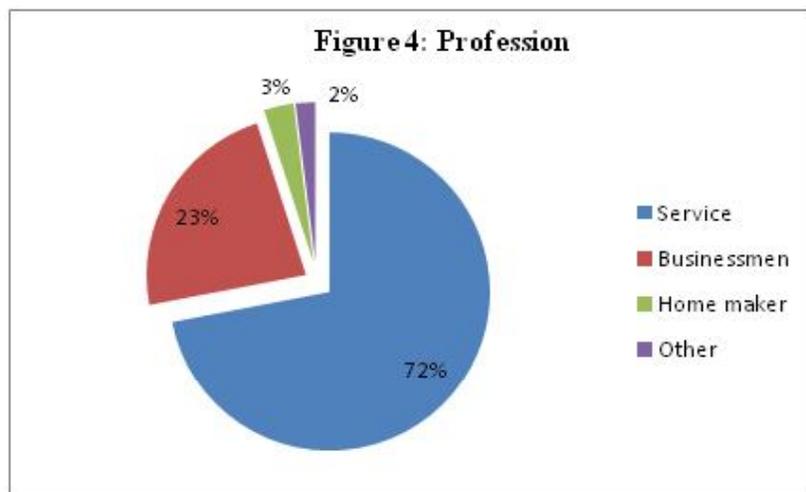
Data Analysis and Interpretation:

Customers having the age between 20-30 constituted 54%, those between 30-40 years were 35%, between 40-50 years were 8%, between 50-60 years were 2%, and those with more than 60 years were 1% .
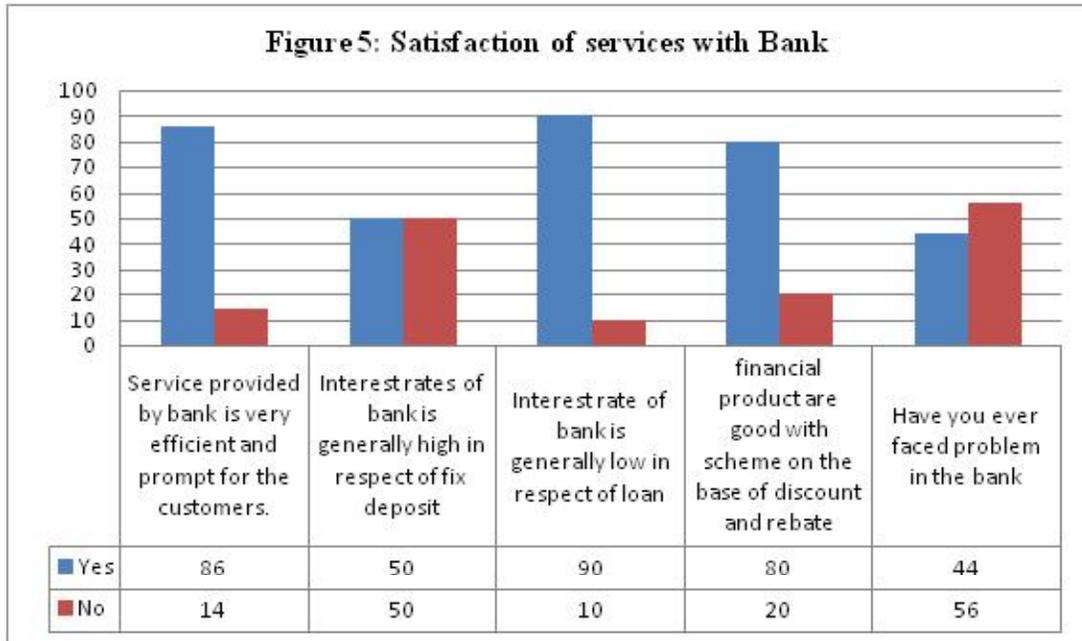
D) Occupation Structure of Consumers

Figure 4: Profession

Data Analysis and Interpretation:

According to the data collected, 72% of the consumers were in service, 23% in business, 3% were home maker, and 2% were in other occupation.

E) Customers Satisfaction of Services with Banks

Figure 5: Satisfaction of services with Bank

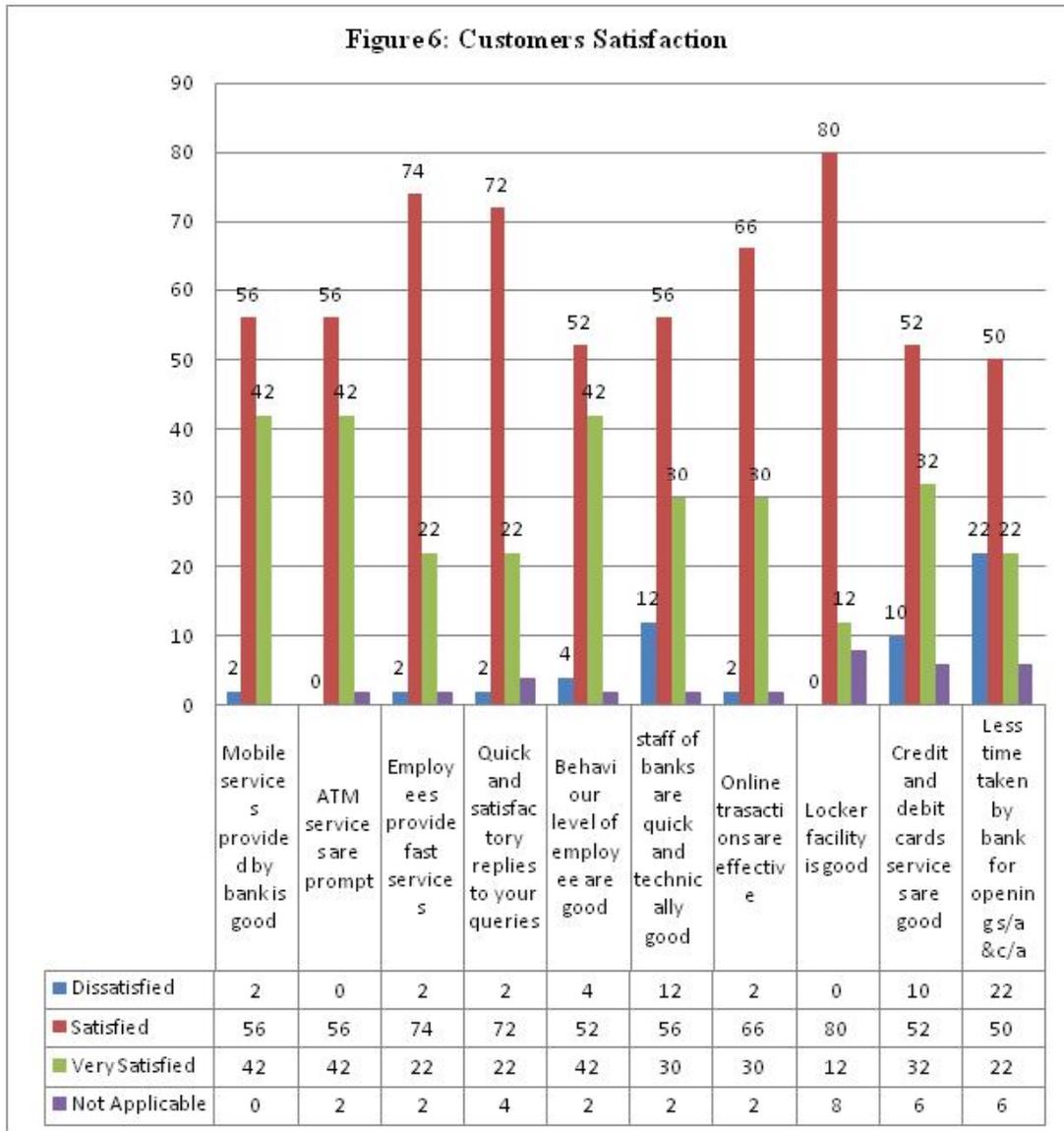|	Service provided by bank is very efficient and prompt for the customers.	Interest rates of bank is generally high in respect of fix deposit	Interest rate of bank is generally low in respect of loan	financial product are good with scheme on the base of discount and rebate	Have you ever faced problem in the bank
■ Yes	86	50	90	80	44
■ No	14	50	10	20	56

Data Analysis and Interpretation:

In the study, the satisfaction level of customers have been measured to understand the requirement of the customers obtained from the various facilities offered by bank, interalia, (i) services provided by the bank is very efficient and prompt for the customers,(ii) interest rates of bank is generally high in respect of fixed deposit,(iii) interest rate of bank is generally low in respect of loan, (iv) financial product are good with scheme on the base of discount and rebate, and (v) have you ever faced problem in the bank. It has been seen that 86% of the customers said Yes and 14% No for the (i). 50% of the customers said Yes and 50% No for(ii), 90% of the customers said Yes and 10% No for(iii), 80% of the customers said Yes and 20% No for (iv), 44% of the customers said Yes and 56% N for (v).

F) Customers Satisfaction

Data Analysis and Interpretation:

On the basis of customer satisfaction, it has been observed that 56% are satisfied ,42% very satisfied, 2% dissatisfied for *mobile services provided by the bank is good*; 56% are satisfied, 42% very satisfied,0% dissatisfied and 2% not applicable for *promptness of ATM services of bank;* 74% are satisfied, 22% very satisfied ,2% dissatisfied and 2% not applicable for *employees provide fast services in the bank;* 72% are satisfied, 22% very satisfied, 2% dissatisfied and

Figure 6: Customers Satisfaction

	Mobile services provided by bank is good	ATM services are prompt	Employees provide fast services	Quick and satisfactory replies to your queries	Behaviour level of employee are good	staff of banks are quick and technically good	Online trasactions are effective	Locker facility is good	Credit and debit cards services are good	Less time taken by bank for openings/a &c/a
Dissatisfied	2	0	2	2	4	12	2	0	10	22
Satisfied	56	56	74	72	52	56	66	80	52	50
Very Satisfied	42	42	22	22	42	30	30	12	32	22
Not Applicable	0	2	2	4	2	2	2	8	6	6

4% not applicable for *quick and satisfactory replies of queries;* 52% are satisfied, 42% very satisfied, 4% dissatisfied, and 2% not applicable for *behaviour level of employees are good;* 56% are satisfied, 30% very satisfied, 12% dissatisfied, and 2% not applicable for *staff of bank are quick and technically good;* 66% are satisfied, 30% very satisfied, 2% dissatisfied, and 2% not applicable for *effectiveness of online transactions of bank;* 80% are satisfied, 12% very satisfied, 0% dissatisfied, and 8% not applicable for *locker facilities of bank;* 52% are satisfied, 32% very satisfied, 10% dissatisfied, and 6% not applicable for *credit and debit card services of bank;* 50% are satisfied, 22% very satisfied, 22% dissatisfied, and 6% not applicable for *lower time taken by the bank for opening of bank accounts.*

FINDINGS

In this study, there were 21% females and 79% males. It has been seen that only 2% of the customers surveyed had a relation with the bank for more than 15 years. Maximum number of customers (67%) had a relation between 1 to 5 years with the bank. Majority customers were between the age of 20-30 years (54%). Customers with services class as profession were in majority (72%), followed by business class (23%). In the study, the satisfaction level of customers was measured to understand the requirement of the customers for the various facilities offered by bank.

CONCLUSION

Customers were found to be satisfied on count of the services like mobile, ATMS services, car loan, quick reply queries, fast services, home loan, young staff, IT services. Few customers i.e. only 26% took loan from bank for various purposes like home, car, multi-product. This shows that banks need to improve their marketing strategies to attract customers for seeking loans. The other reason could be the high interest rate offered by the bank. It has been seen that maximum customers are satisfied with the services provided by the bank, but still as we can see, there are customers, who are dissatisfied by the services and financial product provided by the bank. This shows that there is a scope for improvement in the service provided by the bank to customers. They should focus on 99% accuracy rate to improve the service of the banks. In this competitive world where there are challenges, the Bank would otherwise shed valuable customers to other banks.

REFERENCES

1. Chaudhary, Kajal and Sharma, Monika (2011). "Performance of Indian Public Sector Banks and Private Sector Banks: A Comparative Study", *International Journal of Innovation, Management and Technology*, Vol. **2**(3): 249-256.

2. Khan, Mohammed Sadique and Mahapatra, Siba Sankar (2009). "Service Quality Evaluation in Internet Banking: An Empirical Study in India", *Int. J. Indian Culture and Business Management*, Vol. **2**(1): 30-46.

3. Khatri ,Puja & Ahuja, Yukti (2010). "Comparative Study of Customer Satisfaction in Indian Public Sector and Private Sector Banks", *I.J.E.M.S.,* Vol. **1**(1): 42-51.

4. Mishra, Uma Sankar and Sahoo,Kalyan Kumar(2010). "Service Quality Assessment in Banking Industry of India: A Comparative Study Between Public and Private Sectors", *European Journal of Social Sciences* , Vol. **16**(4).

5. Parthak, Bhararti V (2008). *The Indian Financial System (Markets, Institution, and Services)*, Noida,UP: Dorling Kindersley (Indian) Pvt. Ltd ,pp.474-554.

6. Pattanayak, Durgesh; Maddulety Dr. K.(2011). Effect of TQM on Consumer Satisfaction in Indian Banking Industry, *European Journal of Business and Management*, Vol.**3** (2).

7.   Sinha, Pankaj, Taneja,Varundeep Singh and Gothi,Vineet (2009). "Evaluation of Riski-ness of Indian Banks and Probability of Book Value Insolvency", *International Research Journal of Finance and Economics* ,Issue **38**:7-12.

8.   Sathye, Milind (2005). "Privatization, Performance, and Efficiency: A Study of Indian Banks", *Vikalpa*, Vol.**30**(1):7-16.