

**A STUDY ON THE EFFECTIVENESS OF VARIOUS
SERVICES PROVIDED BY 3 PRIVATE BANKS IN INDIA
[Axis Bank, South Indian Bank, Federal Bank]**

*Dissertation submitted in partial fulfilment of the requirement for the
award of*

Bachelor Degree in Commerce

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CERTIFICATE

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DECLARATION

*I do hereby declare that the project titled “A STUDY ON THE EFFECTIVENESS OF VARIOUS SERVICES PROVIDED BY 3 PRIVATE BANKS IN INDIA” is a bonafide report of the project work undertaken by me in partial fulfilment of the requirements for the award of the Bachelor of Commerce (Taxation) of Mahatma Gandhi University, under the guidance of **Mr. Anu Mary John**, Lecturer, Department of Commerce, Saintgits College of Applied Sciences, Pathamuttom, Kottayam. I also declare that this project report has not been submitted by me anywhere, fully or partially for the award of any degree, diploma, fellowship or other similar title or recognition of any university/institute to the best of my knowledge and belief.*

Pathamuttom

31-03-2018

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CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

A commercial bank is a financial institution which performs the functions of accepting deposits from the general public and giving loans for investment with the aim of earning profit. They generally finance trade and commerce with short-term loans. They charge high rate of interest from the borrowers but pay much less rate of Interest to their depositors with the result that the difference between the two rates of interest becomes the main source of profit of the banks.

A bank's job is to provide customers with financial services that help people better manage their lives. As technology advances and competition increases, banks are offering different types of services to stay current and attract customers. The services most often provided include a variety of checking accounts, saving accounts, certificates of deposit, and loans, including car loans and home mortgages. Additional services may include safe deposit boxes and investment-related services.

Privacy is the primary benefit of private banking. Customer dealings and services provided typically remain anonymous. Private banks often provide HNWI's with tailored proprietary solutions, which are kept confidential to prevent competitors from luring a prominent customer with a similar solution. Private banking clients typically receive discounted or preferential pricing on products and services. For example, they may receive special terms or prime interest rates on mortgages, specialized loans, or lines of credit. Their savings or money market accounts might generate higher interest rates and be free of fees and overdraft charges.

1.2 OBJECTIVES OF THE STUDY

Following are the objectives based on which the study is conducted

- To identify customer relation with Bank.
- To identify USP (unique selling proposition) of banks that differentiate them from others.
- To learn about different ATM/Smart Card issuing companies provided by the banks.
- To identify customer experience in terms with personal loans and varying interest rates.
- To ascertain customer satisfaction from Commercial Banks based on customer feedback.

1.3 SCOPE AND SIGNIFICANCE OF STUDY

- The study helps in knowing about bank loyalty to customers and their core banking benefits provided to customers.
- It reveals the relevance of modern banking and its necessary and ways in which accounting can be simplified for both business and personal use.
- The study has been conducted to focus on customer gains, ways in which once can monitor financial matters easily.
- The study has been made from the perspective of loyal customers and their respective commercial banks.

1.4 STATEMENT OF THE PROBLEM

Customer satisfaction is playing a significant role in all organizations. Banking industry is the service industry and providing various financial services to its customers. Indian banking industry is rendering their services according to the directions of Reserve Bank of India. As banking industry is service providing industry and customers' satisfaction is vital in its business.

It is observed that mostly customers are satisfied with the banking services but some low satisfaction regarding the responsiveness and individual attention of customers by the bank's employees. The dissatisfaction of every customer in his daily transactions with banks after nationalisation in 1969 is not with the rate of

interest on deposit or the loan granted but it is towards the service rendered which is not to their satisfaction. The quality of service rendered by the banks and their orientation towards customers has been weakening. Indian banking industry has been criticised for its growing indifference towards the customers.

Participation in Banking can remain underdeveloped if customers encounter low level of security, widespread fraud, cultural resistance, poverty and poor operational infrastructure and management. Participation may also have been affected by the skill required for electronic banking technology and the service level provided by the banks. It is known fact that the application of a new technology will depend on how the technology is being perceived and embraced by the customers.

1.5 METHODOLOGY

1.5.1 Data collection techniques

Data collection techniques employed here includes both primary and secondary data.

Primary Data

Primary data is the data observed or collected directly from first-hand experience. The questionnaires are designed to measure and analyse the satisfaction level of customers towards their bank in fulfilling necessary benefits and services. Out from an area, 50 people were randomly chosen for the survey.

Secondary Data

Secondary data is the data collected from a source that has already been published in any form. The review of literature, company profile and tools of analysis are the secondary data used in the study.

Tools of analysis considered here are

- a. Tables
- b. Figures

1.5.2 Population or Area of study

The target population are local residents from Kanjikuzhy, Kottayam. The questionnaire was given online to the randomly selected 50 individuals and their responses were marked for further analysis.

1.5.3 Data collection techniques

A sample is a finite part of a statistical population whose properties are studied to gain information about the population. Sampling technique used in this study is Random sampling method wherein, all the individuals of the target population has an equal and independent chance of being selected as the sample.

1.6 LIMITATIONS OF THE STUDY

- Internet access was restricted due to lack of availability and knowledge.
- The sample is randomly selected and it may not truly represent the entire population.
- Lack of accurate information from respondents.
- Some individuals were not able to read or understand English properly and identify the true meaning of the questions.

CHAPTER 2

REVIEW OF LITERATURE & THEORETICAL FRAMEWORK

2.1 LITERATURE REVIEW

It is relevant to refer briefly to the previous studies and research in the related areas of the subject to find out and to fill up the research gaps. The following are some studies conducted by the eminent authors and practitioners on the area of service quality of banks.

Dhandapani (2020) Examined the nature of linkage between service quality and customer loyalty in Indian retail banking. Study used confirmatory factor analysis to identify the service quality dimension. The resulted dimensions are Reliability, Responsiveness, Knowledge and recovery; and Tangibles. The service quality dimensions lead to customer satisfaction and the customers' satisfaction leads to customer's loyalty. The structural equation model reveals that there is no significant direct linkage between service quality and customers loyalty. At the same time, the service quality has a significant indirect impact on customer's loyalty especially through customer's satisfaction.

Vijay Kumar & Venkata Chalam (2017) studied profitability of Indian public sector banks during the period 1986 to 1991. For analysing the profitability, they applied these profitability ratios – operating income as percentage of working funds, gross profit as percentage of operating income, gross profit as percentage of working funds, and published profit and operating income as percentage of working funds.

Maya Basant Lohan (2017) The study of found that banks have more concentration on the tangible factor like a computerization, physical facilities, etc. to attract the customers.

Jain (2018) In their study “Customer Perception on Service Quality in Banking Sector: With Special Reference to Indian Private Banks in” try to learn and

understand the customer perception regarding service quality and to learn and understand the different dimension of service quality in banks.

Thakur (2018) has presented that how service quality and customer satisfaction is related to customer's loyalty in Indian Banking sector's perspective. He found that customer satisfaction is significantly and positively related with customer loyalty and customer satisfaction is an important mediator between service quality and customer loyalty. In the last of the study he has discussed that banking service providers should follow right course of action to win customer satisfaction by providing better service quality in order to create loyal customer base.

Ramesh (2018) Opined that a lot of competitive factors in the form of substitutes are forcing bankers to explore the importance of customer loyalty. Therefore, studies need to focus on the changing role of the banking system. They also found that improvement in service quality can enhance customer loyalty.

Maya Basant Lakhani and Dr. Pooja Bhatia (2018) studied the Assessment of Service Quality in Private Sector Banks of India. The study was conducted to ascertain service quality variations across selected banks by demographic variations and to measure the customer satisfaction in selected public and private sector banks by analysing the gap between expectations and their perceptions of banking services.

Swami and Subrahmanyam (2018) their study on comparative performance of private sector banks in India found the use of the "Tana monic Method." This method was to be the means with which the performance of private sector banks in India could be compared.

Ms. Nisha Malik and Mr. Chand Prakash Saini (2019) studied Private Sector Banks Service Quality and Customer Satisfaction by conducting an Empirical Study of two Private Sector Banks. The aim of proposed study was to find out perception of private bank customers regarding to the service quality parameter and gap analysis of expected and acknowledged quality parameters, and also reveals the relationship between psychographic factors and satisfaction levels of rural and urban customers

Shankar (2020) his study on evaluation of bank performance expressed the productivity in banks in terms of business per employee. The business of a bank was considered as the of deposits and advances.

2.2 THEORETICAL FRAMEWORK

What are Private banks?

The **private sector banks in India** are banks where the majority of the shares or equity are not held by the government but by private shareholders.

In 1969 all major banks were nationalized by the Indian government. However, since a change in government policy in the 1990s, old and new private sector banks have re-emerged. The private sector banks are split into two groups by financial regulators in India, old and new. The old private sector banks existed prior to nationalization in 1968 and kept their independence because they were either too small or specialist to be included in nationalization. The new private sector banks are those that have gained their banking license since the change of policy in the 1990s. The “Nedungadi Bank” was the first private sector bank in India, founded in 1899 by Rao Bahadur T.M. Appu Nedungadi in Kozhikode, Kerala.

Of the total banking industry in India, Public Sector banks constitute 72.9% share while the rest is covered by private players. In terms of the number of banks, there are 27 public sector banks whereas 22 private sector banks.

Importance of Customer Service?

The banking industry is a commoditized space. With everyone offering nearly the same products and services without much room to compete on price, the experience customers have with their banks is what gives one bank a competitive advantage over another. There are two areas where banks can really look to stand out by delivering an incredible customer experience.

In our experience, the relationship between a bank and their customer has the biggest impact on customer satisfaction. People want to be treated as if they matter. They want to form a relationship with their bank, and they want their bank to make an effort to get to know them instead of just pushing a product. Because customer satisfaction is so important in the banking industry, measuring the customer experience and identifying ways to improve in this area is essential.

AXIS BANK

The bank was founded in December 1993, as UTI Bank, opening its registered office in Ahmedabad and corporate office in Mumbai. 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. The first branch was inaugurated on 2 April 1994 in Ahmedabad by Dr. Manmohan Singh, the then finance minister of India. In 2001 UTI Bank agreed to merge with Global Trust Bank, but the Reserve Bank of India (RBI) withheld approval and the merger did not happen. In 2004, the RBI put Global Trust into moratorium and supervised its merger with Oriental Bank of Commerce. In 2003, UTI Bank became the first Indian bank to launch a travel currency card. In 2005, it was listed on London Stock Exchange.

UTI Bank opened its first overseas branch in 2006 in Singapore. That same year it opened a representative office in Shanghai, China. In 2007, UTI Bank opened a branch in the Dubai International Financial Centre and branches in Hong Kong. In 2008, it opened a representative office in Dubai.

With effect from 30 July 2007, UTI Bank changed its name to Axis Bank. The bank has nine international offices with branches at Singapore, Hong Kong, Dubai (at the DIFC), Shanghai, Colombo and representative offices at Dhaka, Dubai, Sharjah and Abu Dhabi, which focus on corporate lending, trade finance, syndication, investment banking and liability businesses. In addition to the above, the bank has a presence in UK with its wholly owned subsidiary Axis Bank UK Limited.

FEDERAL BANK

Federal Bank is a Private Sector, scheduled commercial bank in India, headquartered in Aluva, Kochi. The Bank also has its Representative Offices abroad at Abu Dhabi and Dubai. With a customer base of 8 million, including 1.2 million NRI customers and a large network of remittance partners across the world, Federal Bank claims to handle more than 15% of India's inward remittances. The Bank has remittance arrangements with more than 110 Banks/Exchange Companies across the world. The Bank is also listed in the BSE, NSE and London Stock Exchange and has a branch in India's first International Financial Services Centre (IFSC) at GIFT City in Gujarat. The bank

name was named Federal Bank Limited on 2 December 1949, after completing the formalities of Banking Regulation Act, 1949.

Federal Bank was the principal sponsor of the Kochi Tuskers Kerala cricket team. The tickets for home matches were sold through Federal bank branches and their website. Federal Bank is the Shirt sponsor of Northeast United FC in the 2019-2020 season of Indian Super League

SOUTH INDIAN BANK

South Indian Bank Limited (SIB) is a major private sector bank headquartered at Thrissur in Kerala, India. South Indian Bank has 870 branches, 4 service branches, 53 ext. Counters and 20 Regional Offices spread across more than 27 states and 3 union territories in India. It has set up 1334 ATMs and 91 Bulk Note Acceptor/Cash Deposit Machines all over India.

South Indian Bank was registered as a Private Limited Company under the Companies Act of 1913 and commenced business on 29-01-1929 at Round South, Thrissur. The South Indian Bank Ltd. was formed by a group of 44 enterprising men of Thrissur who contributed Rs.500/- each to the initial paid-up capital of Rs.22,000/-. Their main objective was to serve the merchant community of Thrissur by freeing them from the clutches of the money lenders who charged exorbitant rates of interest. The bank received very good support from the public at large. Initially, the growth was slow but steady. The number of branches opened each year testified its stability and popularity. It was included in the second schedule of the Reserve Bank of India and became a scheduled Bank on 07-08-1946. SIB was the first scheduled Bank in the private sector in Kerala to get the license under section 22 of the Banking Regulation Act 1949 from RBI on 17-06-1957.

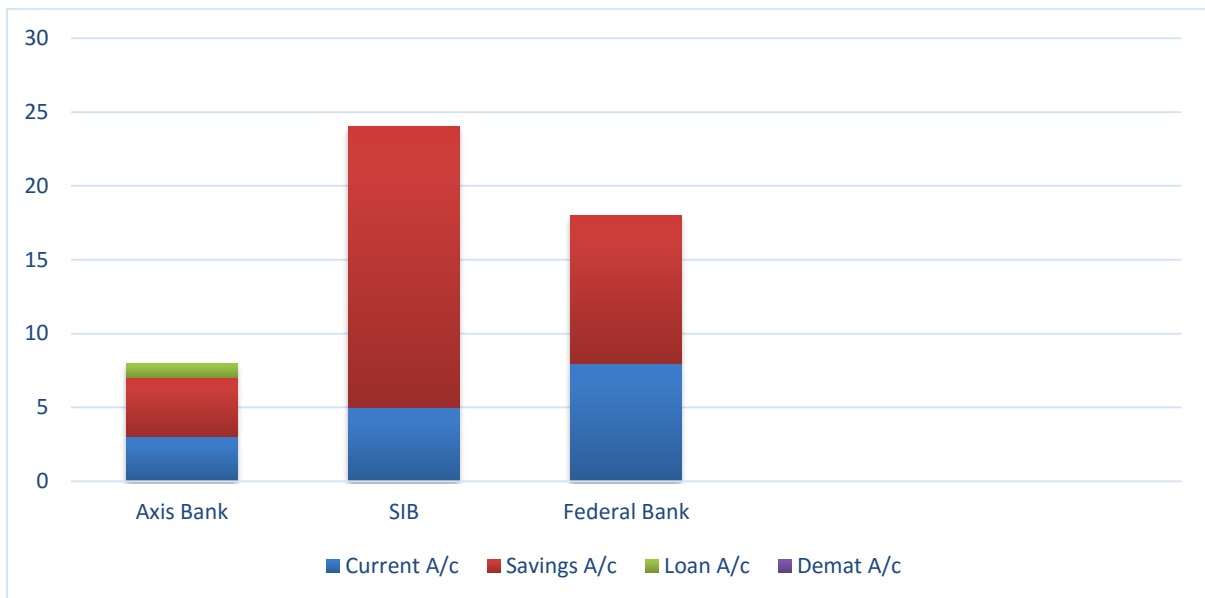
CHAPTER 3
DATA ANALYSIS AND INTERPRETATION

Table 4.1 Types of Account

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Current A/c	3	5	8	16	32
Savings A/c	4	19	10	33	66
Loan A/c	1	0	0	1	2
Demat A/c	0	0	0	0	0
Total	8	24	18	50	100

Source: Primary Data

Figure 4.1 Types of Account



Source: Table 4.1

INTERPRETATION

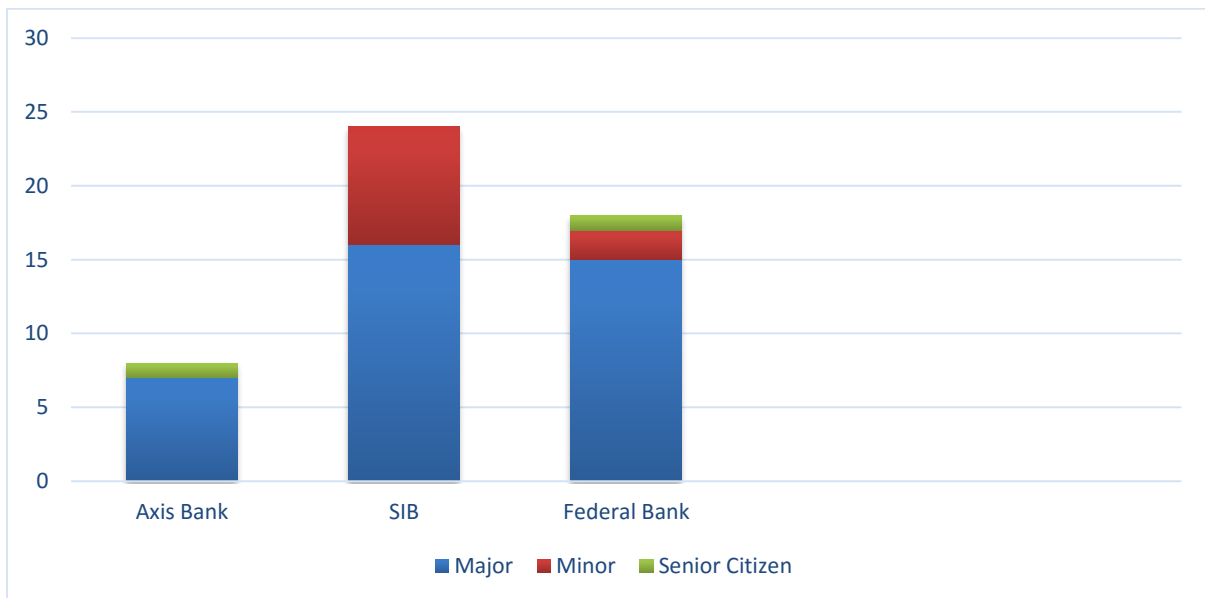
- About 66% of selected Individuals hold a savings account. a Savings Account is one wherein you deposit your savings with the bank and earn interest on the same, a current account is one where you deposit money to carry out business transactions.
- Approx. 32% of selected Individuals hold a current account for which customers pay maintenance Interest to Bank.

Table 4.2 Types of Matured Account

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Major	7	16	15	38	76
Minor	0	8	2	10	20
Senior Citizen	1	0	1	2	4
Total	8	24	18	50	100

Source: Primary Data

Figure 4.2 Types of Matured Account



Source: Table 4.2

INTERPRETATION

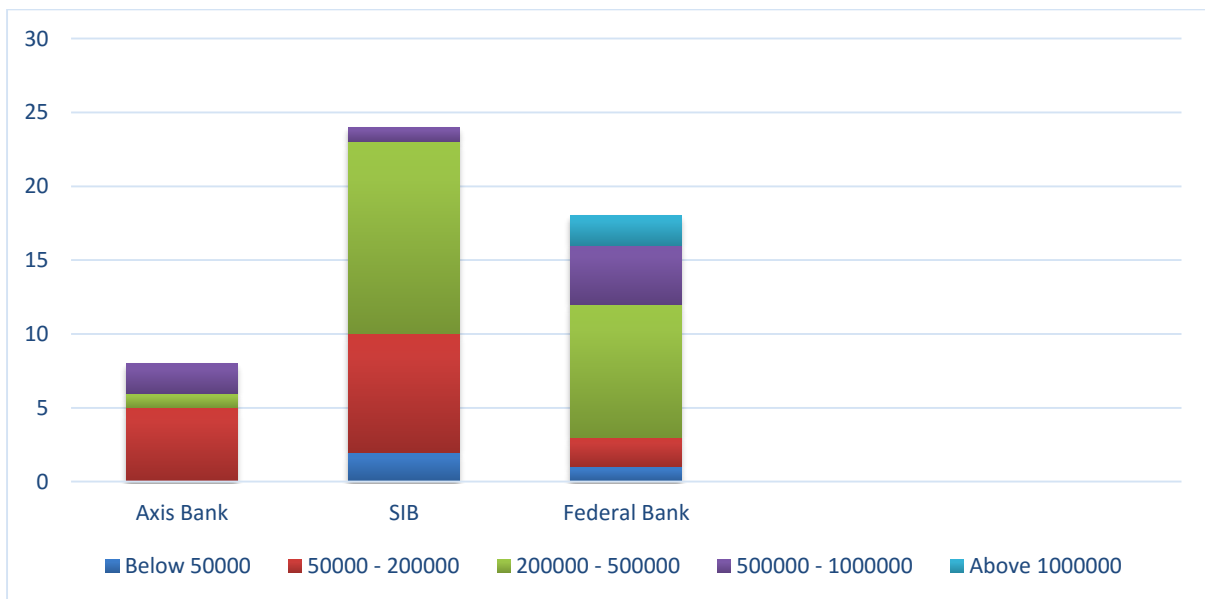
- Approx. 76% of respondents are holding Major Account meaning they are over the age of 18. Whereas 20% of respondents are holding Minor Account since they are below the age of 18.
- Rest of the participants are Senior Citizen above the age of 65. Senior Citizen accounts have comparatively higher Interest return compared to Major Accounts.

Table 4.3 Annual Income of respondents

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Below 50000	0	2	1	3	6
50000 – 200000	5	8	2	15	30
200000 – 500000	1	13	9	23	46
500000 – 1000000	2	1	4	7	14
Above 1000000	0	0	2	2	4
Total	8	24	18	50	100

Source: Primary Data

Figure 4.3 Annual Income of respondents



Source: Table 4.3

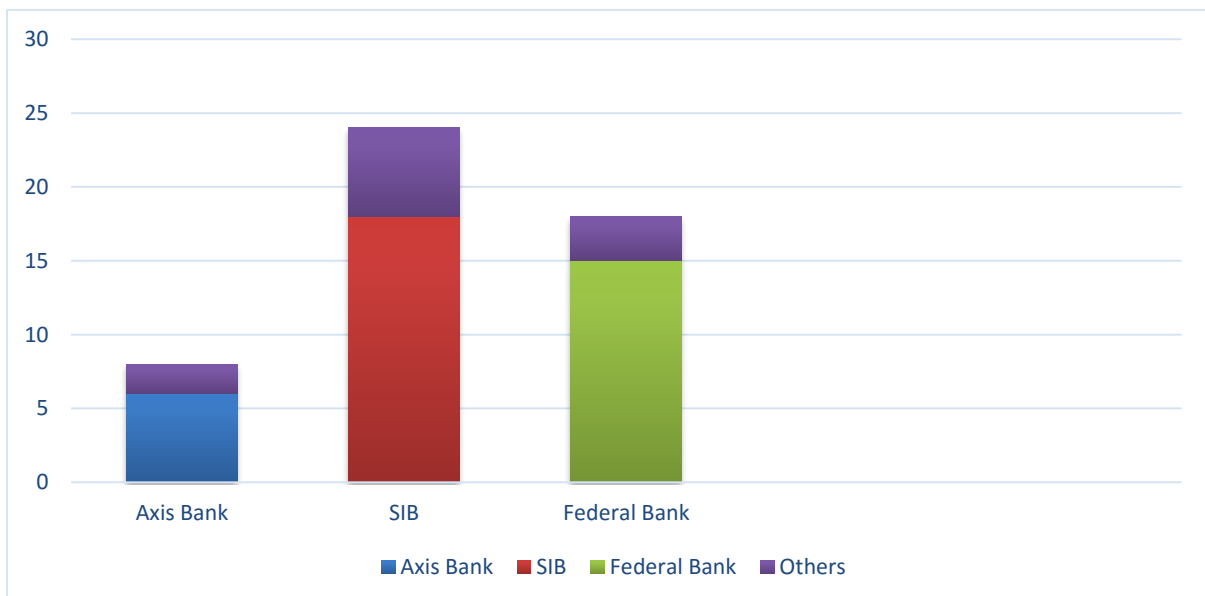
INTERPRETATION

- 44% of respondents earn an Annual Income around 200000 - 500000, followed by 32% of respondents earning between 50000 – 200000.
- Only a 6% of respondents ear lower Income level of amount up to 50000 and only a 4% earn more than 1000000.

Table 4.4 Banks holding higher deposit of cash

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Axis Bank	6	0	0	6	12
South Indian Bank	0	18	0	18	36
Federal Bank	0	0	15	15	30
Others	2	6	3	11	22
Total	8	24	18	50	100

Source: Primary Data

Figure 4.4 Banks holding higher deposit of cash

Source: Table 4.4

INTERPRETATION

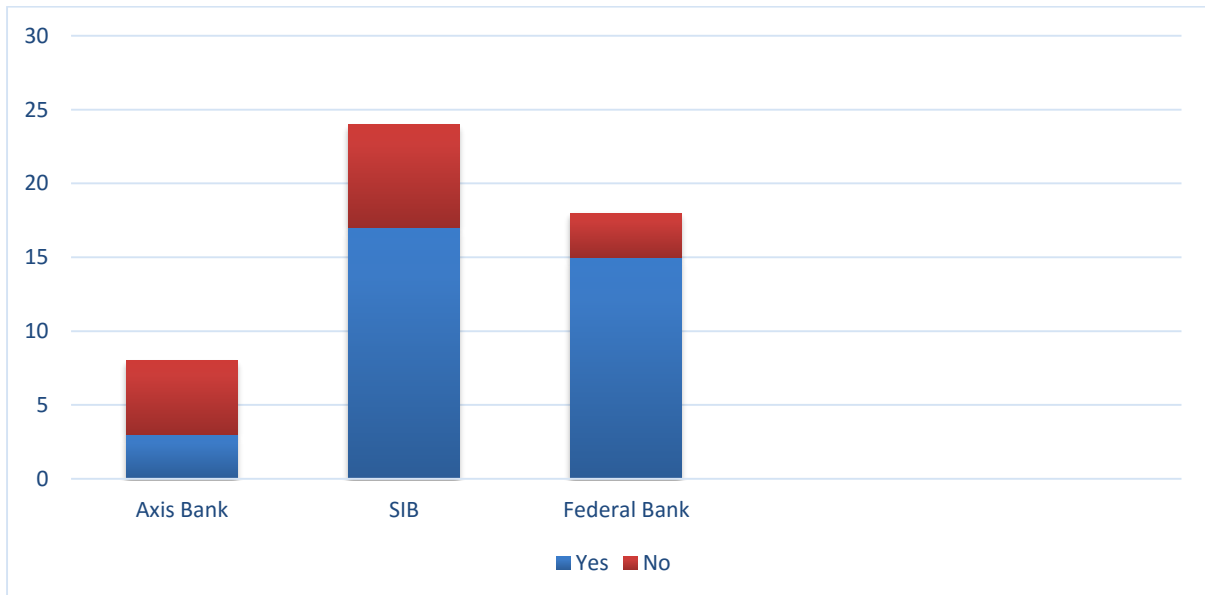
- 36% of respondents hold their major cash balance in South Indian Bank, followed by 30% of respondents voting for Federal Bank.
- Axis Bank users in “Kanjikuzhi” is about 12% only. 22% of respondents hold in public sector banks such as State Bank of India.

Table 4.5 Alternate Bank Accountholders

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	3	17	15	35	70
No	5	7	3	15	30
Total	8	24	18	50	100

Source: Primary Data

Figure 4.5 Alternate Bank Accountholders



Source: Table 4.5

INTERPRETATION

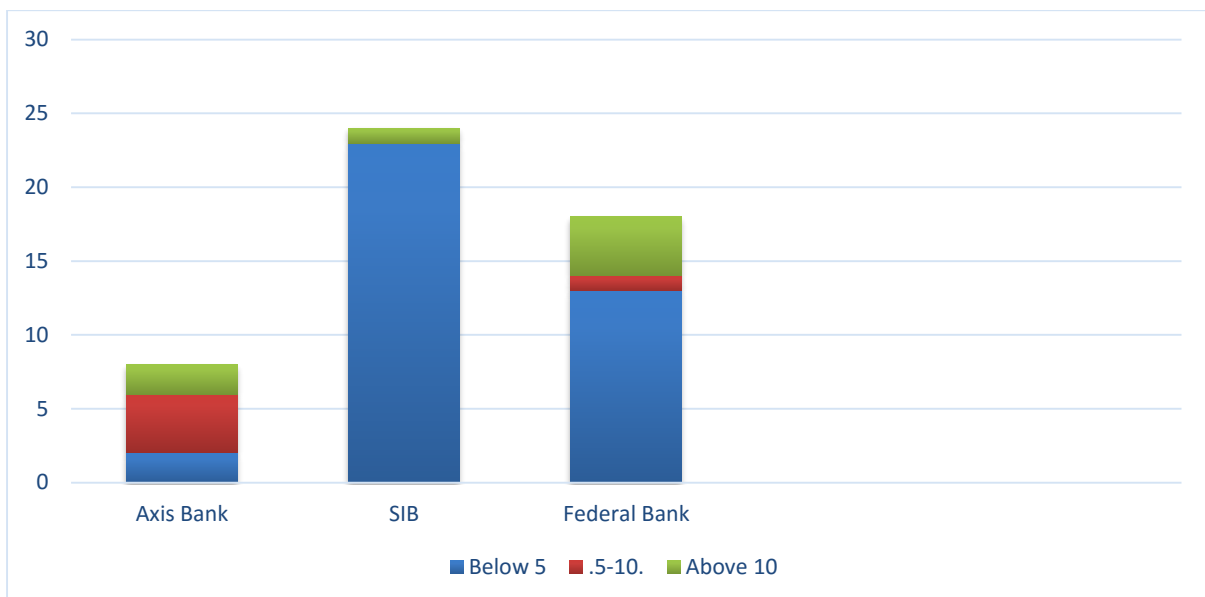
- 70% of respondents hold multiple accounts with other Banks as well.
- Only 30% of respondents hold a single account within a single private bank. It increases Customer Loyalty towards the bank.

Table 4.6 Years of maintenance of account with bank

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Below 5	2	23	13	38	76
5 – 10	4	0	1	5	10
Above 10	2	1	4	7	14
Total	8	24	18	50	100

Source: Primary Data

Figure 4.6 Years of maintenance of account with bank



Source: Table 4.6

INTERPRETATION

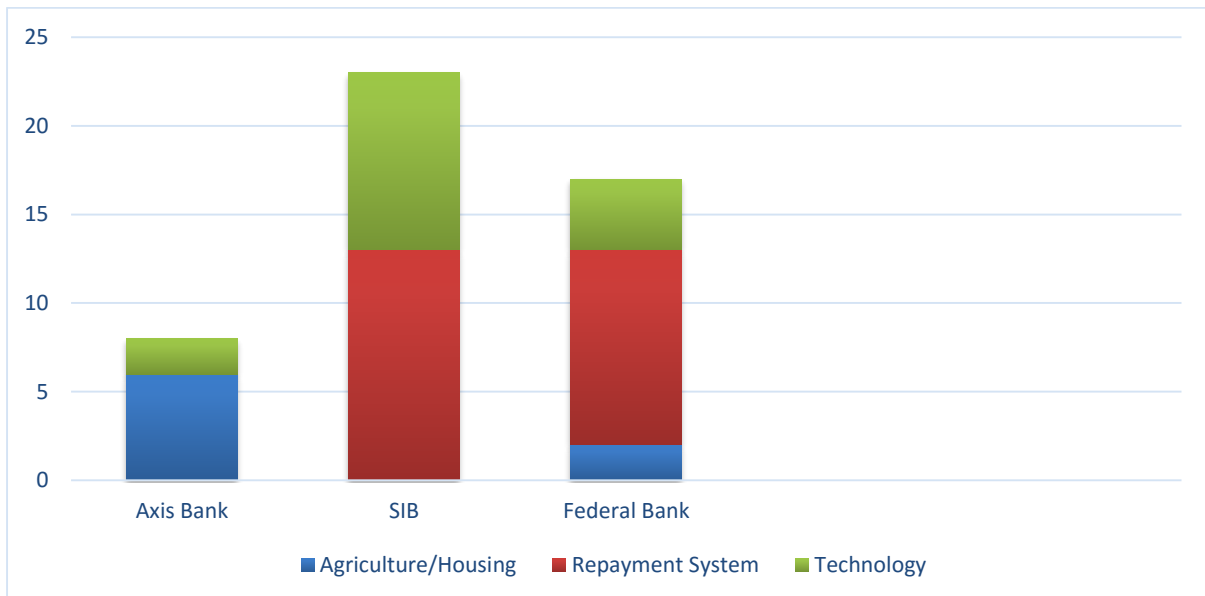
- 76% of individuals hasn't been holding an account for over 5 years.
- Whereas 10% of individuals been loyal to bank for up to 10 years meanwhile 14% of individuals has a long-term relation over 10 years with their personal bank.

Table 4.7 showing bank’s Unique Selling Proposition

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Agriculture/Housing	6	0	2	8	16
Repayment System	0	13	11	24	48
Technology	2	10	4	16	32
Others	0	1	1	2	4
Total	8	24	18	50	100

Source: Primary Data

Figure 4.7 Years of maintenance of account with bank



Source: Table 4.7

INTERPRETATION

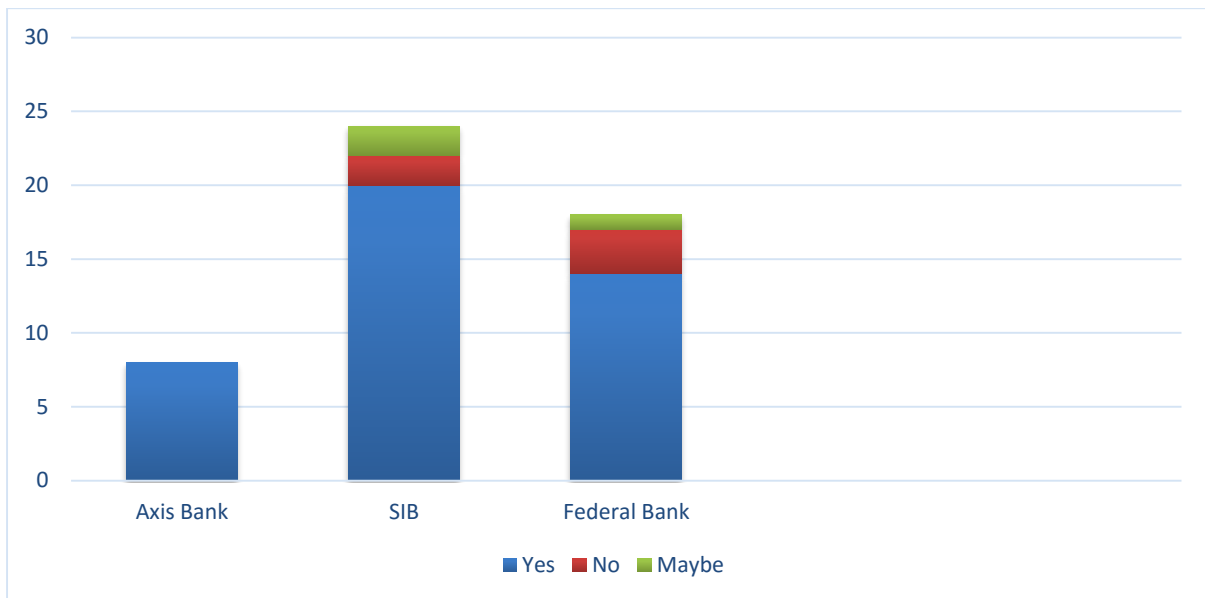
- 48% of respondents find their banks credit repayment system to be their branches Unique method of competency, whereas 32% of people decides on their Banks Internet and Software technology to be the unique factor.
- 16% of respondents believe it’s the agriculture / housing loan schemes to be their bank standout feature.

Table 4.8 showing response to introduction of new schemes by bank

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	8	20	14	42	84
No	0	2	3	5	10
Maybe	0	2	1	3	6
Total	8	24	18	50	100

Source: Primary Data

Figure 4.8 Introduction of new customer schemes by Bank



Source: Table 4.8

INTERPRETATION

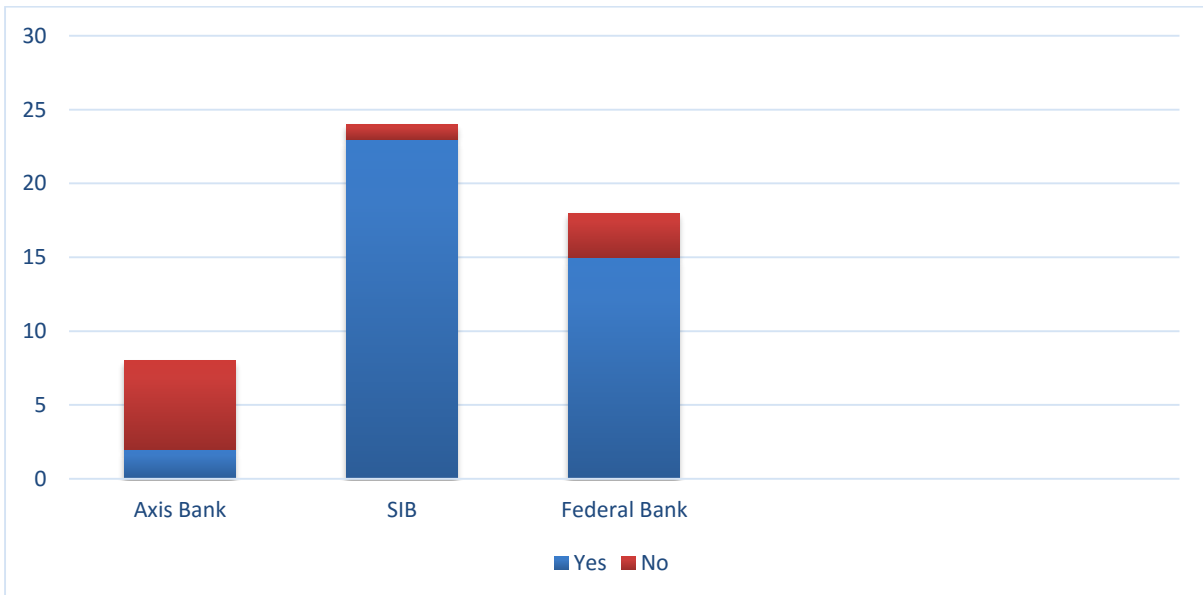
- 84% of respondents agree to the private sector banks engaging in periodical schemes for improving customer services and increasing their satisfaction.
- 10% of people doesn't agree to their bank offering them new scheme in a periodical manner to maintain customer services.

Table 4.9 showing availability of bank service in remote location

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	2	23	15	40	80
No	6	1	3	10	20
Total	8	24	18	50	100

Source: Primary Data

Figure 4.9 Accessibility of bank in Remote areas



Source: Table 4.9

INTERPRETATION

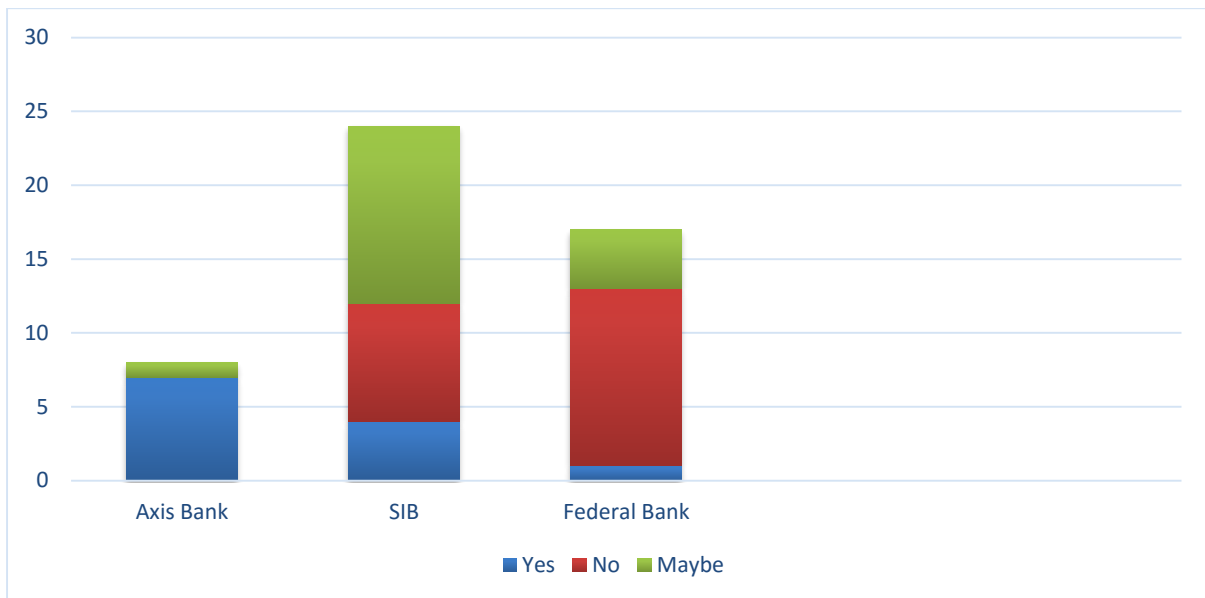
- 80% of respondents are aware of their bank’s accessibility especially in remote locations to reach their customer base easily.
- 20% of people doesn’t know to their knowledge about their bank’s remote branches.

Table 4.10 Availability of Non-banking services

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	7	4	12	23	46
No	0	8	2	10	20
Maybe	1	12	4	17	34
Total	8	24	18	50	100

Source: Primary Data

Figure 4.10 Availability of Non-banking services



Source: Table 4.10

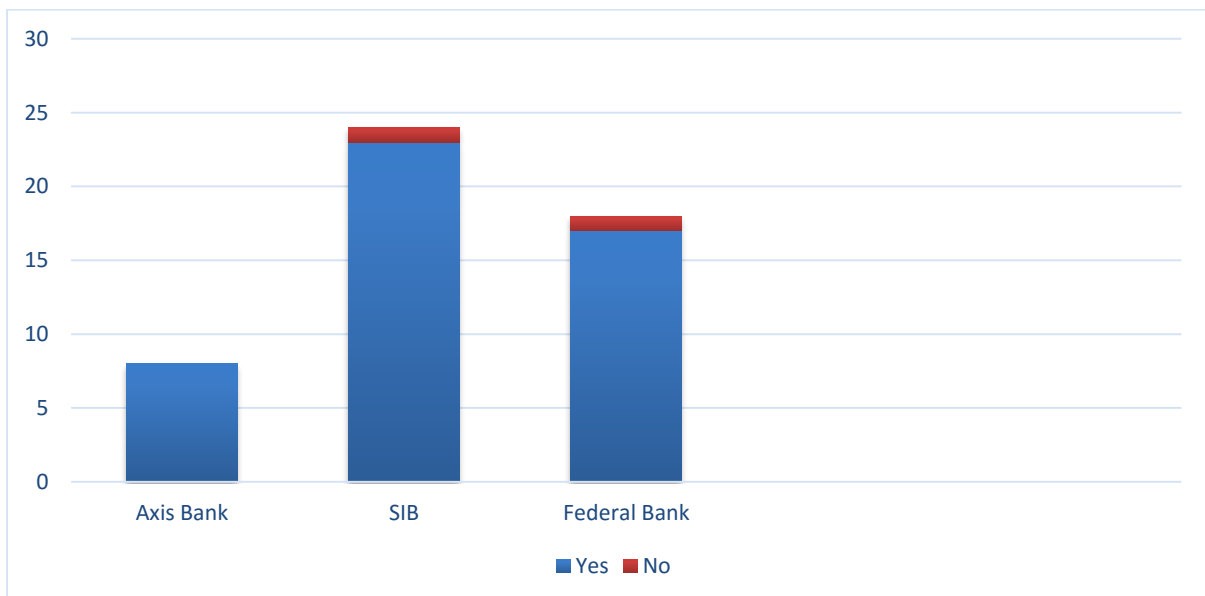
INTERPRETATION

- 46% of respondents says that their bank provides non-banking services such as utility payments, mutual funds, etc.
- 20% of people do have Non-banking services associated with their account whereas 34% of people are non-banking services.

Table 4.11 Usage of ATM facility by customers

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	8	23	17	48	96
No	0	1	1	2	4
Total	8	24	18	50	100

Source: Primary Data

Figure 4.11 Usage of ATM facility by customers

Source: Table 4.11

INTERPRETATION

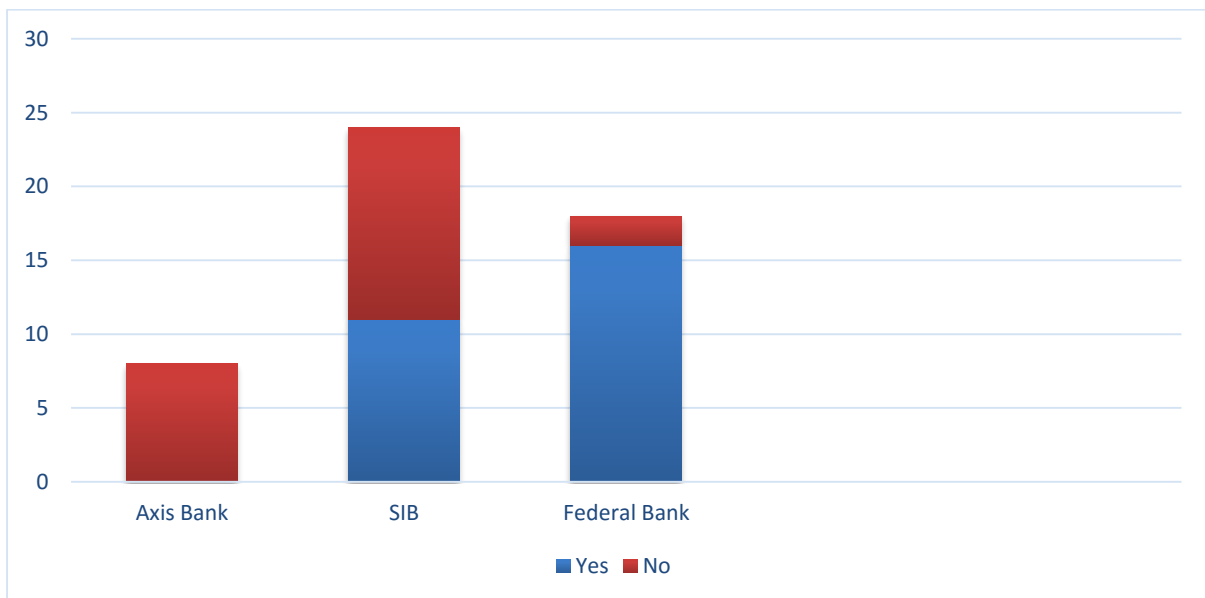
- 96% of people use Automated Teller Machine (ATM) facility to withdraw money from bank faster and easily.
- Whereas 4% of people still approach bank to withdraw money using cheque.

Table 4.12 Usage of CDM facility by customers

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	0	11	16	30	60
No	8	13	2	12	24
Total	8	24	18	50	100

Source: Primary Data

Figure 4.12 Usage of CDM facility by customers



Source: Table 4.12

INTERPRETATION

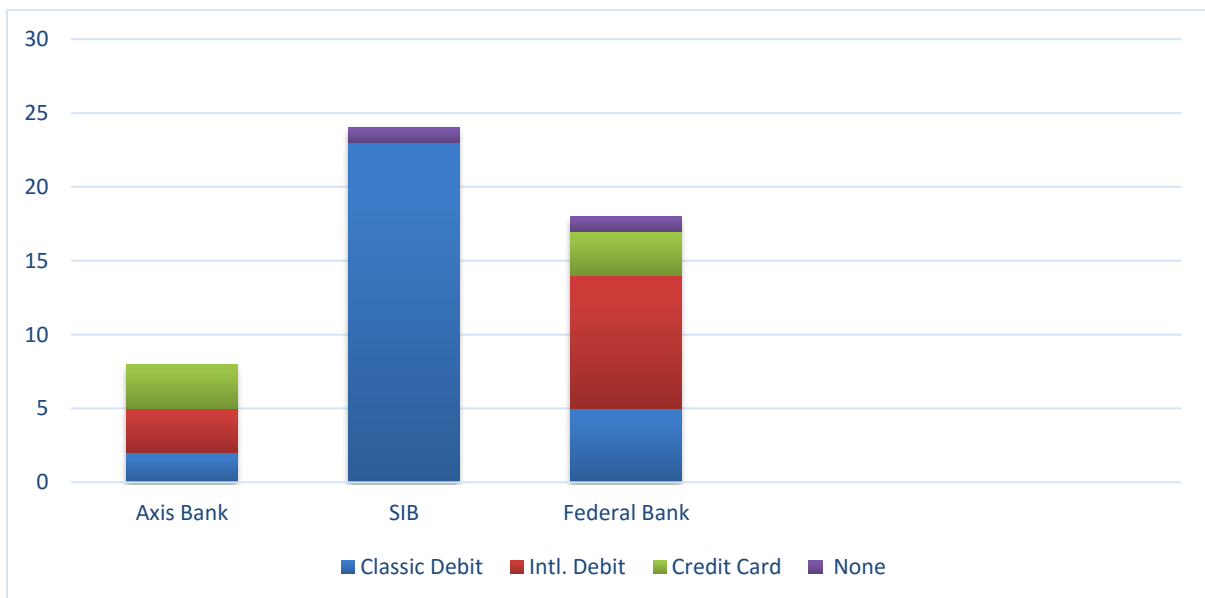
- 54% of people approach CDM to deposit money to their savings or current account easily.
- 46% of respondents still approach banks and fill in the deposit slip to deposit money into their accounts.

Table 4.13 Types of ATM Card usage

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Classic Debit	2	23	5	30	60
International Debit	3	0	9	12	24
Credit Card	3	0	3	6	12
None of these	0	1	1	2	4
Total	8	24	18	50	100

Source: Primary Data

Figure 4.13 Types of ATM Card usage



Source: Table 4.13

INTERPRETATION

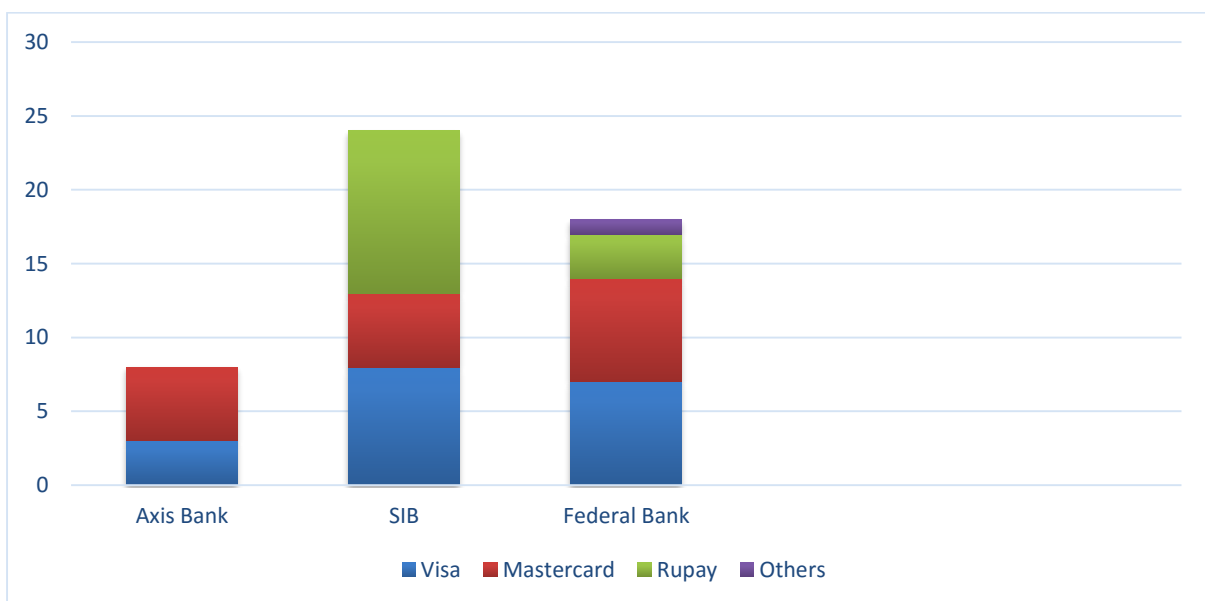
- 60% of respondents use local Debit Card for making transactions where 24% of respondents hold International Debit which allows user to make foreign transactions as well.
- 12% of the respondents use Credit Card, which is paid by the user in a periodical basis.

Table 4.14 Types of Card Issuers

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Visa	3	8	7	18	36
Mastercard	5	5	7	17	34
Rupay	0	11	3	14	28
Others	0	0	1	1	2
Total	8	24	18	50	100

Source: Primary Data

Figure 4.14 Types of Card Issuers



Source: Table 4.14

INTERPRETATION

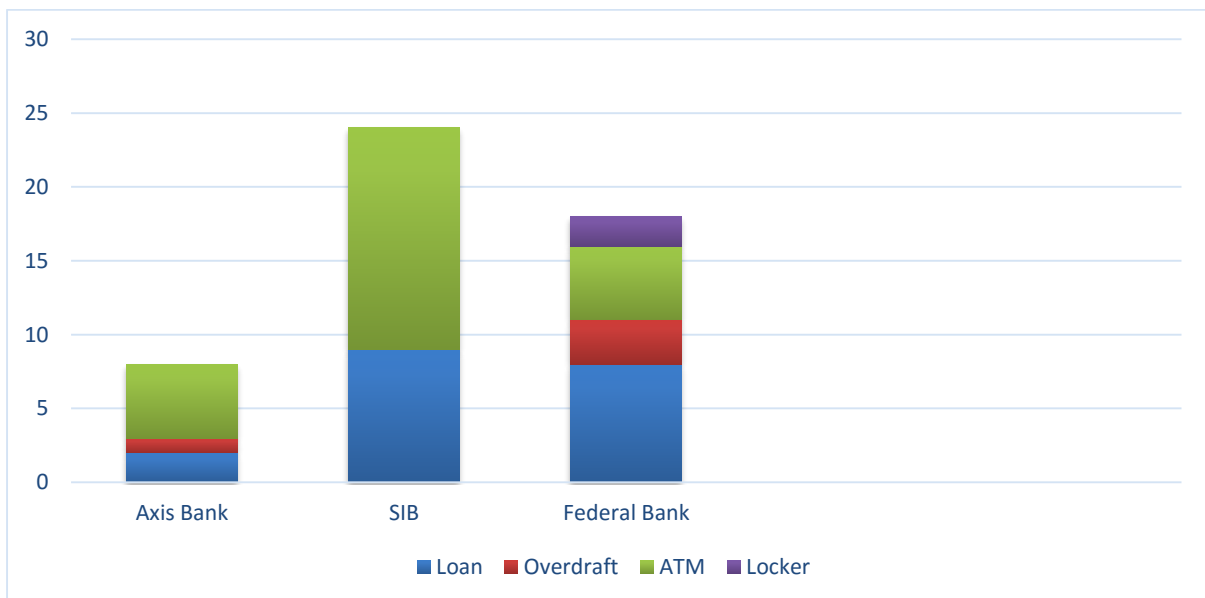
- Majority Users hold Visa and Mastercard. They are Card Issuing Companies. Visa and Mastercard users together account for 70%.
- Rupay is an Indian based Card issuing agency and 28% of people have shown its usage.

Table 4.15 Areas of important facility provided by banks

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Loan	2	9	8	19	38
Overdraft	1	0	3	4	8
ATM	5	15	5	25	50
Locker	0	0	2	2	4
Total	8	24	18	50	100

Source: Primary Data

Figure 4.15 Areas of important facility provided by banks



Source: Table 4.15

INTERPRETATION

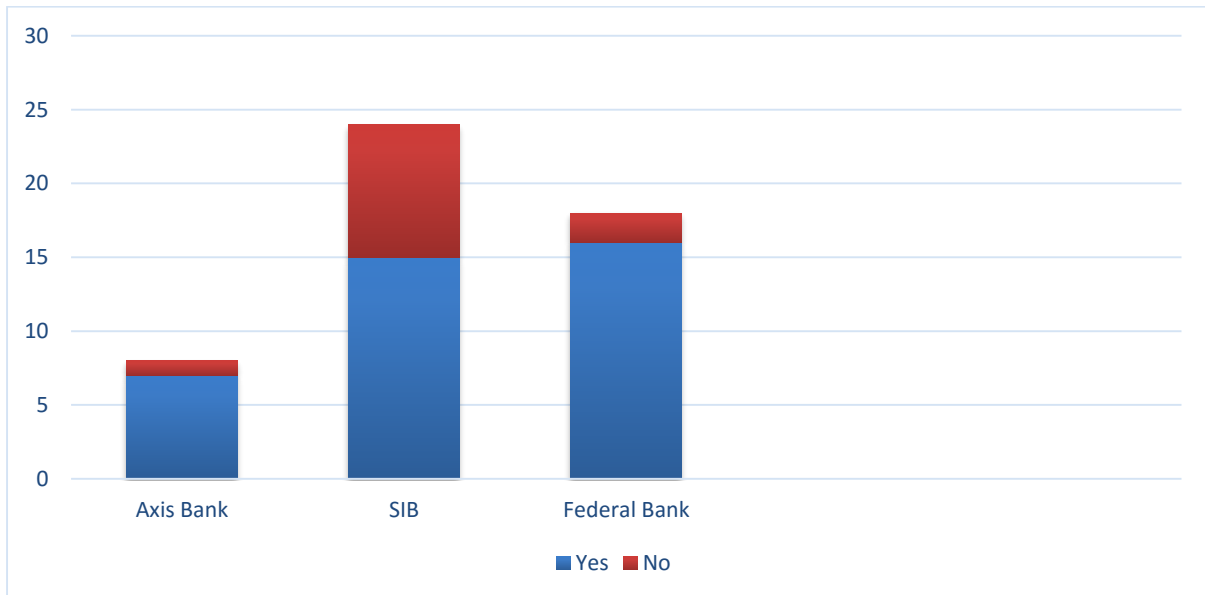
- 50% of the respondents feel that their bank favours ATM facility over the rest followed by 38% of people voting for Loan facility.
- 8% of people favour Overdraft facility and 4 % of people supports their banks locker security and services.

Table 4.16 Competitive Interest Rate system by bank

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	7	15	16	38	76
No	1	9	2	12	24
Total	8	24	18	50	100

Source: Primary Data

Figure 4.16 Competitive Interest Rate system by bank



Source: Table 4.16

INTERPRETATION

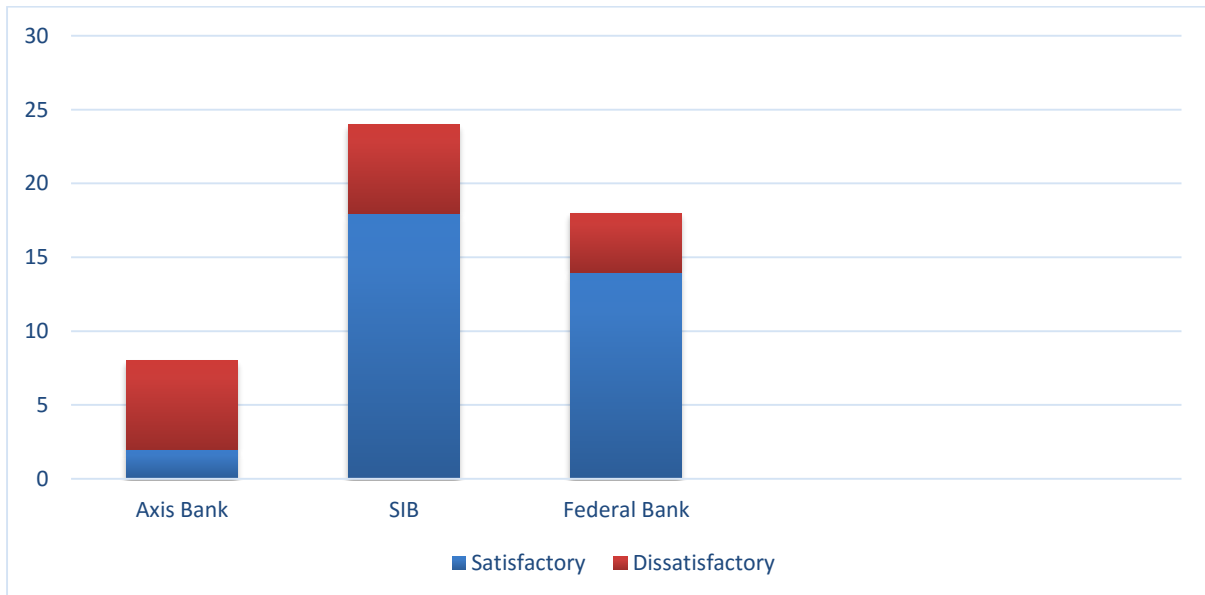
- 76% of respondents supports that their bank offer comparatively better Interest rates compared to the others.
- 24% of people are not satisfied with their banks interest rate.

Table 4.17 Customer opinion on service charge by banks

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Satisfactory	2	18	14	34	68
Dissatisfactory	6	6	4	16	32
Total	8	24	18	50	100

Source: Primary Data

Figure 4.17 Customer opinion on service charge by banks



Source: Table 4.17

INTERPRETATION

- 68% of the respondents are satisfied with the deduction made by bank in comparison. They feel lower deductions associated within their accounts.
- Remaining 32% of people feel dissatisfied with their bank’s charges for services, etc. Rates are comparatively high in their opinion.

Table 4.18 Bank Interest Rate on Loans

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Excellent	2	9	8	10	20
Fair	1	0	3	18	36
Average	5	15	5	15	30
Poor	0	0	2	1	2
Doesn't hold a Loan A/c	8	24	18	6	12
Total	8	24	18	50	100

Source: Primary Data

Figure 4.18 Bank Interest Rate on Loans



Source: Table 4.18

INTERPRETATION

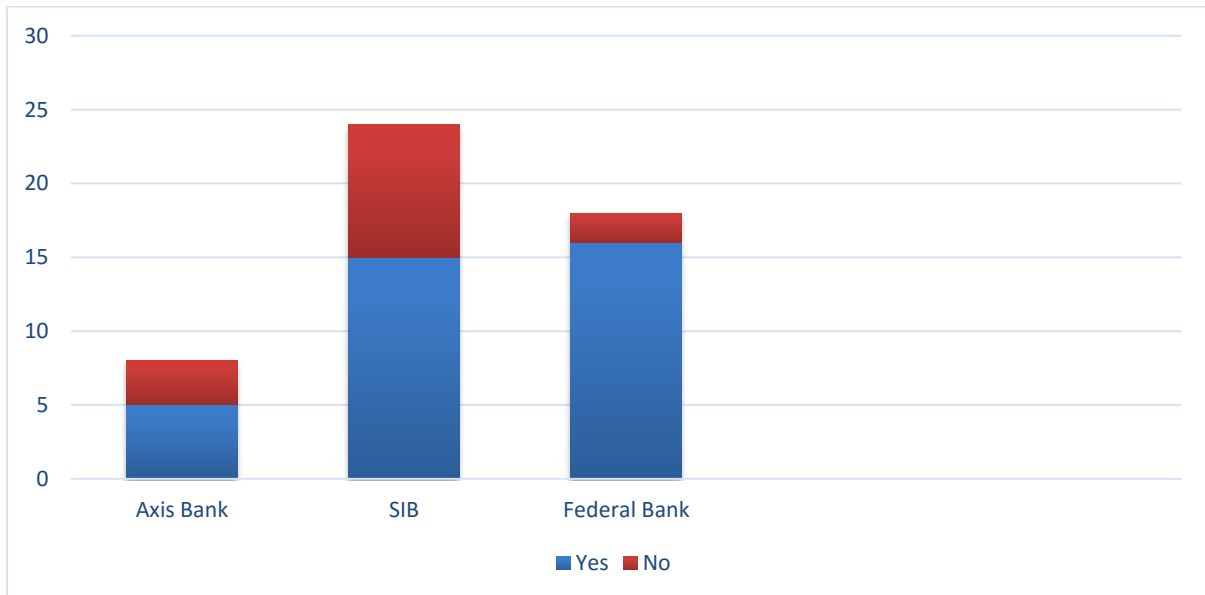
- 56% of people have positive feedback about their banks Loan system and payment policy. Interest rates are nominal and fair in the customer perspective.
- 15% of people have moderate opinion, 2% got dissatisfied reviews whereas the rest of people are not actively participating in a loan account.

Table 4.19 Public opinion on bank as service caterer

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	5	15	16	36	72
No	3	9	2	14	28
Total	8	24	18	50	100

Source: Primary Data

Figure 4.19 Public opinion on bank as service caterer



Source: Table 4.19

INTERPRETATION

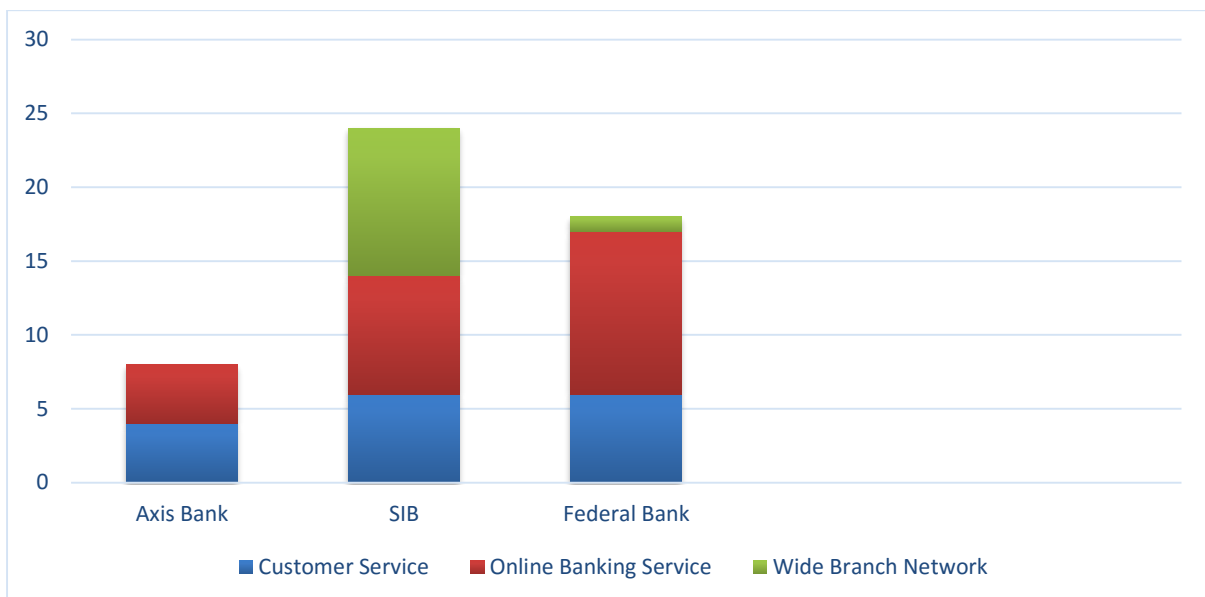
- 72% of respondents are happy towards all the services catered by the bank on behalf of the customers. It helps to increase customers faith within bank.
- 28% of people are still unhappy with how bank facilitate transaction and services for customers. It creates dissatisfaction between customer and bank.

Table 4.20 First thought about Bank

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Customer Service	4	6	6	16	32
Online Banking Service	4	8	11	23	46
Wide Branch Network	0	10	1	11	22
Total	8	24	18	50	100

Source: Primary Data

Figure 4.20 First thought about Bank



Source: Table 4.20

INTERPRETATION

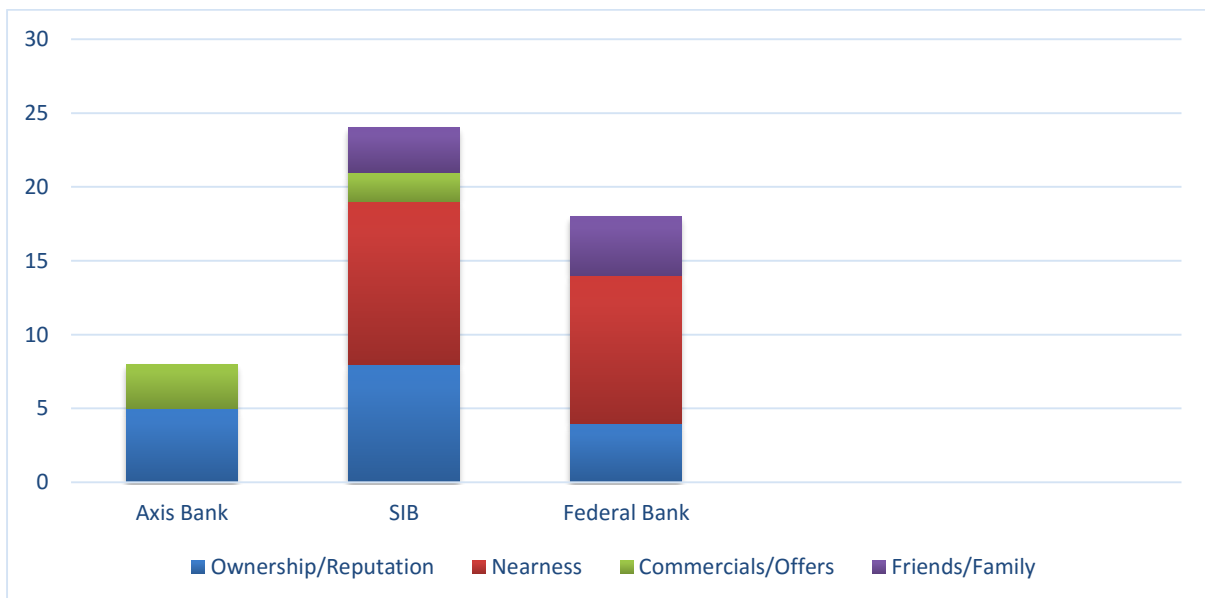
- 46% of respondents feel their Banks Online Services to be the most unique and top selling tool for customers.
- 32% of respondents are satisfied with the customer service they get from Branches whereas the remaining 22% favours the Banks branches around the world to be the important factor.

Table 4.21 Factors influencing selection of bank

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Ownership/Reputation	5	8	4	17	34
Nearness	0	11	10	21	42
Commercials/Offers	3	2	0	5	10
Friends/Family	0	3	4	7	14
Total	8	24	18	50	100

Source: Primary Data

Figure 4.21 Factors influencing selection of bank



Source: Table 4.21

INTERPRETATION

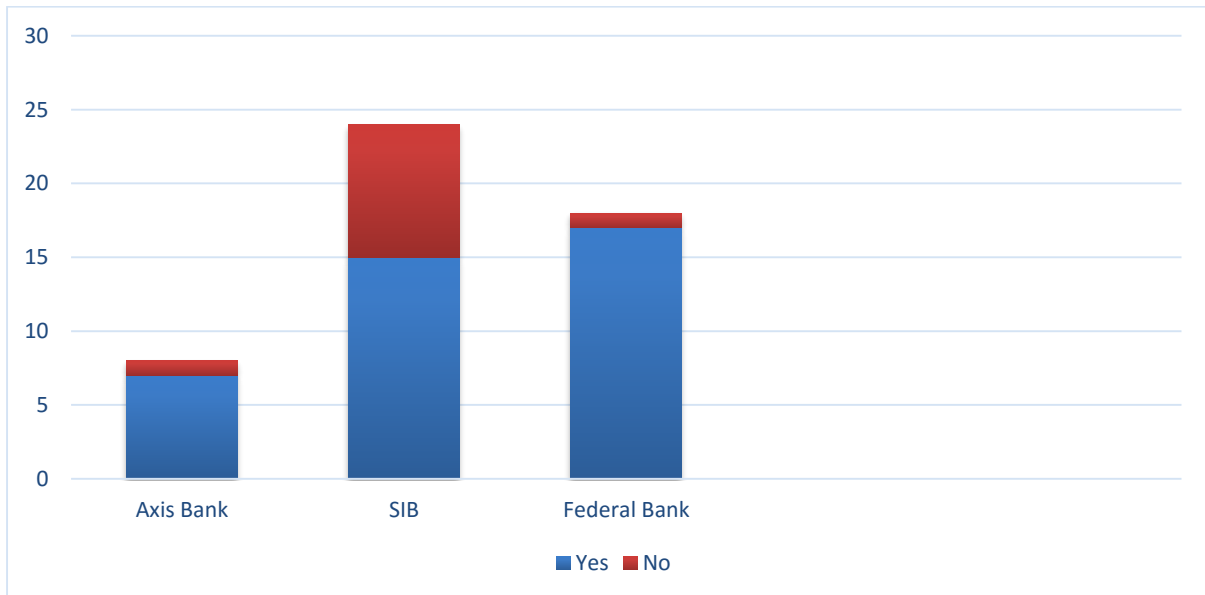
- 34% of people were influenced by the Banks reputation to start an account, whereas 42% were convinced by the Banks easy accessibility.
- Only 10% and 14% of people were influenced by Commercials and Family Influence.

Table 4.22 Customer participation in online banking service

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	7	15	17	39	78
No	1	9	1	11	22
Total	8	24	18	50	100

Source: Primary Data

Figure 4.22 Customer participation in online banking service



Source: Table 4.22

INTERPRETATION

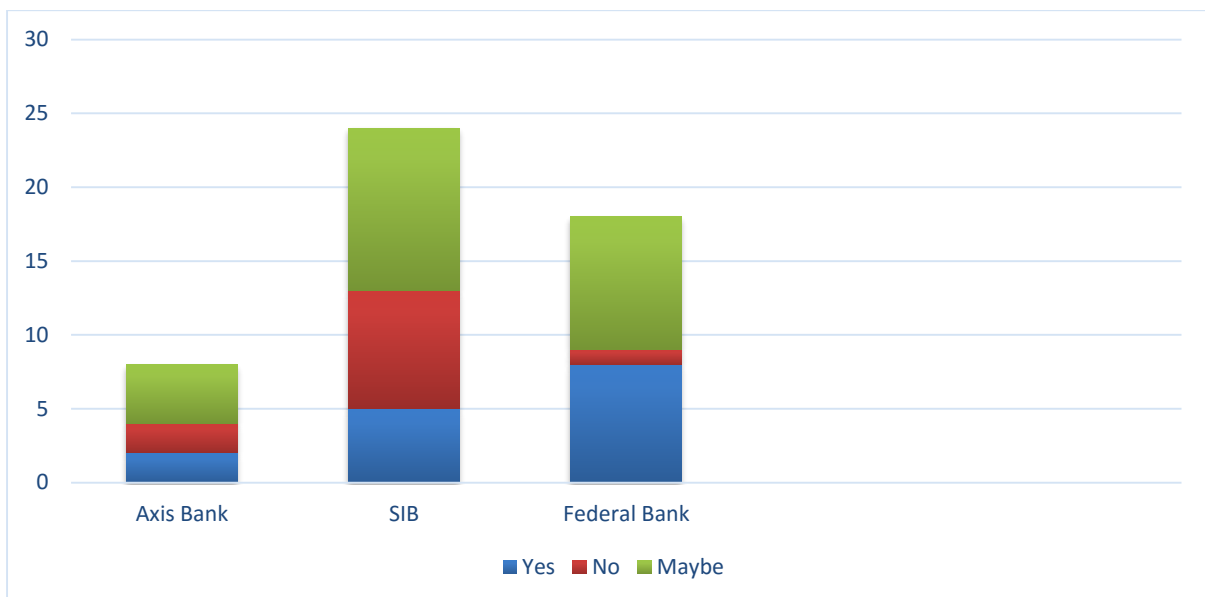
- 78% of respondents engage in Online Banking and are able to conduct multiple banking transactions easily anytime anywhere.
- 22% of people are still not adopting traditional method due to lack of Internet knowledge and education.

Table 4.23 Service of Recreational facilities provided by bank

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	2	5	8	15	30
No	2	8	1	11	22
Maybe	4	11	9	24	48
Total	8	24	18	50	100

Source: Primary Data

Figure 4.23 Service of Recreational facilities provided by bank



Source: Table 4.23

INTERPRETATION

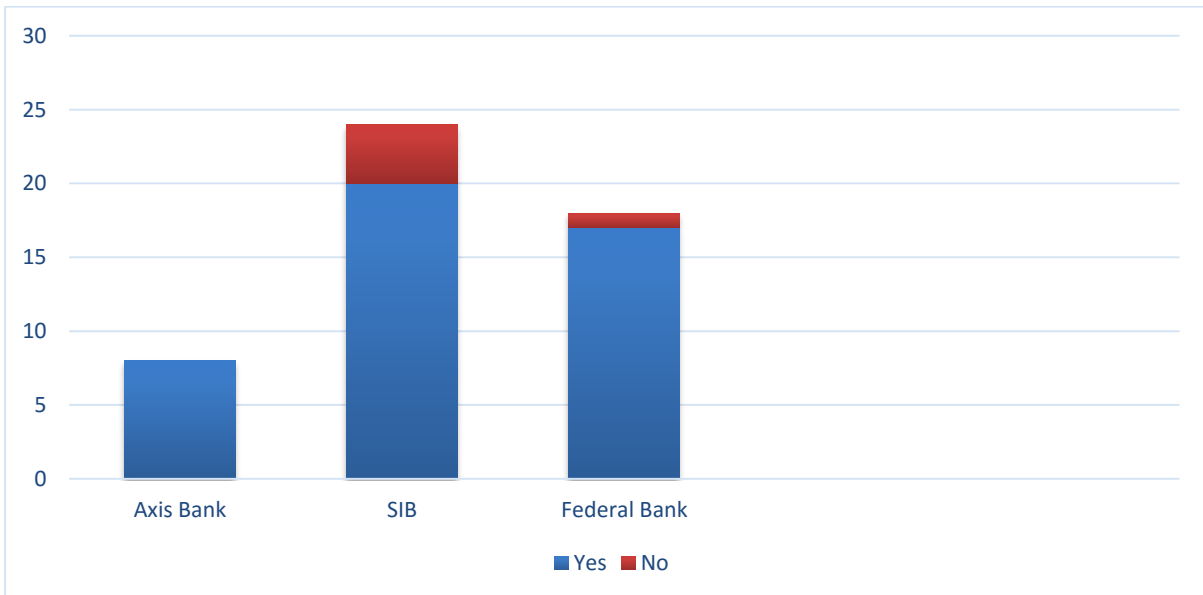
- 30% of respondents are agreeing to their bank conducting recreational services and facilities for customers and public, whereas 48% of people are still unaware of other banks Recreational Services.
- 22% of people are not satisfied and do not agree to banks recreation facilities.

Table 4.24 Willingness to recommend bank to other people

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Yes	8	20	17	45	90
No	0	4	1	5	10
Total	8	24	18	50	100

Source: Primary Data

Figure 4.24 Willingness to recommend bank to other people



Source: Table 4.24

INTERPRETATION

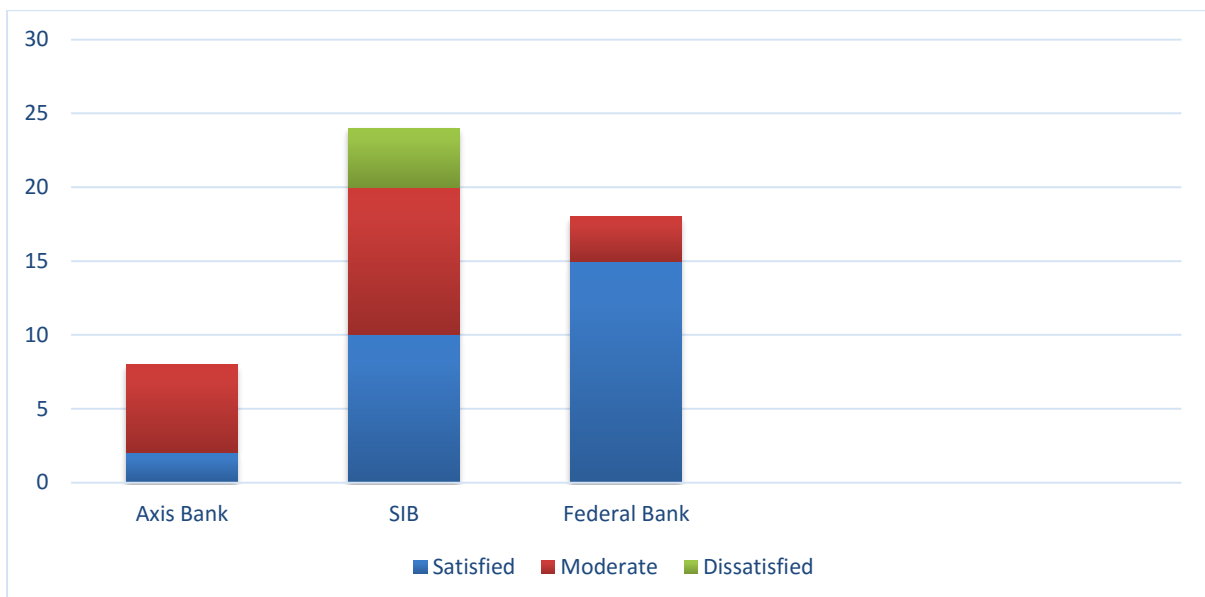
- 90% of people are willing to recommend their bank over to a friend, family or relative and increase the customer base of their banks.
- 10% of respondents do not feel satisfied and are not willing to recommend their bank over to any close friends or relatives.

Table 4.25 Overall satisfaction provided by banks to their customer

Category	Axis Bank	SIB	Federal Bank	Respondents	%
Satisfied	2	10	15	27	54
Moderate	6	10	3	19	38
Dissatisfied	0	4	0	4	8
Total	8	24	18	50	100

Source: Primary Data

Figure 4.25 Overall satisfaction provided by banks to their customer



Source: Table 4.25

INTERPRETATION

- 54% of people are totally satisfied with their bank in an overall manner when taking all factors into consideration.
- 38% of people got moderate satisfaction with the bank whereas 4% of people are completely dissatisfied with their bank in consideration of multiple factor.

CHAPTER 4

FINDINGS, SUGGESTIONS & CONCLUSION

4.1 FINDINGS

- About 66% of selected Individuals hold a savings account. a Savings Account is one wherein you deposit your savings with the bank and earn interest on the same, a current account is one where you deposit money to carry out business transactions. Approx. 32% of selected Individuals hold a current account for which customers pay maintenance Interest to Bank.
- Approx. 76% of respondents are holding Major Account meaning they are over the age of 18. Whereas 20% of respondents are holding Minor Account since they are below the age of 18. Rest of the participants are Senior Citizen above the age of 65. Senior Citizen accounts have comparatively higher Interest return compared to Major Accounts.
- 44% of respondents earn an Annual Income around 200000 - 500000, followed by 32% of respondents earning between 50000 – 200000. Only a 6% of respondents ear lower Income level of amount up to 50000 and only a 4% earn more than 1000000.
- 36% of respondents hold their major cash balance in South Indian Bank, followed by 30% of respondents voting for Federal Bank. Axis Bank users in “Kanjikuzhi” is about 12% only. 22% of respondents hold in public sector banks such as State Bank of India.
- 70% of respondents hold multiple accounts with other Banks as well. Only 30% of respondents hold a single account within a single private bank. It increases Customer Loyalty towards the bank.
- 76% of individuals hasn't been holding an account for over 5 years. Whereas 10% of individuals been loyal to bank for up to 10 years

meanwhile 14% of individuals has a long-term relation over 10 years with their personal bank.

- 48% of respondents find their banks credit repayment system to be their branches Unique method of competency, whereas 32% of people decides on their Banks Internet and Software technology to be the unique factor.16% of respondents believe it's the agriculture / housing loan schemes to be their bank standout feature.
- 84% of respondents agree to the private sector banks engaging in periodical schemes for improving customer services and increasing their satisfaction. 10% of people doesn't agree to their bank offering them new scheme in a periodical manner to maintain customer services.
- 80% of respondents are aware of their bank's accessibility especially in remote locations to reach their customer base easily.20% of people doesn't know to their knowledge about their bank's remote branches.
- 46% of respondents says that their bank provides non-banking services such as utility payments, mutual funds, etc. 20% of people do have Non-banking services associated with their account whereas 34% of people are non-banking services.
- 96% of people use Automated Teller Machine (ATM) facility to withdraw money from bank faster and easily. Whereas 4% of people still approach bank to withdraw money using cheque.
- 54% of people approach CDM to deposit money to their savings or current account easily. 46% of respondents still approach banks and fill in the deposit slip to deposit money into their accounts.
- 60% of respondents use local Debit Card for making transactions where 24% of respondents hold International Debit which allows user to make foreign transactions as well. 12% of the respondents use Credit Card, which is paid by the user in a periodical basis.

- Majority Users hold Visa and Mastercard. They are Card Issuing Companies. Visa and Mastercard users together account for 70%. Rupay is an Indian based Card issuing agency and 28% of people have shown its usage.
- 50% of the respondents feel that their bank favours ATM facility over the rest followed by 38% of people voting for Loan facility. 8% of people favour Overdraft facility and 4 % of people supports their banks locker security and services.
- 76% of respondents supports that their bank offer comparatively better Interest rates compared to the others. 24% of people are not satisfied with their banks interest rate.
- 68% of the respondents are satisfied with the deduction made by bank in comparison. They feel lower deductions associated within their accounts. Remaining 32% of people feel dissatisfied with their bank's charges for services, etc. Rates are comparatively high in their opinion.
- 56% of people have positive feedback about their banks Loan system and payment policy. Interest rates are nominal and fair in the customer perspective. 15% of people have moderate opinion, 2% got dissatisfied reviews whereas the rest of people are not actively participating in a loan account.
- 72% of respondents are happy towards all the services catered by the bank on behalf of the customers. It helps to increase customers faith within bank. 28% of people are still unhappy with how bank facilitate transaction and services for customers. It creates dissatisfaction between customer and bank.
- 46% of respondents feel their Banks Online Services to be the most unique and top selling tool for customers. 32% of respondents are satisfied with the customer service they get from Branches whereas the remaining 22% favours the Banks branches around the world to be the important factor.

- 34% of people were influenced by the Banks reputation to start an account, whereas 42% were convinced by the Banks easy accessibility. Only 10% and 14% of people were influenced by Commercials and Family Influence.
- 78% of respondents engage in Online Banking and are able to conduct multiple banking transactions easily anytime anywhere. 22% of people are still not adopting traditional method due to lack of Internet knowledge and education.
- 30% pf respondents are agreeing to their bank conducting recreational services and facilities for customers and public, whereas 48% of people are still unaware of other banks Recreational Services. 22% of people are not satisfied and do not agree to banks recreation facilities.
- 90% of people are willing to recommend their bank over to a friend, family or relative and increase the customer base of their banks. 10% of respondents do not feel satisfied and are not willing to recommend their bank over to any close friends or relatives.
- 54% of people are totally satisfied with their bank in an overall manner when taking all factors into consideration. 38% of people got moderate satisfaction with the bank whereas 4% of people are completely dissatisfied with their bank in consideration of multiple factor.

4.2 SUGGESTIONS

- Delivering High Customer Value; The key is to generate the high customer loyalty is to deliver high customer value. The bank must design a competitively superior value proposition aimed at a specified market segment backed by a superior value system.
- Properly measuring the customer satisfaction; The bank should be wise to measure customer satisfaction regularly. This helps to increase customer trust with bank and also helps to identify core areas of improvement.

- The bank should adopt this system of Total Quantity Management (TQM). This approach will lead to the continuous improvement in the quality of all Bank's processes, products and services.
- Banks must gain competitive advantage over the other by being able to create high absolute value but also high value relative to the competitors at a sufficient low cost.
- It is suggested that the Commercial banks should dramatically improve their ECS mechanism to increase the level of satisfaction of customers towards the services provided under settlement system and centralized funds management system.
- Banks must provide relevant facts about their information technology-based products and services to create awareness among the customers.
- Research suggests that the financial services and the products offered over information technology by the banks should be simple and easy for the customers to understand. Those products and services should not be a challenge for those who have to choose among them.
- Maintaining Customer Relation Management (CRM) will enable the Bank to provide excellent real time customer service through the effective use of individual account information. Based on what they know about each valued customer Bank can customize market offerings, services, program, messages and media.

4.3 CONCLUSION

The Banks should work to win the confidence of salaried class and lower age group customers specially students as these banks had a better image in the eyes of customers of higher age group, businessmen and self-employed people. On the contrary, private sector banks should give much attention to the lower income group customers also because the higher income group found the services provided by the se banks to be more effective. However, mobile and internet

banking was a matter of concern for the public and private sector banks but the issues varied. Commercial Banks need to make these services more user friendly to the level of lower income group customers, salaried class and students as well. Also, the private banks have to create awareness among its customers about these services so that they feel confident in using these services

In this context it is significant to say that the Commercial banks have to introduce a sound information technology-based products and services or schemes with the help of professional excellence. It is further insisted that the banks have to be well aware of the changing needs and requirements of almost all the segments of customers while developing a package or while innovating a scheme to satisfy their interest.

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ANNEXTURE

A STUDY ON THE EFFECTIVENESS OF VARIOUS SERVICES PROVIDED BY 3 PRIVATE BANKS IN INDIA [Axis Bank, South Indian Bank, Federal Bank]

- Name:
- Age:
- Place:
- Gender:

1. What kind of Account do maintain in this Bank?

- Current Account
- Savings Account
- Loan Account
- Demat Account

2. What account do you hold on the basis of age?

- Minor Account
- Major Account
- Senior Citizen Account

3. Annual Income:

- Below 50000
- 50000 - 200000
- 200000 - 500000
- 500000 - 1000000
- Above 1000000

4. Which of the following Banks hold the majority of your Cash?

- Axis Bank
- South Indian Bank
- Federal Bank
- Others

5. Do you use the service of an alternative Bank?

- Yes
- No

6. How long have you been maintaining an Account with your primary Bank?

- Below 5 years
- 6 – 10 years
- Above 10 years

7. Mention an area that highlights your Bank's USP?

- Agriculture / Housing Loans
- Repayment System
- Technology
- Others (if any)

8. Does your Bank introduce new schemes for customers periodically?

- Yes
- No
- Maybe

9. Does your Bank have branches across remote locations?

- Yes
- No

10. Does your Bank provide Non-Banking Services?

- Yes
- No
- Maybe

11. Do you use ATM Facilities?

- Yes
- No

12. Do you use CDM facilities provided by your bank?

- Yes
- No

13. Which of the following ATM Cards do you use?

- Classic Debit Card
- International Debit Card

- Credit Card
- None of the Above

14. Which of the following is your Card Issuing Company?

- Visa
- Mastercard
- Rupay
- Others

15. Which of the following facilities is given more importance in your bank?

- Loan facilities
- Overdraft facilities
- ATM facilities
- Locker Facility

16. Does your Bank offer competitive Interest Rate?

- Yes
- No

17. How would you rate service charges made by the Bank?

- Satisfactory
- Dissatisfactory

18. How would you rate your Banks Interest in the area of Loan?

- Excellent
- Fair
- Average
- Poor
- Does not hold a Loan Account

19. Do you think your Bank caters all your banking need?

- Yes
- No

20. Which of the following comes first when you think about your Bank?

- Customer Service
- Online Banking Service
- Wide Branch Network

21. Which of the following factors influenced you the most to select your bank?

- Ownership/Reputation
- Nearness
- Commercials/Offers
- Friends/Family

22. Do you engage in Online Banking?

- Yes
- No

23. Does your bank conduct any recreation facilities for the customers?

- Yes
- No
- Maybe

24. Would you recommend this bank to your friends, relatives or associates?

- Yes
- No

25. Overall Satisfaction with the services provided by the Bank?

- Satisfied
- Moderate
- Dissatisfied