

A Study on Customer Satisfaction towards Services Provided by Nawanagar Co-Operative Bank with Special Reference to Digvijay Plot (DP) Branch.

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ABSTRACT:

This research paper tries to study and analyze the level of customer satisfaction towards the services provided by Nawanagar Co-Operative Bank Digvijay Plot (DP) Branch. Nawanagar Co-operative Bank is one of the leading co-operative bank in Jamnagar region. The key for retaining clients/customers is customer satisfaction. The primary objective of this study is to identify the satisfaction level amongst the customers of bank. The sample size of this research is 100. Non-probability sampling method is used for this research. Questionnaire method was used for gathering primary data from customers. Interview with the customers were conducted to know their view about services.

The primary data collected was tested with single way Anova testing method to know its reliability. The findings of this study shows that overall the customers are satisfied with different banking services. It was found that majority of respondents are having savings and current account in bank. The bank has good infrastructure with all necessary equipments. Customers are satisfied with employees of bank as they feel their queries are heard and solved by employees. Though customers feel that there is need of improvement in net banking facility, locker facility, ATM services, etc.

Keywords: Banking, Co-operative Banking, Customer Satisfaction, Banking Services.

INTRODUCTION TO CO-OPERATIVE BANKING:

Banking can be referred to an institute, chartered by a state or centralized authority with a license to accept deposits from public and provide loans to people.

A Co-operative Bank can be described as a small-sized, financial institute, where its members are the owners as well as customers of the Bank. They are regulated by the Reserve Bank of India (RBI) and are registered under the State's Cooperative Societies Act.

Role of Co-operative Banking in India:

Co-operative banks play a vital role in loan disbursement to small businesses and farmers in urban and rural parts of India. To a notable extent, it has saved farmers from higher loan interest rates charged by greedy money lenders and landlords. It has influenced the people to practice the habit of saving and investment instead of spending unnecessarily.

NAWANAGAR CO-OPERATIVE BANK:



The Nawanagar Co-operative Bank Ltd.”, registered under Gujarat Co-operative Societies Act 1961, popularly referred to as “Nawanagar Bank” commenced its banking business with a capital of Rs. 1.36 lakh at Jamnagar in the year 1980.

The Nawanagar Bank is the leading co-operative bank in Jamnagar with 12 branches and 1 extension counter. Nawanagar Bank has benefitted its customers with various banking policies such as high interest rates on deposits, lower interest on lending loans.

Products & Services offered by Nawanagar Co-operative Bank:

1. Acceptance of deposit:

- Current Deposits
- Saving Deposits
- Term Deposits

2. Loans and Advances:

- Cash Credit
- Term Loan
- Loans to Professionals
- Car loan
- Consumer Loan
- Housing Loan
- Education Loan
- Loan/OD against Property
- Loan against NSC/KVP/LIC
- Loan against Bank's own FDR

3. Other facilities:

- Bills Purchase/Bills Discounts
- Locker Facilities
- Demand Draft
- PGVCL Bill Collection
- Mobile Bankin

CONCEPTUAL FRAMEWORK:

Customer Satisfaction:

Customer satisfaction can be defined as a measurement to determine how happy customers/clients are with the products and services of the company. In other words, it means how customers feel while interacting with the products, services or any particular brand.

Importance of Customer Satisfaction in Banking:

- For banking sector, it is more important that they keep their customers satisfied and loyal, else they will switch to other bank offering same products and services. Treat the customers in a way that makes them feel that they matter.
- Customer satisfied with banking services will spread positive word of mouth in their circle and attract new customers for the bank.
- In modern times, providing customers with Omni-channel experience for all their banking requirements will increase their convenience. Such efforts matters most for customer satisfaction.

LITERATURE REVIEW:

Manisha Raj & Shruti Bansal (2019), “**Customer Satisfaction in Banking Sector - A Case Study of H.D.F.C. Bank**”, published in International Journal of Research and Analytical Reviews, Volume 6, Issue 1, Jan. - March 2019

This research highlighted that banking is not only limited up to brick and mortar structure. Banking has not expanded its horizons through multiple banking channels and so does the customer satisfaction level. Banking sector as a whole is focusing on customer satisfaction due to immense competition. This study focused on identifying various problems faced by customers of HDFC Bank and their satisfaction level regarding physical resources, courteous services, committed services, etc. The findings show that SERVQUAL dimensions will have significant relationship with customer satisfaction as HDFC Bank provides best quality services and fulfills the need of customers.

Neha Saxena and Neha Sahu (2014), “**Study on Customer Satisfaction, Customer Loyalty and Banking Service Quality in Indian Banking Sector**”, published in Unnayan, Volume-I, July 2014

The major objective of the research is to measure the quality of service offered by private banks operating in India. It also tries to study the relationship between service quality, customer satisfaction & loyalty. The primary data was collected through questionnaire. Correlation & Multiple Regressions were used to test the relationship between dependent & independent variable. The research proves that understanding and solving queries efficiently plays the most important role in customer satisfaction level followed by tangibility, assurance, & finally the bank reliability. It also highlights that this leads to high level of loyalty and customer commitment.

RESEARCH METHODOLOGY:

Research Objectives:

- To know the level of customer satisfaction in selected Nawanagar Co-operative Bank - Digvijay Plot Branch in Jamnagar City.
- To identify the difficulties faced by the customers of Nawanagar Co-operative Bank – Digvijay Plot Branch in Jamnagar City.
- To interact with customers to identify their expectations from the services provided by Nawanagar bank.

Scope of the Study:

The scope of the study includes to identify and analyze the level of customer satisfaction of the customers/clients of Nawanagar Co-operative Bank – Digvijay Plot Branch in Jamnagar City.

+ Data Sources:

- **Primary Sources:** Primary data for this study was collected through a **Questionnaire** from the Customers of Nawanagar Co-operative Bank – Digvijay Plot Branch.
- **Secondary Sources:** Annual Reports of the Bank, Research Journals, Internet, etc.

+ Sampling Design:

- **Population Size:** All the folks that engaged with and dealing within the Nawanagar co-operative bank. The population size is approx. 21000 customers.
- **Sampling Unit:** The sample unit is all the customer of the bank.
- **Sample Size:** The sample size for this research study was of 100 customers. Randomly 100 customers of Nawanagar Co-operative Bank – Digvijay Plot Branch were contacted to gather data with regards to customer satisfaction from services offered by bank.
- **Sampling Method:** Non-probability sampling method was used for this research.

+ Limitation Of The Study:

- Limited Duration available for the research.
- Sample Size limited up to 100 respondents.
- Financial Constraint faced for travelling to places.
- Biasness in responses.

DATA ANALYSIS & INTERPRETATION:

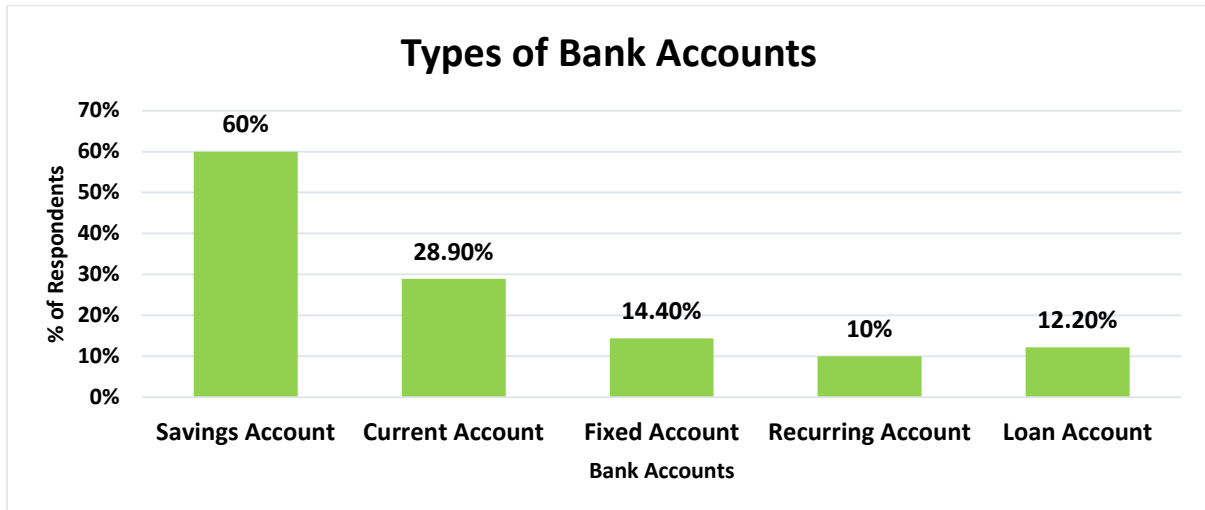
Demographic Data:

| Particulars | Categories | Percentage (%) |
|--------------------|-------------------|-----------------------|
| Gender | Male | 52 |
| | Female | 48 |
| Age | Below 20 | 01 |
| | 21 - 30 | 40 |
| | 31 - 40 | 24 |
| | 41 - 50 | 26 |
| | 51 - 60 | 05 |
| | Above 60 | 04 |
| Education | SSC | 20 |

| | | |
|-----------------------|----------------------------|----|
| | HSC | 17 |
| | Graduation | 38 |
| | Post-Graduation | 20 |
| | Other | 05 |
| Occupation | Student | 22 |
| | Private Employee | 21 |
| | Government Employee | 02 |
| | Self Employed | 38 |
| | Retired | 05 |
| | Others | 12 |
| Monthly Income | Below 10,000 | 28 |
| | 10,000 - 20,000 | 33 |
| | 20,000 - 30,000 | 22 |
| | 30,000 - 40,000 | 11 |
| | More than 50,000 | 06 |

1) Which type of bank account do you have?(Multiple Answer Allowed)

| Particulars | % of Respondents having Account |
|--------------------------|--|
| Savings Account | 60 % |
| Current Account | 28.90 % |
| Fixed Account | 14.40 % |
| Recurring Account | 10 % |
| Loan Account | 12.20 % |



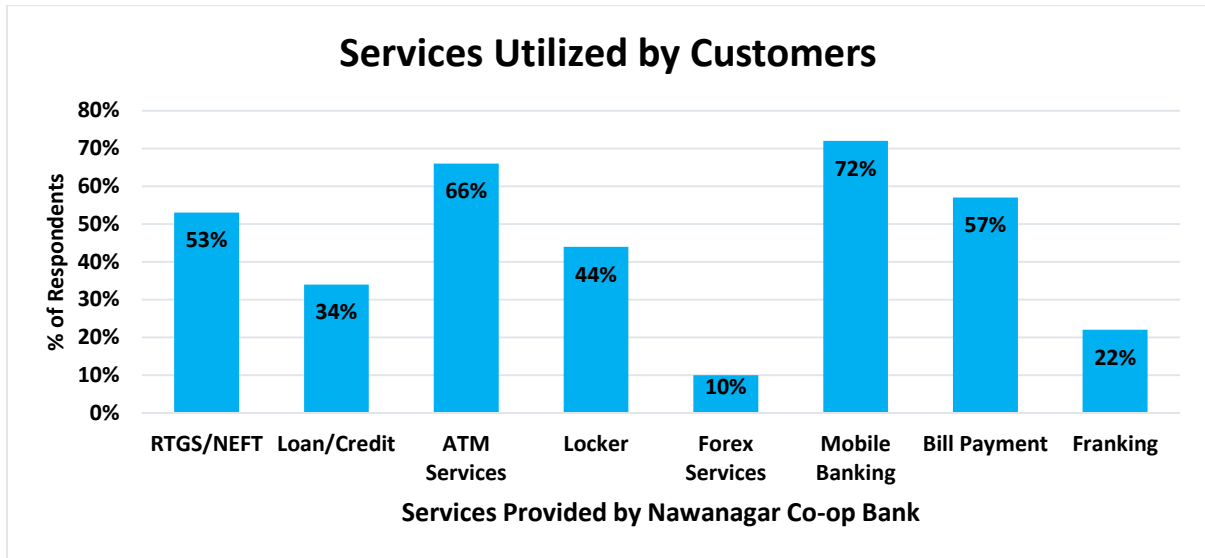
(Source: Questionnaire Filled by Respondents)

Interpretation:

As per the above data, 60% respondents have Saving Account, 28.9% respondents have Current Account, 14.4% respondents have Fixed Account, 10% respondents have Recurring Accounts and 12.2% respondents have Loan Account in Nawanagar Co-operative Bank with special reference to Digvijay Plot Branch, Jamnagar.

2) What all services do you use in the bank? (Multiple Answer Allowed)

| Particulars | % of Respondents |
|----------------|------------------|
| RTGS/NEFT | 53 % |
| Loan/Credit | 34 % |
| ATM Services | 66 % |
| Locker | 44 % |
| Forex Services | 10 % |
| Mobile Banking | 72 % |
| Bill Payment | 57 % |
| Franking | 22 % |



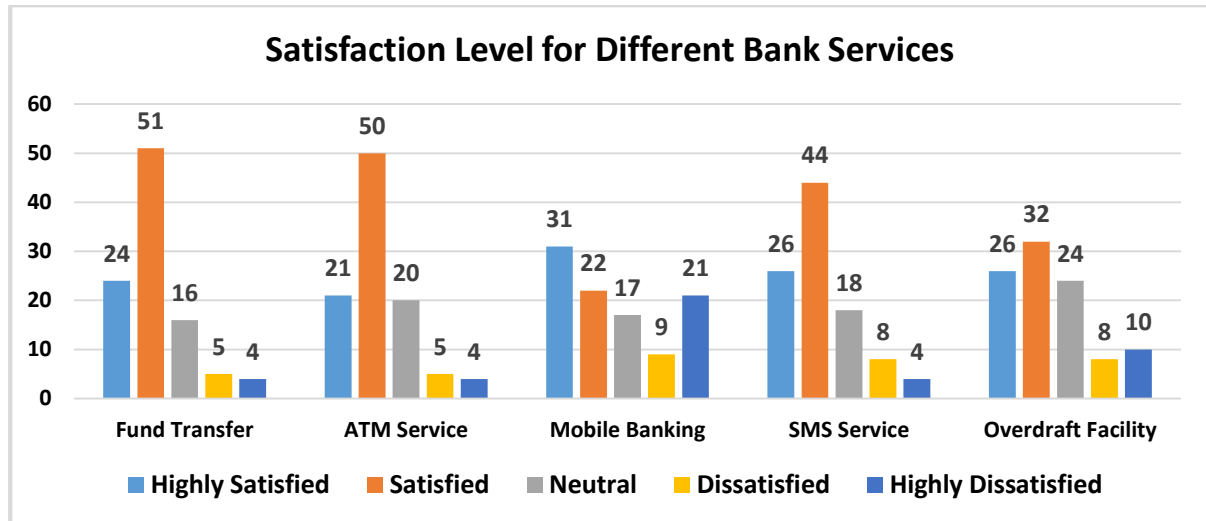
(Source: Questionnaire Filled by Respondents)

Interpretation:

As per the above data, Mobile Banking, ATM service, Bill Payment and Fund Transfer (RTGS/NEFT) are most commonly used services by the customers of Nawanagar Bank. The Locker facility is used by 44% of customers and credit service is used by 34% of respondents. The Forex Service and Franking services are utilized by few respondents as per their requirement.

3) Kindly rate your level of satisfaction for the following services provided by the bank.

| Particulars | Highly Satisfied | Satisfied | Neutral | Dissatisfied | Highly Dissatisfied |
|--------------------|------------------|-----------|---------|--------------|---------------------|
| Fund Transfer | 24 | 51 | 16 | 5 | 4 |
| ATM Service | 21 | 50 | 20 | 5 | 4 |
| Mobile Banking | 31 | 22 | 17 | 9 | 21 |
| SMS Service | 26 | 44 | 18 | 8 | 4 |
| Overdraft Facility | 26 | 32 | 24 | 8 | 10 |



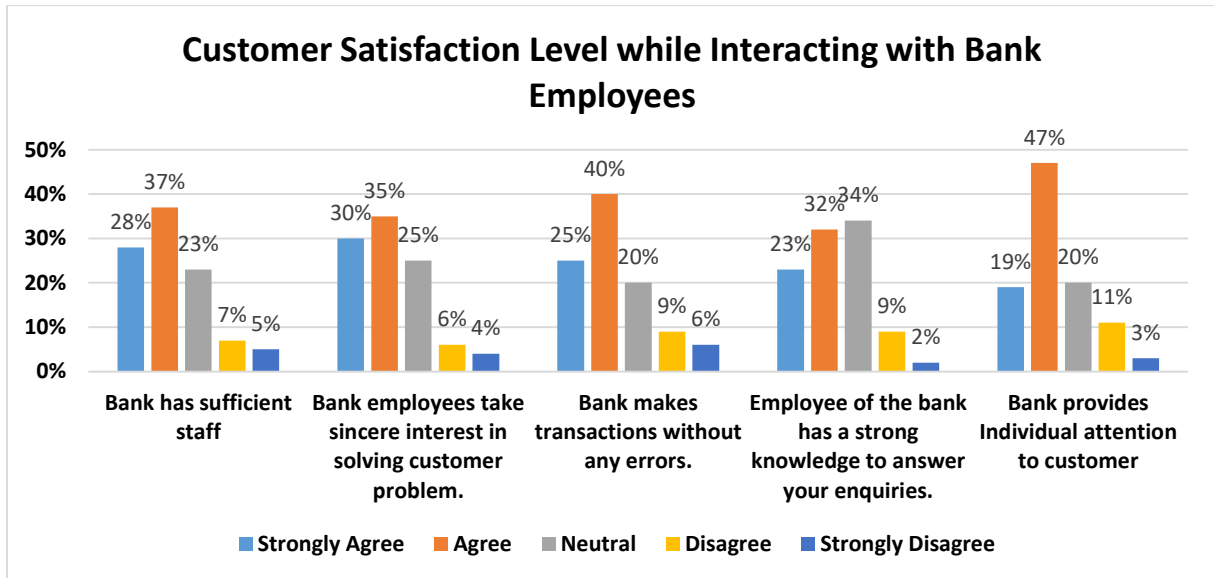
(Source: Questionnaire Filled by Respondents)

Interpretation:

From the above data, it can be analyzed that customer of Nawanagar Bank – Digvijay Plot Branch are satisfied with services of fund transfer, ATM services and SMS facility. The level of customer satisfaction is low with regards to mobile banking and overdraft facility. Bank need to improve its digital presence and lending services.

4) Rate the following statement on the basis of your satisfaction level.

| Particulars | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|--|----------------|-------|---------|----------|-------------------|
| Bank has sufficient staff | 28% | 37% | 23% | 7% | 5% |
| Bank employees take sincere interest in solving customer problem. | 30% | 35% | 25% | 6% | 4% |
| Bank makes transactions without any errors. | 25% | 40% | 20% | 9% | 6% |
| Employee of the bank has a strong knowledge to answer your enquiries. | 23% | 32% | 34% | 9% | 2% |
| Bank provides Individual attention to customer | 19% | 47% | 20% | 11% | 3% |



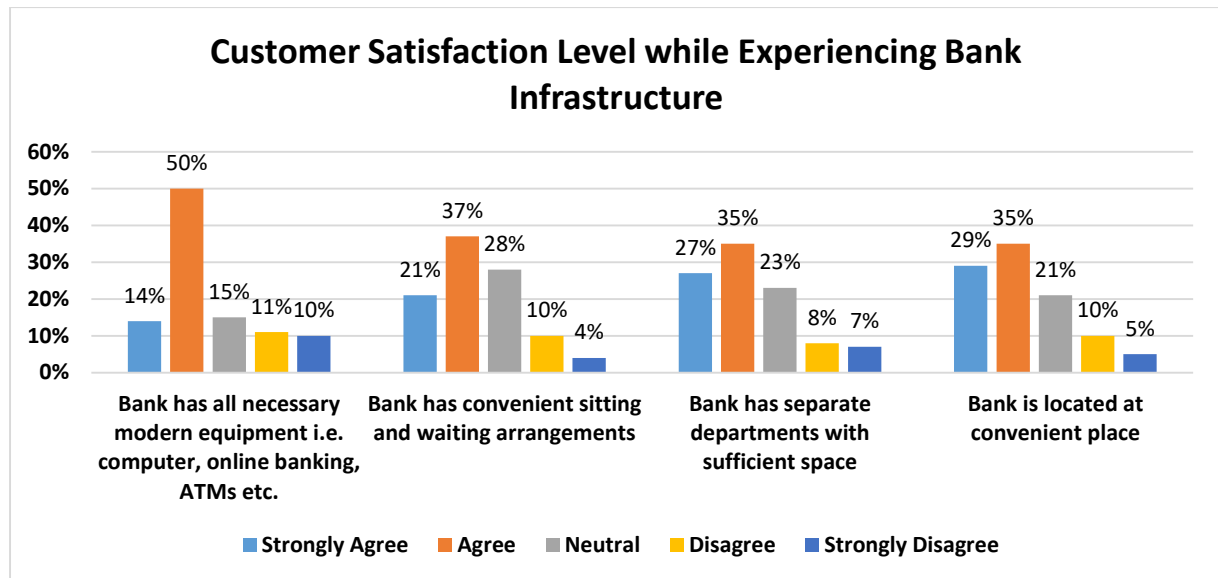
(Source: Questionnaire Filled by Respondents)

Interpretation:

From the above data, it can be concluded that majority of the customers are highly satisfied with bank and its employees with regards to solving their queries, giving knowledge about different products and services, paying individual attention and carrying out transaction smoothly with minimum errors.

5) Rate the following statement on the basis of your satisfaction level.

| Particulars | Strongly Agree | Agree | Neutral | Disagree | Strongly Disagree |
|--|----------------|-------|---------|----------|-------------------|
| Bank has all necessary modern equipment i.e. computer, online banking, ATMs etc. | 14% | 50% | 15% | 11% | 10% |
| Bank has convenient sitting and waiting arrangements | 21% | 37% | 28% | 10% | 4% |
| Bank has separate departments with sufficient space | 27% | 35% | 23% | 8% | 7% |
| Bank is located at convenient place | 29% | 35% | 21% | 10% | 5% |



(Source: Questionnaire Filled by Respondents)

Interpretation:

From the above data, it can be concluded that majority of the people either strongly agree or agree with the statements regarding well maintenance of bank infrastructure. Respondents agree that Nawanagar Co-op Bank is equipped with modern equipment, having spacious place, located at a place which is convenient to reach.

HYPOTHESIS TESTING:

ANOVA TEST - 1

H0: - There is no significance difference regarding customer satisfaction among different services.

H1: - There is significance difference regarding customer satisfaction among different services.

| ANOVA | | | | | | |
|---------------------|-----------------|------------|--------|---------------|---------|---------------|
| Source of Variation | SS | df | MS | F | P-value | F crit |
| Between Groups | 1.995 | 2 | 0.9975 | 1.1966 | 0.3037 | 3.0262 |
| Within Groups | 247.5781 | 297 | 0.8336 | | | |
| Total | 249.5731 | 299 | | | | |

Analysis:

As per the above calculation it has been found that F-calculated value (1.1966) is less than F-tabulated (3.0262). So, we can accept the null hypothesis (H0) and can say that there is no significance difference regarding customer satisfaction among different services.

In other way we can analyze the above calculation by comparing P-value (0.3037) with significance level. In above, P-value is higher than significance level (0.05).

ANOVA TEST - 2

H0: - There is no significance difference regarding customer satisfaction among different respondents.

H1: - There is significance difference regarding customer satisfaction among different respondents.

| ANOVA | | | | | | |
|---------------------|----------------|----------------|--------|---------------|---------|---------------|
| Source of Variation | SS | df | MS | F | P-value | F crit |
| Between Groups | 14.4815 | 3.0000 | 4.8272 | 9.3225 | 0.00002 | 2.6994 |
| Within Groups | 49.7085 | 96.0000 | 0.5178 | | | |
| | | | | | | |
| Total | 64.1900 | 99.0000 | | | | |

Analysis:

As per the above calculation it has been found that F-calculated value (9.3225) is less than F-tabulated (2.6994). So, we failed to accept the null hypothesis (H0) and can say that there is significance difference regarding customer satisfaction among different respondents.

In other way we can analyze the above calculation by comparing P-value (0.00002) with significance level. In above, P-value is lower than significance level (0.05).

FINDINGS:

- Majority of Respondents are having Savings account and current account at Nawanagar Co-op Bank Digvijay Plot Branch, Jamnagar.
- Services like Fund Transfer, ATM Withdrawals, and Locker/Safe facility are used more by respondents. While Forex Exchange and Franking services are less preferred by respondents.
- Customers are satisfied with ATM Card, SMS services, Fund transfer. There is dissatisfaction found through this study amongst the respondents for bank’s Mobile Banking application and Overdraft (OD) facility.
- The employees of the bank are also well informed about all the products and services. They do pay good attention to customer queries.
- The infrastructure of the bank is also well maintained which includes spacious waiting area, separate sections for different departments, modern equipment, etc.

SUGGESTIONS:

- Bank should increase the number of lockers/safe at the branch as many customers are willing to have a locker. At present, lockers are limited and restricted up to 3 branches only.
- Bank must make modification and make its mobile application more user friendly. Along with Mobile banking, Nawanagar Bank should also focus on developing Net Banking service for its customers.
- New Branches can be opened up with modern infrastructure at a spacious location to cater the increasing demand of banking services in Jamnagar City as well as Saurashtra Region.

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- Majority of customers are self-employed or are from business background so, bank must spread more awareness and target such customers for their loan products like machine loan, equipments loan, commercial vehicle loan, etc.
- Bank must set up a separate desk at every branch to address customers' grievances. An effort must be made to solve customers' query as quick as possible within a day to two as far as that is under their control.
- 24*7 helpline or toll free number must be started to solve any query or problem faced by customer. This will increase the level of customer satisfaction towards the bank's services.

RESEARCH UTILITY AND IMPLEMENTATION:

This research paper will help the bank to understand the level of customer satisfaction amongst its customers. It will help the employees of bank to understand that what factors matters the most to customers when they visit the bank or avail any banking services. This study will also reflect the area where bank has to pay attention and modify or improve it. This research shows many customers are self-employed and/business owners so, bank should target them to spread awareness regarding forex exchange service, franking services which are not known by many. The research shows customers are satisfied as employees do pay attention to their queries. These all insights must be implemented at all branches of Nawanagar Co-op. Bank for serving customers in a better way.

CONCLUSION:

Hence, through this research it can be concluded that Customers of Nawanagar Co-operative Bank, Digvijay Blot Branch are overall satisfied with services offered by bank. The bank is satisfyingly serving the people of Jamnagar city since decades. Also, the bank is taking initiative of implementing digitalization in its operations and services as other public and private banks. The customers also prefer Nawanagar Bank as their needs and views are considered by the employees of bank.

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