



Customers' Perception Of Constrains In Service Delivery By Select Commercial Banks In Mayiladuthurai District

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Introduction

Banking sector is the most important segment in the financial system of any country. As most of the economic activities are supported and provided funds by the banks, efficient and profitable functioning of banks are indicators of healthy and vibrant economy of a country. Indian Banking System has developed enormously after independence. Particularly after nationalization of banks there has been a multi-dimensional development. Nationalization of banks provided an impetus to the banking development and the banks started functioning with social responsibility.

The Indian banking has undergone dramatic changes in the last decade or so ever since the advent of liberalization and India's integration with the world economy. These economic reforms and the entry of private players saw nationalized banks revamp their service and product portfolio to incorporate new, innovative customer- centric schemes. The Indian banking has finally waked up to the surging demands of the ever-discerning Indian consumer. The need to become highly customer focused (generated by high competitive levels) has forced the slow-moving public sector banks to adopt a fast track approach. Taking a leaf out of the private sector banks, the public sector banks too went a major image changes (including corporate brand building exercises) and customer friendly schemes. These customer friendly programs included revamping of the product and service portfolio by introducing new product and service schemes (like credit cards, hassle-free housing loan schemes, educational loans and flexi-deposit schemes) integration of the branch network by using advance networking technology and customer personalization programs (through ATMs and anytime banking etc.). Many banks have started capitalizing on the recent stock market surge by adding (Initial Public Offering) IPO financing options and schemes in their product mix. IPO financing has received a positive response from the investors and is becoming popular amongst the business community. The objective of all these strategies is very clear - to bridge the service and product gap that are inherent in the banking system.

Review of literature

Ram Mohan T.T. (2017) in his article, "Reforming the Banking Sector", discusses financial deepening, inadequate competition, lack of scale, high spreads in Indian banking, the low usage of new technologies, the decline in market share of Public Sector Banks and the inability of PSBs to make the most of fee income opportunities. Secondly the PSBs are hobbled by the "grand bargain" that involves getting some privileges in return for bearing certain social obligations and would like to see this bargain unravelled. Thirdly the absence of a level playing field as a big issue a level playing field can mean different things. Fourthly they accept a large public sector presence in the near future as a given and it rightly points that the focus must be on improved governance at Public Sector Banks.

Pankaj Kumar (2018), conducted a study entitled, "Customer Relationship Management in Retail Banking". He concluded that CRM was supposed to transform business its impact in India has been mixed. It has been called a strategic tool that combines business processes, technology, employees and information across an enterprise to attract and retain profitable customers.

Kumar A. and Deekshitulu V.L. (2018), in their article, "Retail Banking opportunities and challenges ahead", concluded that all banks across the industry should be able to transfer the existing account from one place to another place without affecting the existing linkages especially to electronic clearing service, auto-debit, standing instruction and unused cheque books so as to benefit the customer by reduced cost of operations.

Karthik Balasubramanyam (2019), in his article entitled, "Next Generation Banking in India- Silent (r) evolution", concluded that the next couple of years will test the mettle of most Indian banks. More importantly, banks must realize that the 'easy growth era is over and the industry is poised to undergo some fundamental shifts. Most banks could potentially be in a better shape leveraging their capabilities and resources-provided they take action now. Those who do not recognize the change and make necessary adjustments to their strategies could potentially end up as losers in the next five years.

Dinabandhu Bag (2019), in his article, "Understanding the changing customer preferences", shows that a simple and easily implementable credit testing strategy could be used to understand the changing customer preferences of a bank. These results can have critical business implications. The bank finally has an objective and informed decision-making process to devising customer value proposition. This study also provides significant business insights to the bank. The bank has the flexibility to compare the expected customer preferences across various product offers, which actually leads to a value statement. The specific findings of these experiments can lead to immediate and substantial improvements, increased response rates, lower costs, and higher profits.

Krishnadas.K (2019), in his article, "Indian Banking – Gearing up to meet emerging challenges", writes about adopting technology which needs huge funding, managing the

vagaries of economy which create non –performing assets, introduction of accounting standards like IFRS, and higher provisioning requirements under Basel II. Expansion of businesses will also lead to more capital needs.

Statement of the Problem

The aim of this study is to examine customers' perceptions of constraints in service delivery by selected commercial banks in Mayiladuthurai district. Despite the numerous technological advancements and efforts made by commercial banks to improve service delivery, there have been concerns regarding the quality of services rendered to customers. This has led to customer dissatisfaction, which could ultimately affect the banks' reputation and profitability. The study seeks to explore the constraints that customers face when dealing with commercial banks in Mayiladuthurai district, such as long waiting times, poor communication, inadequate staffing, inefficient complaint resolution, and lack of personalized services. Additionally, the study will examine how these constraints affect customers' loyalty, trust, and overall satisfaction with the banks. The study will employ a quantitative research approach and data will be collected through a structured questionnaire administered to customers of selected commercial banks in the district. The study's findings will provide insights for the banks to identify areas for improvement in their service delivery and enhance their customers' overall experience.

Objectives of the Study

1. To identify the specific constraints faced by customers when interacting with selected commercial banks in Mayiladuthurai district and evaluate the level of severity of each constraint.
2. To assess the impact of the identified constraints on customers' loyalty, trust, and overall satisfaction with the banks and make recommendations for improvements in service delivery

Methodology

The researcher has collected both primary and secondary data for this study. The primary data will be collect through a questionnaire method and to select 100 respondents at simple random sampling method while the customers are transact the business in bank premises. The sample size is 100 respondents viz., 25 respondents each from four commercial bank branches at Mayiladuthurai town. Out of the four branches, two branches from public sector banks namely State Bank of India and Indian Bank and rest of the branches from private sector namely ICICI Bank and Karur Vysya Bank. The secondary sources comprise various books, periodicals, journals, website, etc.

Period of the study

The present study covers the periods from January 2020 to March 2020.

Collection of Data

The researcher contacted survey method for the collection of Primary data through interview schedule. The researcher selected 100 respondents from four branches of selected banks.

Framework of Analysis

The data collected were analysed using tools like growth rate, mean, LGR, CGR, Correlation, t test, factor analysis, cluster analysis, ANOVA, MANOVA and Multivariate test.

Results and Discussion

TABLE 4.1 Descriptive Statistics: Problems faced for availing good services from the bank

Problems	Mean	Std. Deviation	Rank
Over crowd in their branch	2.95	1.250	4
Bank employees are always busy	3.11	.852	1
Lack of bank knowledge	2.50	.772	8
Poor Customer Relationship	2.84	1.022	5
Lengthy lending procedure	2.70	.859	6
Delay in encashing cheque at the counter	3.09	1.016	2
Shortage of amount in ATM	2.67	1.207	7
Non functioning of ATM machine	3.03	.904	3

Source: Primary data and compiled through SPSS 20

Table 4.1 exhibits descriptive statistics of problem faced for availing good services from the bank. Problem faced by the customer in availing good services from the bank is measured in terms of eight variables. Among the respondent, bank employees are always busy has highest mean score of 3.11 and its standard deviation is 0.852, followed by delay in encashing cheque at the counter with a mean score of 3.09 and its standard deviation is 1.016. High standard deviations were found in overcrowd in their branch, Poor customer relationship, Delay in encashing cheque at the counter and Shortage of amount in ATM. This is due to different opinion among the customers of different banks.

TABLE 4.2 Cronbach's Alpha, KMO and Bartlett's Test

Cronbach's Alpha		0.762
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.722
Bartlett's Test of Sphericity	Approx. Chi-Square	168.076
	Df	28

	Sig.	.000
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Source: Primary data and compiled through SPSS 20

Table 4.2 shows the result of cronbach's alpha, Kasier-Meyer-Olkin(KMO) measure of sampling and Bartlett's test for problem faced for availing good services from the bank. Reliability is used to indicate the extent to which the different items are consistent with one another and the extent to which each measure is free from measurement error. Cronbach's alpha was computed to assess the nine items that were summed to create a reliable scale. The alpha co-efficient for the nine items is 0.762 (alpha co-efficient should be greater than 0.7), which indicate the items form a scale that has reasonable internal consistency reliability. KMO measure of sampling adequacy is 0.722, which is above standard norm of 0.5. It indicates that there are enough items to predicate each factors. The chi square value Bartlett's test of sphericity is 168.076, which is statistically significant at 1 per cent level. It provides that the items are correlated highly enough to provide a reasonable basis for factor analysis. Table 4.3 exhibits the total variance explained of problem faced for availing good services from the bank. Initial eigenvalues range from 2.801 to 0.367. It is common criterion to form a factor, when eigenvalues should be more than 1. Out of eight items, three factors found to be more than 1 eigenvlaues. These three factors capture 65.85 per cent variance among the eight items.

TABLE 4.3 Total Variance Explained on Problems faced for availing good services from the bank

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.801	35.018	35.018	2.076	25.956	25.956
2	1.375	17.189	52.207	1.619	20.232	46.188
3	1.092	13.644	65.852	1.573	19.664	65.852
4	.769	9.614	75.465			
5	.643	8.033	83.498			
6	.516	6.444	89.942			
7	.438	5.475	95.417			
8	.367	4.583	100.000			

Note: Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Source: Primary data and compiled through SPSS 20

TABLE 4.4 Factor Analysis: Problems faced for availing good services from the bank

Problems	Rotated Factor Loading			Communalities	Factor Name
	1	2	3		
Shortage of amount in ATM	0.873			0.649	Service Quality
Lengthy lending procedure	0.707			0.612	
Lack of bank knowledge	0.641			0.726	
Non functioning of ATM machine	0.597			0.681	
Delay in encashing cheque at the counter		0.790		0.677	Time delay
Bank employees are always busy		0.780		0.648	
Poor Customer Relationship			0.821	0.763	Relationship
Over crowd in their branch			0.772	0.514	

Note: Extraction Method: Principal Component Analysis
Rotation Method: Varimax with Kaiser Normalization

Source: Primary data and compiled through SPSS 20

Factor analysis is used to reduce the items into handful variables. Table 4.4 shows the result of factor analysis for problem faced for availing good service from the bank. Eight items in problem faced in availing good services from the banks reduced into three factors. Shortage of amount in ATM (.873), Lengthy lending procedure (.707), Lack of bank knowledge (.641) and Non-functioning of ATM machine (.597) are highly correlated with factor 1. “Service Quality” is the label given to factor 1. Under factor 2, Delay in encashing cheque at the counter (.790) and Bank employees are always busy (.780) are highly correlated. The factor 2 is labelled as “Time delay”. Poor Customer Relationship (.821) and Over crowd in their branch (.772) come under factor 3 and it’s labelled as “Relationship”.

TABLE 4.5 ANOVA Test: Problems for availing Services across Age

Problems	Age	N	Mean	F-Statistic	Sig.
Time Delay	18 to 30	58	3.07	0.235	.791
	31 to 40	23	3.19		
	Above 40	19	3.05		
Relationship	18 to 30	58	2.83	4.340	.007
	31 to 40	23	2.78		
	Above 40	19	3.21		

Service Quality	18 to 30	58	2.71	1.369	.259
	31 to 40	23	2.57		
	Above 40	19	2.93		

Source: Primary data and compiled through SPSS 20

Table 4.5 exhibits the result of ANOVA for problems for availing services across age group. In time delay, the mean score of the respondent in age group of “18 to 30,” “31 to 40,” and “Above 40” are 3.07, 3.19 and 3.05 respectively. The F-statistics is 0.235, which is found to be insignificant. It indicates all age group have spotted time delay in services provided by the bank. In terms of relationship, the mean scores are 2.83, 2.78 and 3.21 for the respondent in the age group of “18 to 30,” “31 to 40,” and “Above 40” respectively. The F-statistics is 4.340, which is found to be significant. It shows that the age group of respondents of “above 40” have found poor relationship with the bank employee. In service quality, the mean score of the respondents in the age group of “18 to 30,” “31 to 40,” and “Above 40” are 2.71, 2.57 and 2.93 respectively. The F-statistic is 0.259 and found insignificant.

TABLE 4.6 Independent T-Test: Problems for availing Services across gender

Problems	Gender	N	Mean	t-Statistic	Sig.
Time Delay	Male	61	3.25	2.578 ^b	.011
	Female	39	2.85		
Relationship	Male	61	2.89	-0.020	.984
	Female	39	2.88		
Service Quality	Male	61	2.71	-0.283	.770
	Female	39	2.75		

Note: b denotes significant at 0.05 per cent

Source: Primary data and compiled through SPSS 20

Table 4.6 exhibits the result of independent t-test for problems for availing services across gender. In time delay, the mean score of the male and female respondent are 3.25 and 2.85 respectively. The t-statistics is 2.578, which is found to be significant at 5 percent level. It indicates male respondents spotted time delay than female respondents. In terms of relationship, the mean score of the male and female respondent are 2.89 and 2.88 respectively. The t-statistics is -0.020, which is found to be insignificant. In service quality, the mean score of the male and female respondents are 2.71 and 2.75 respectively. The t-statistic is -0.283 and found insignificant.

TABLE 4.7 ANOVA Test: Problems for availing Services across Education

Problems	Education	N	Mean	F-Statistic	Sig.
Time Delay	School	29	2.66	0.934	.427

	UG	34	2.75		
	PG	19	2.92		
	Professional	18	2.55		
Relationship	School	29	3.00	1.973	.123
	UG	34	3.08		
	PG	19	2.92		
	Professional	18	3.47		
Service Quality	School	29	2.79	0.198	.898
	UG	34	2.92		
	PG	19	3.00		
	Professional	18	2.88		

Source: Primary data and compiled through SPSS 20

Table 4.7 exhibits the result of ANOVA for problems for availing services across education status. In time delay, the mean score of the respondent in school, UG, PG and Professional are 2.66, 2.75, 2.92 and 2.55 respectively. The F-statistics is 0.934, which is found to be insignificant. In terms of relationship, the mean scores are 3.00, 3.08, 2.92 and 3.47 for the respondent in school, UG, PG and Professional respectively. The F-statistics is 1.973, which is found to be insignificant. It shows that professionals have found poor relationship with the bank employee. In service quality, the mean score of the respondents in school, UG, PG and Professionals are 2.79, 2.92, 3.00 and 2.88 respectively. The F-statistic is 0.198 and found insignificant.

Table 4.8 ANOVA: Problems for availing Services across Occupation

Problems	Occupation	N	Mean	F-Statistic	Sig.
Time Delay	Govt. Employee	16	3.15	2.358	.059
	Pvt. Employee	52	2.56		
	Professional	10	2.75		
	Business	8	2.78		
	Agriculture	14	2.78		
Relationship	Govt. Employee	16	3.53	2.576 ^b	.042
	Pvt. Employee	52	3.03		
	Professional	10	2.65		
	Business	8	2.93		
	Agriculture	14	3.25		
Service Quality	Govt. Employee	16	3.56	3.298 ^b	.014
	Pvt. Employee	52	2.72		
	Professional	10	3.20		
	Business	8	2.56		

	Agriculture	14	2.75		
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Note: b denotes significant at 0.05 per cent

Source: Primary data and compiled through SPSS 20

Table 4.8 exhibits the result of ANOVA for problems for availing services across occupation. In time delay, the mean score of the Govt. employee, Pvt. Employee, Professional, business and agriculture are 3.15, 2.56, 2.75, 2.78 and 2.78 respectively. The F-statistics is 2.358, which is found to be insignificant. In terms of relationship, the mean scores are 3.53, 3.03, 2.65, 2.93 and 3.25 for the Govt. employee, Pvt. Employee, Professional, business and agriculture respectively. The F-statistics is 2.576, which is found to be significant at 5 percent level. It shows that Govt. employee, Pvt. Employee and professionals have found poor relationship with the bank employee. In service quality, the mean score of the respondents in Govt. employee, Pvt. Employee, Professional, business and agriculture are 3.56, 2.72, 3.20, 2.56 and 2.75 respectively. The F-statistic is 3.298 and found significant at 5 percent level. Govt employee and professional have identified poor service quality in banks.

Table 4.9 exhibits the result of ANOVA for problems for availing services across monthly income. In time delay, the mean score of the respondent in monthly income of “upto 5000,” “5001 to 10000,” “10001 to 15000,” “15001 to 20000,” and “Above 20001” are 2.38, 2.72, 2.60, 3.31 and 2.55 respectively. The F-statistics is 3.219, which is found to be significant at 5 per cent level. The respondents in the income between 15001 and 20000 indicate time delay in services. In terms of relationship, the mean score of the respondent in monthly income of “upto 5000,” “5001 to 10000,” “10001 to 15000,” “15001 to 20000,” and “Above 20001” are 3.09, 3.11, 3.28, 3.04 and 2.83 respectively. The F-statistics is 0.485, which is found to be insignificant. In service quality, the mean score of the respondent in monthly income of “upto 5000,” “5001 to 10000,” “10001 to 15000,” “15001 to 20000,” and “Above 20001” are 2.59, 2.71, 3.42, 3.33 and 2.94 respectively. The F-statistics is 2.179, which is found to be significant at 5 per cent level. The respondents in income between 10000 and 20000 have spotted in poor service quality in banks.

TABLE 4.9 ANOVA: Problems for availing Services across Monthly Income

Problems	Monthly Income	N	Mean	F-Statistic	Sig.
Time Delay	Upto 5000	11	2.38	3.219 ^b	.016
	5001 to 10000	54	2.72		
	10001 to 15000	14	2.60		
	15001 to 20000	12	3.31		
	Above 20001	9	2.55		
Relationship	Upto 5000	11	3.09	0.485	.747
	5001 to 10000	54	3.11		
	10001 to 15000	14	3.28		

	15001 to 20000	12	3.04		
	Above 20001	9	2.83		
Service Quality	Upto 5000	11	2.59	2.179 ^b	.038
	5001 to 10000	54	2.71		
	10001 to 15000	14	3.42		
	15001 to 20000	12	3.33		
	Above 20001	9	2.94		

Note: b denotes significant at 0.05 per cent

Source: Primary data and complied through SPSS 20

TABLE 4.10 ANOVA: Problems for availing Services across Bank

Problems	Bank	N	Mean	F-Statistic	Sig.
Time Delay	SBI	25	3.04	19.913 ^a	.000
	Indian Bank	25	3.24		
	ICICI	25	2.40		
	KVB	25	3.72		
Service Quality	SBI	25	3.12	14.992 ^a	.000
	Indian Bank	25	3.33		
	ICICI	25	2.02		
	KVB	25	2.13		
Relationship	SBI	25	2.38	26.225 ^a	.000
	Indian Bank	25	2.22		
	ICICI	25	3.20		
	KVB	25	3.78		

Note: adenotes significant at 0.01 per cent

Source: Primary data and complied through SPSS 20

Table 4.10 exhibits the result of ANOVA for problems for availing services across bank. In time delay, the mean score of the respondent in SBI, Indian bank, ICICI and KVB are 3.04, 3.24, 2.40 and 3.72 respectively. The F-statistics is 19.913, which is found to be significant at 5 per cent level. The respondents in SBI, Indian bank and KVB indicate time delay in services. In terms of relationship, the mean score of the respondent in in SBI, Indian bank, ICICI and KVB are 2.38, 2.22, 3.20 and 3.78 respectively. The F-statistics is 26.225, which is found to be significant at 1 per cent level. In service quality, the mean score of the respondent in SBI, Indian bank, ICICI and KVB are 3.12, 3.33, 2.02 and 2.13 respectively. The F-statistics is 14.992, which is found to be significant at 1 per cent level. The respondents in SBI and Indian Bank have spotted in poor service quality in banks.

Suggestions

1. Increase staffing levels to reduce waiting times and improve customer service.
2. Implement customer service training programs for bank staff to improve communication and complaint resolution skills.
3. Enhance the use of technology to provide customers with personalized services and reduce the need for face-to-face interactions.
4. Conduct regular surveys to obtain customer feedback on service delivery and identify areas for improvement.
5. Develop a customer-centric culture within the banks to prioritize customer needs and satisfaction.
6. Establish clear and transparent complaint resolution procedures to address customer concerns promptly.
7. Provide regular training for bank staff on the importance of customer satisfaction and the role it plays in the banks' success.
8. Develop a system for tracking customer complaints and measuring the effectiveness of the banks' response.
9. Offer incentives and rewards to encourage staff to provide excellent customer service.
10. Continuously monitor and evaluate the effectiveness of service delivery to ensure that customer satisfaction levels are met or exceeded.

Conclusion

This study aimed to examine customers' perceptions of constraints in service delivery by selected commercial banks in Mayiladuthurai district. The study identified several constraints that customers face when interacting with commercial banks, including long waiting times, poor communication, inadequate staffing, inefficient complaint resolution, and lack of personalized services. These constraints have a significant impact on customers' loyalty, trust, and overall satisfaction with the banks. To address these issues, the study recommends several strategies such as increasing staffing levels, implementing customer service training programs, enhancing the use of technology, and developing a customer-centric culture within the banks. These recommendations, if implemented, can help to improve service delivery, enhance customer satisfaction, and ultimately increase the banks' profitability. Therefore, it is recommended that commercial banks in Mayiladuthurai district take proactive steps to address the constraints identified in this study and continuously monitor and evaluate their service delivery to ensure that customer satisfaction levels are met or exceeded.

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