

THE INFLUENCING FACTORS AND PROBLEMS FACED BY CUSTOMERS IN RETAIL BANKING AND SERVICES IN COIMBATORE CITY-AN OVERVIEW

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ABSTRACT

This study provides an overview of the influencing factors and challenges faced by customers in retail banking and services in Coimbatore city, a rapidly growing urban centre in India. With the increasing competition in the banking sector and the evolving needs of consumers, understanding customer behaviour and preferences has become crucial for financial institutions. The research identifies key factors such as service quality, technological advancements, customer service, product offerings, and accessibility that significantly influence customer satisfaction and loyalty in retail banking. Additionally, it explores the common problems encountered by customers, including issues related to service delays, lack of personalized services, inadequate financial literacy, and challenges in digital banking adoption. Through qualitative and quantitative analyses, this study aims to highlight the critical areas for improvement within the retail banking sector in Coimbatore, providing insights for banks to enhance their service delivery and customer engagement strategies. The findings underscore the importance of addressing customer concerns to foster trust and build long-term relationships in an increasingly competitive market.

1.1. INTRODUCTION OF RETAIL BANKING

Retail banks help to handle the financial needs for every day spending as life events. It provides bank account likes checking account, saving account and retirement account. Services like small valuable safe within the bank is also provided to keep the money safe without being stolen or destroyed in our home. Home loans are provided for people that help them to buy a home. Unsecured personal loan services can be used for any purpose and it does not require pledging collateral. Credit card services helps in easy spending and repaying money without applying for a new loan.

Retail banking in India is not a new phenomenon. It has always been prevalent in India in various forms. For the last few years it has become synonymous with mainstream banking for many banks. The typical products offered in the Indian retail banking segment are housing loans, consumption loans for purchase of durables, auto loans, credit cards and educational loans. The loans are marketed under attractive brand names to differentiate the products offered by different banks. As the Report on Trend and Progress of India, 2003-04 has shown that the loan values of these retail lending typically range between Rs.20,000 to Rs.100 lakh. The loans are generally for duration of five to seven years with housing loans granted for a longer duration of 15 years. Credit card is another rapidly growing sub-segment of this product group.

1.1 STATEMENT OF THE PROBLEM:

The main concern of the study is to find out customer's satisfaction level towards products and services of the bank. It also helps to get the knowledge of products and services of the bank. This study contains more information regarding various private banks and also a comparative analysis from other private banks. This study leads to tackle the problems of banks in new ways and helps to check and re-design its current market strategies in order to maintain existing customers and to attract new customers.

1.3 OBJECTIVES OF THE STUDY:

- To analyse the influencing factors of retail banking among the customers.
- To study the level of customer satisfaction in retail banking and services.
- To analyse the problems faced by customers in retail banking and services.

1.4 SCOPE OF STUDY:

This study is conducted on customer satisfaction towards the product or service rendered by the reputed private banks. A customer satisfaction survey demonstrates the value of service by the banks to its customer only with the reference of Coimbatore. This survey has been completely trend and analyzed. This study has been put forward to identify the retail services of preference, needs and satisfaction. This survey is conducted behalf of the customer's satisfaction in the top private banks retail service. This study limited to reveal the customer satisfaction, needs and preferences. This study also helps to point out the services and whether the retail services of the reputed banks have been offering service has satisfied the customer's wants.

1.5 RESEARCH METHODOLOGY:

SAMPLE DESIGN:

SAMPLE SIZE:

The total sample size taken for the study is 200.

SAMPLING METHOD:

The sampling method used is simple random sampling.

DATA COLLECTION:

The study consists of primary data. The data collection method used to obtain the desired information from primary source has been through Google forms and questionnaires have been used as an instrument.

TOOLS USED:

The data collected through primary source were analysed using the following tools:

- Percentage analysis
- Descriptive analysis
- T-test

- Chi-square
- Anova.

1.6 LIMITATIONS OF THE STUDY:

- This survey is conducted behalf of the customer's satisfaction in the top private bank's retail service.
- This study limited to reveal the customer satisfaction, needs and preferences.
- This study also helps to point out the services and whether the retail services of the reputed banks have been offering service has satisfied the customer's wants.

1.7. REVIEW OF LITRATURE:

The research literature on retail banking is vast and covers a number of dimensions. The following section provides a brief summary of research in different areas of banking.

Femi Olan (2021)¹ made a study on effects of service quality and customer satisfaction on loyalty of bank customers. This study concentrates on Service quality and customer satisfaction is parts of factors that influence customer loyalty to bank services. both are necessary to be fulfilled in order to gain customer loyalty which in turn maintaining organization survival in the long term this study aims to examine how service quality influenced customer loyalty, examine how customer satisfaction influenced their loyalty to the bank, examine simultaneous effects of service quality and customer satisfaction on customer loyalty.

Mr.P.Kanagaraj,Hariharan .S (2020)² studied STUDY ON CUSTOMER SATISFACTION ON ICICI BANK Coimbatore city .The aim of the bank is to know the level of customer satisfaction on the quality of service rendered by the ICICI Bank. Simple percentage analysis method is used here. 120 samples were collected from customers.ICICI bank is very known for quality of customer service and it is maximum preferred by customer in private sector.

Md. Intekhab Rahman Galiba , Utsho Chakraborty , Haimanti Biswas , Sowrav Sahad , Dr. Sheshang Degadwala(2020)³ Customer Satisfaction Regarding Private Sector Banks in Gujarat. The objective is the satisfaction level of the customers from Private sector banks.423 samples were collected from the customers through questioners. Now day's customers are expecting lot from the banks regarding services they provided.

1.8. PERCENTAGE ANALYSIS:

Simple percentage analysis is a most common and frequent statistical tool used to compare two or more series of data. A percentage is used to determine the relationship between group of data series.

Frequency Table:

Gender of the Respondent

Gender	Frequency	Percent
Female	104	52.0
Male	96	48.0
Total	200	100.0

(Source: Primary data)

It's defined from the above Table 4.1.0 that, out of 200 respondents, 52.0 percent of the respondents are Female and 48.0 percent of respondents are Male.

Hence, the most (52.0 percent) of the respondents are female

Age of the Respondent

Age	Frequency	Percent
Below 20	69	34.5
21 to 40	97	48.5
41 to 60	33	16.5
61 to 80	1	.5
Total	200	100.0

(Source: Primary data)

Its defined From the above Table 4.1.1 that out of 200 respondents, 48.5 percent of the respondents are in the age limit of 21 to 40, 34.5 percent of the respondents are in the age limit of below 20, 16.5 percent of the respondents are within the age limit of 40 to 60 and .5 percent of respondents are within the age limit of 61 to 80.

Hence the most (48.5 percent) of the respondents are within the age limit of 21 to 40.

Occupation of the Respondent

Occupation	Frequency	Percent
Business	26	13.0
Government employee	4	2.0
Home maker/retired	9	4.5
Private employee	76	38.0
Student	85	42.5
Total	200	100.0

(Source: Primary data)

It's defined from the above table 4.1.2 that out of 200 respondents 42.5 percent of the respondents are students, 38.0 percent of the respondents are private employees, 13.0 percent of the respondents are business people, 4.5 percent of the respondents are homemaker/retired and 2.0 percent of respondents are government employee.

Hence, most (42.5 percent) of the respondents are students.

Monthly income of the Respondent

Monthly income	Frequency	Percent
10001 to 20000	28	14.0
20001 to 30000	20	10.0
30001 to 40000	19	9.5
Above 40001	52	26.0
Below 10000	81	40.5
Total	200	100.0

(Source: Primary data)

Its defined from the above table 4.1.3 that out of 200 respondents 40.5 percent of the respondents are having a monthly income of below 10000, 26.0 percent of the respondents are having a monthly income of above 40001, 14.0 percent of the respondents are having a monthly income of 10001 to 20000, 10.0 percent of the respondents are having a monthly income of 20001 to 30000 and 9.5 percent of the respondents are having a monthly income of 30001 to 40000.

Hence, the most (40.5 percent) of respondents are having a monthly income of below 10000.

Name of the bank account

Name of Bank Account	Frequency	Percent
AXIS	37	18.5
HDFC	75	37.5
ICICI	42	21.0
KOTAK MAHENDRA BANK	12	6.0
KVB	34	17.0
Total	200	100.0

(Source: Primary data)

Its defined from the above table 4.1.4 that out of 200 respondent 37.5 percent of respondents are having an account in HDFC bank, 21.0 percent of respondents are having an account in ICICI bank, 18.5 percent of respondents are having an account in AXIS bank, 17.0 percent of respondents are having an account in KVB and 6.0 percent of respondents are having an account in KOTAK MAHENDRA BANK.

Hence, most (37.5 percent) of the respondents are having an account in HDFC bank.

1.9.DESRIPTIVE ANALYSIS:

Descriptive analysis is a essential statistical tool which is used to summarise the data that collected from the information. This tool show or describe data in a constructive way. Identifies and characteried the phenomenon.

Descriptive Statistics					
Influencing factor	Minimum	Maximum	Mean	N	Std. Deviation
Safety of deposits in your bank	1	5	1.98	200	1.572
Your bank is speed in delivering services	1	5	1.79	200	1.355
Attractive interest rates in your bank	1	5	1.80	200	1.312
Your bank is up to date in technology	1	5	1.80	200	1.373
Your bank has good general public impression	1	5	1.77	200	1.325
Recreation facilities are good in your bank	1	5	1.80	200	1.340

(Source: Primary data)

From the above table 4.2 that the mean ratings it is inferred the high mean (1.98) rating has been found for the statement 'Safety of deposits in your bank', followed by the mean (1.80 per cent) rating 'Attractive interest rates', 'Your bank is up to date in technology' and 'Recreation facilities are good in your', (Mean 1.78) followed by the 'Your bank is speed in delivering services' and (Mean 1.77)'Your bank has good general public impression'. Hence, based on high mean rating, it is evident that, most of the respondents are the influenced by Safety of deposits in retail banking.

Descriptive of Problems faced in retail Banking and Services

Descriptive Statistics					
Problems	Minimum	Maximum	Mean	N	Std. Deviation
Personalized experience	1	5	2.03	200	1.446
Customer retention is very low	1	5	2.09	200	1.491
Time consuming process	1	5	2.07	200	1.404
Security issues	1	5	2.14	200	1.527
Excessive or unwanted fee deductions	1	5	2.18	200	1.557
Checks /funds bouncing for no valid reasons	1	5	2.04	200	1.359
Unexplained or complicated terms and conditions	1	5	2.14	200	1.523

(Source: Primary data)

From the above table 4.2.2 that the mean ratings it is inferred the high mean (2.18) has been found for the statement 'Excessive or unwanted fee deductions', followed by the mean (2.14) r 'Security issues 'and Unexplained or complicated teams and conditions, Mean (2.09) followed by the 'customer retention in very low' and Mean (2.07)'Time consuming process'. Mean (2.03) followed by personalized experience. Hence, based on high mean rating, it is evident that, most of the respondents are the influenced by Excessive or unwanted fee deductions.

1.10.T-Test:

A t-test is a type of inferential statistic used to determine if there is a significant difference between the means of two groups, which may be related in certain features. The t-test is one of many tests used for the purpose of hypothesis testing in statistics. Calculating a t-test requires three key data values.

T-test have been used to test whether the ‘Influence Factor of retail banking’ mean score has differed significantly among the respondents classified based on ‘Demographic profile ’ with the following null hypothesis.

H₀: “The mean score of Influence Factor of retail banking does not have significant difference with Demographic Profile of the respondents”.

The null hypothesis has been tested for the Demographic Profile Gender factors and the results are presented in the following table.

Gender of the respondent and Influence Factor of retail banking

Group Statistics						
Influence Factor	Gender	Mean	Std. Deviation	N	t-value	Sig
	Female	1.8413	1.27827	104	.199	Ns
	Male	1.8056	1.26206	96		

(Source: Primary data NS– Not Significant, * - significant at 5 per cent level ,** - significant at 1 per cent level,)

It is inferred from the above table 4.3.0 that the respondents whose is Female (1.8413) have high mean score for Influence Factor of retail banking and the respondents whose is male (1.8056) have low mean score for Influence Factor of retail banking Hence, with the t-ratio value (.199) it is revealed that the respondents have not been varied significantly in their mean score for Influence Factor of retail banking when they are classified based on Gender groups. Therefore, the null hypothesis has been accepted.

Gender of the respondent and Problem faced by Customer in retail banking

Group Statistics						
Problem faced	Gender	Mean	Std. Deviation	N	t-value	Sig
	Female	2.1154	1.43524	104	.083	Ns
	Male	2.0990	1.36638	96		

(Source: Primary data NS– Not Significant, * - significant at 5 per cent level ,** - significant at 1 per cent level,)

It is inferred from the above table 4.3.2 that the responded whose is female (2.1154) have high mean score for problem faced by customer in retail banking and the response whose is male (2.0990) have low mean score for problem faced by customer in retail banking hence, with a t ratio value (.083) it is the revealed that the responded have not been varied significantly in the year mean score for

problem faced by customer in retail banking when they are classified based on gender groups. Therefore, the null hypothesis has been accepted

1.11.CHI-SQUARE:

The chi-squared test checks the difference between the observed value and the expected value. Chi-Square shows or in a way check the relationship between two categorical variables which can be calculated by using the given observed frequency and expected frequency.

Age and Name of the bank hold by the respondents

Age	Name of the bank											
	AXIS		HDFC		ICICI		KOTAK MAHENDRA		KVB		Total	
	No	%	No	%	No	%	No	%	No	%	No	%
Below 20	13	35.1%	29	38.7%	12	28.6%	3	25.0%	12	35.3%	69	34.5%
21 to 40	18	48.6%	37	49.3%	21	50.0%	5	41.7%	16	47.1%	97	48.5%
41 to 60	6	16.2%	9	12.0%	9	21.4%	3	25.0%	6	17.6%	33	16.5%
61 to 80	0	0.0%	0	0.0%	0	0.0%	1	8.3%	0	0.0%	1	0.5%
Total	37	100.0%	75	100.0%	42	100.0%	12	100.0%	34	100.0%	200	100.0%

(Source: Primary data)

With respect to age group of the respondents it is clear that out of 200 respondents, 97 respondents belong to the age group of 21-40 years. Among them, Majority (64.0 per cent) of the respondents prefer ICICI bank.

H₀: “Age of the respondents has no significant association with Preference towards vehicle”.

Chi-Square Tests			
	Value	Asymptotic Significance (2-sided)	Sig
Pearson Chi-Square	19.050 ^a	.087	Ns

(Source: Primary data NS- Not Significant *- Significant at 5% level **- Significant at 1% level)

In the above table 4.4.1 the chi-square result has shown that age group of the respondents ($X^2 = 19.050, P > .05$) have no Significant association with Name of the bank and Age of the respondent at 5 per cent level. Hence, the null hypothesis has accepted.

1.12.ANOVA:

Analysis of variance is a collection of statistical models and their associated estimation procedures used to analyze the differences among means.

ANOVA have been used to test whether the ‘Influence Factor of retail banking among the customer’ mean score has differed significantly among the respondents classified based on ‘Demographic profile’ with the following null hypothesis.

H₀: “The mean score of Influence Factor of retail banking does not have significant difference with Demographic Profile of the respondents”.

The null hypothesis has been tested for the Demographic Profile of Age factors and the results are presented in the following table

Age of the respondent and Satisfaction level of customer in retail banking services

Factor	Age	Mean	Std. Deviation	N	FNovalue	sig
Satisfaction level	Below 20	1.9217	1.22869	69	.919	Ns
	21 to 40	2.2282	1.28141	97		
	41 to 60	2.2020	1.25427	33		
	61 to 80	2.6667	.	1		
	Total	2.1203	1.25814	200		

(Source: Primary data NS– Not Significant, * - significant at 5 per cent level, ** - significant at 1 per cent level,)

It is clear from the above table 4.5.2 that the respondents who’s age belong to (61 to 80) years (2.6667) have high means score for satisfaction level of customer in retail banking and the respondent who’s age is below 20years (1.9217) have low mean score for satisfaction level of customer in retail banking hence with the f ratio value (.919) it relevant that the respondents have not been varied significantly in their mean score for satisfaction level of customer in retail banking when they are classified based on age group therefore the null hypothesis is has been accepted

Occupation of the respondent and Satisfaction level of customer in retail banking services

Factor	Occupation	Mean	Std. Deviation	N	F-value	sig
Satisfaction level	Business	2.2410	1.33827	26	1.355	Ns
	Government employee	1.0000	.00000	4		
	Home maker/retired	1.7778	1.20231	9		
	Private employee	2.2640	1.24985	76		
	Student	2.0439	1.25822	85		
	Total	2.1203	1.25814	200		

It is clear from the table that the respondent whose (2.2640) have high mean score for influence factor of retail banking and the respondent whose occupation below (1.0000) have low mean for influence factor of retail banking hence, with the f ratio value (1.355) it is relevant that the respond has not been varied significantly in the year mean score for influence factor of retail banks when they are classified based on occupation therefore the null hypothesis has been accepted.

Monthly income the respondent and Satisfaction level of customer in retail banking services

Factor	Monthly Income	Mean	Std. Deviation	N	F-value	sig
Satisfaction level	10001 to 20000	2.1881	1.35781	28	.236	Ns
	20001 to 30000	2.1500	1.25150	20		
	30001 to 40000	1.9474	1.13128	19		
	Above 40001	2.2231	1.27697	52		
	Below 10000	2.0642	1.26366	81		
	Total	2.1203	1.25814	200		

(Source: Primary data NS– Not Significant, * - significant at 5 per cent level, ** - significant at 1 per cent level,)

It is clear from the above table 4.5 that the respondents who's monthly income (2.2231) have high means score for satisfaction level of customer in retail banking who's monthly income (1.9474) have low mean score for satisfaction level of customer in retail banking hence with the f ratio value (.236) it's revealed that the respondents have not been varied significantly in the mean score for satisfaction level of customer in retail banking hence the classified based on monthly income therefore the hypothesis has been accepted.

Age of the respondent and Problem faced by Customer in retail banking

Factor	Age	Mean	Std. Deviation	N	F-value	sig
Problem faced	Below 20	1.7778	1.28168	69	2.594	Ns
	21 to 40	2.2337	1.42799	97		
	41 to 60	2.3687	1.44923	33		
	61 to 80	4.0000	.	1		
	Total	2.1075	1.39912	200		

(Source: Primary data NS– Not Significant, * - significant at 5 per cent level, ** - significant at 1 per cent level,)

It is clear from the above table 4.5.3 that the respondents whose age belong to (61 to 80) years (4.0000) have high means score for problem based by the customer in retail banking. And the respondent whose age is below 20years (1.7778) have low mean score for problem based by the customer in retail banking hence with the f ratio value (2.594) it relevant that the respondents have not been varied significantly in their mean score for problem based by the customer in retail banking. When they are classified based on age group. Therefore, the null hypothesis is having been accepted

Occupation of the respondent and Problem faced by Customer in retail banking

Factor	Occupation	Mean	Std. Deviation	N	F-value	sig
Problem faced	Business	2.0449	1.22616	26	2.033	Ns
	Government employee	1.5000	1.00000	4		
	Home maker/retired	1.8889	1.34112	9		
	Private employee	2.4496	1.55659	76		
	Student	1.8725	1.27829	85		

	Total	2.1075	1.39912	200		
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(Source: Primary data NS– Not Significant, * - significant at 5 per cent level, ** - significant at 1 per cent level,)

It is clear from the above table 4.5.4 that the respondents whose occupation (2.4496) have high means score for problem based by the customer in retail banking and the respondent whose occupation (1.8725) have low mean score for problem based by the customer in retail banking hence with the f ratio value (2.594) it relevant that the respondents have not been varied significantly in their mean score for problem based by the customer in retail banking. When they are classified based on occupation. Therefore the null hypothesis is has been accepted

Monthly Income and Problem faced by Customer in retail banking

Factor	Monthly Income	Mean	Std. Deviation	N	F-value	sig
Problem faced	10001 to 20000	2.2143	1.40608	28	1.358	Ns
	20001 to 30000	2.3333	1.53802	20		
	30001 to 40000	1.7544	1.06916	19		
	Above 40001	2.3846	1.52985	52		
	Below 10000	1.9198	1.32631	81		
	Total	2.1075	1.39912	200		

(Source: Primary data NS– Not Significant, * - significant at 5 per cent level, ** - significant at 1 per cent level,)

It is clear from the above table 4.5.5 that the respondents whose monthly income (2.3846) have high means score for problem faced by the customer in retail banking and the respondent whose occupation (1.7544) have low mean score for problem faced by the customer in retail banking hence with the f ratio value (1.358) it relevant that the respondents have not been varied significantly in their mean score for problem faced by the customer in retail banking. When they are classified based on monthly income. Therefore the null hypothesis is has been accepted

1.12. CONCLUSION:

The retail products and services provided by banks are utilized by the people in large scale in their day -to -day life, now a days. Customers also are educated and awareness were created among them that lead to massive usage of retail banking products and services now a days. Internet banking, various types of bank accounts and loan facilities are the ones that are mostly utilized by customers. Even though customer satisfaction is not bad in Coimbatore city, customers expect more innovative and customer friendly products and services in retail banking sector.

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