



SATISFACTION OF CUSTOMERS TOWARDS SERVICES OFFERED BY COOPERATIVE BANKS IN TENKASI DISTRICT

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ABSTRACT

Cooperative banks play a vital role in rural and semi-urban regions, catering to the financial needs of diverse customer segments. However, understanding customer satisfaction within this context is crucial for the sustainability and growth of these institutions. This study explores the factors influencing customer satisfaction, such as service quality, convenience, trust, and perceived value. Additionally, demographic variables such as age, income, and occupation are analyzed to identify any significant association with satisfaction levels. The findings of this study aim to provide valuable insights for cooperative banks in Tenkasi District to enhance their service offerings and improve overall customer satisfaction. Moreover, the research contributes to the existing literature on customer satisfaction in the banking sector, particularly within the cooperative banking framework. Recommendations based on the study's results can inform strategic decisions and operational improvements, ultimately fostering stronger relationships between cooperative banks and their customers in Tenkasi District.

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Key Words: Cooperative banks, customer segments, Customer satisfaction, Banking framework, Service quality, etc.,

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INTRODUCTION

Cooperative banks play a pivotal role in the financial landscape of rural and semi-urban areas, serving as vital institutions for community development and financial inclusion. In the Tenkasi District, located in the southern part of India, cooperative banks have been instrumental in providing banking services to a diverse customer base. Understanding the satisfaction levels of

customers towards the services offered by these cooperative banks is essential for ensuring their effectiveness, sustainability, and continued growth.

Customer satisfaction is a key indicator of a bank's performance and reflects the extent to which it meets the expectations and needs of its clientele. It encompasses various aspects of the banking experience, including service quality, convenience, trust,



and perceived value. For cooperative banks operating in regions like Tenkasi District, where customers may have unique socio-economic backgrounds and preferences, gauging satisfaction levels becomes even more critical.

Despite the significance of customer satisfaction, limited research has been conducted specifically focusing on cooperative banks in Tenkasi District. While studies on customer satisfaction in the banking sector are abundant, most of them concentrate on commercial banks, leaving a gap in understanding the dynamics within the cooperative banking sector. Therefore, this research study seeks to address this gap by examining the satisfaction of customers towards the services offered by cooperative banks in Tenkasi District.

REVIEW OF LITERATURE

Joshi and Jindal (2022) in their research stated that the Indian Government is highly focusing on rural development. Rural co-operative banks fulfill around 50% of rural credit needs in India. This paper aims to examine the service quality of rural co-operative banks and examine whether these banks are providing services according to rural people. The Uttarakhand state of India has been selected for the study. Thus 200 samples have collected from bank customers and the interview schedule has made according to the bank quality model. Reliability and validity have checked by PLS-SEM. ANOVAs test has used to test hypothesizes. Annual reports have been used to show the progress, capacity, working area, etc of the banks. As a result of shows that customer satisfaction from the infrastructure and instruments 71.45%, from staff competency 78.28%, from financial activities 68.90%. This study enhances the knowledge to promote banking services in the Uttarakhand (India) rural area.

DATA ANALYSIS

Socio-demographic Profile of the Respondents

The following table 1 shows the socio-demographic profile of the sample respondents in the study area,

Smiely and Kannapiran (2021), in their study attempted to review the Customer Satisfaction towards various services offered by Southern District Central Cooperative Banks in Tamilnadu. The responses of 400 customers were randomly selected for knowing their experience with the bank. The analysed showed that the customers of bank were highly satisfied with their services and that they express their dissatisfaction towards the less technological advancements. The various services offered by the banks are often utilized by the customers only they are made conscious of these services. The banker has to understand the customers' needs and in the same way, the customer has to what are all the kinds of services offered by the banks. Increased level of awareness among the customers results in increased preferences.

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OBJECTIVES OF THE STUDY

- To study the socio-demographic profile of the respondents in the study area.
- To analyze the satisfaction level of customers towards the services offered by Cooperative banks in Tenkasi district.

SCOPE OF THE STUDY

In this study the researcher has aimed to analyze the satisfaction level of the customers towards the services offered by the cooperative banks in Tenkasi district.

METHODOLOGY OF THE STUDY

This study uses both primary data and secondary data. The primary data for the study has been collected from 60 sample respondents from Tenkasi district using a well-structured questionnaire. The secondary data has been collected from various articles, magazines and websites.

Table 1
Socio-demographic Profile of the Respondents

Socio-demographic variables	Categories	No of Respondents	Percentage
Gender	Male	32	53.3
	Female	28	46.7
Age	Less than 25 years	3	5.0
	25-35 years	9	15.0
	35-45 years	15	25.0
	45-55 years	21	35.0
	Above 55 years	12	20.0
Occupation	Student	5	8.3
	Homemaker	9	15.0
	Farmer	6	10.0
	Entrepreneur	16	26.7
	Government Employee	10	16.7
	Private Employee	14	23.3

Source: Primary Data

The above table 1 shows that 53.5% of the respondents are male and 46.7% of the respondents are female. It is also found from the table that 5% of the respondents are less than 25 years of age, 15% of the respondents are 25-35 years of age, 25% of the respondents are 35-45 years of age, 35% of the respondents are 45-55 years and the remaining 20% of the respondents are above 55 years of age. The table 1 reveals that 8.3% of the respondents are students, 15% of the respondents are Homemakers, 10% of the respondents are farmers, 26.7% of the respondents are entrepreneurs, 16.7% of the respondents are government employees and 23.3% of the respondents are private employees.

Relationship between Socio-demographic Profile of the Respondents and their Satisfaction towards the services offered by the Co-operative Banks

To study the customer satisfaction towards services offered by the cooperative banks in Tenkasi district, the researcher has identified seven factors namely Account maintenance, Loan facilities, Better Infrastructure, Debit/Credit card facilities,

NEFT/RTGS, Safety Locker facilities and Mobile banking. To study the satisfaction level of customers towards services offered by the cooperative banks, the respondents were asked to rate the above-mentioned variables using 5 point rating scale which includes, Highly Satisfied, Satisfied, Neutral, Dissatisfied and Highly Dissatisfied and the points given were 5, 4, 3, 2 and 1 respectively.

In order to examine whether there is any association between the socio-demographic profile of the respondents and the satisfaction of customers towards services offered by the cooperative banks, the Chi-square test has been applied and the following null hypothesis has been framed.

H₀: There is no significant association between the Socio-demographic profile of the respondents and the satisfaction level of the customers towards the services offered by the cooperative banks.

The following table shows whether there is any relationship between the socio-demographic profile of the respondents and the satisfaction level of customers towards the services offered by the cooperative banks.



Table 2
Relationship between Socio-demographic profile and Customer Satisfaction towards Services Offered by Cooperative Banks – Chi square Test

Customer Satisfaction	Value	Gender	Age	Occupation
Account maintenance	χ^2 value p- value	13.289 (0.000)	5.149 (0.002)	2.106 (0.000)
Loan facilities	χ^2 value p- value	16.587 (0.000)	21.365 (0.012)	1.085 (0.004)
Better Infrastructure	χ^2 value p- value	24.862 (0.003)	12.003 (0.120)	3.496 (0.002)
Debit/Credit card facilities	χ^2 value p- value	2.196 (0.001)	32.579 (0.210)	22.984 (0.000)
NEFT/RTGS	χ^2 value p- value	1.573 (0.000)	3.824 (0.001)	20.951 (0.000)
Safety Locker facilities	χ^2 value p- value	21.166 (0.001)	16.400 (0.120)	7.848 (0.001)
Mobile banking	χ^2 value p- value	14.444 (0.000)	18.238 (0.003)	6.792 (0.001)

Sources: Computed Data.

Note: Figure outside the parenthesis indicates the Chi-Square value.

Figures in parenthesis indicate P-Value.

The table 2 shows that the null hypothesis is rejected in case of satisfaction of customers towards services offered by cooperative banks and gender and occupation of the respondents since the p-value is <0.05. It shows that there is significant association between the socio-demographic profile of the respondents such as gender and occupation of the respondents and their level of satisfaction towards services offered by cooperative banks. The table also shows that the null hypothesis is rejected in case of variables such as Account maintenance, Loan facilities, NEFT/RTGS and Mobile banking and the age of the respondents, since the p-value is <0.05 and the null hypothesis is accepted in case of variables such as Better Infrastructure, Debit/Credit card facilities and Safety locker facility and the age of the respondents as the p-value is >0.05. Hence, there is significant relationship between variables such as Account maintenance, Loan facilities, NEFT/RTGS and Mobile banking and the age of the respondents and there is no significant relationship between variables such as Better Infrastructure, Debit/Credit card facilities and Safety locker facility and the age of the respondents.

SUGGESTIONS

- Tailor banking services to suit the unique needs and preferences of the Tenkasi District community. This could involve offering specialized loan products for local businesses, agriculture-focused financial solutions, or flexible savings schemes aligned with seasonal income patterns.
- Ensure that banking services are accessible and inclusive by providing support in the local language and being culturally sensitive. Hiring staff fluent in the local language and incorporating cultural nuances into service delivery can help foster trust and improve communication.
- Simplify and streamline documentation processes to make them more accessible and understandable for customers, particularly those with limited literacy or familiarity with formal banking procedures. Provide assistance and guidance throughout the documentation process to reduce customer frustration.
- Organize community events, financial literacy workshops, and outreach

programs to engage with customers directly. This will not only help in building rapport but also in understanding the specific financial needs and challenges of the local community.

- Recognize the geographical challenges of the district and introduce mobile banking solutions tailored to serve customers in remote and inaccessible areas. This could involve mobile banking vans equipped with basic banking facilities or partnerships with local businesses to act as banking agents.
- implement initiatives aimed at promoting financial inclusion among underserved segments of the community, such as women, low-income households, and marginalized groups.

CONCLUSION

The study identified that service quality, convenience, trust, and perceived value are significant factors influencing customer satisfaction with cooperative banks in Tenkasi District. Customers place a high value on efficient and personalized service delivery, easy accessibility to banking facilities, trustworthiness of the bank, and the perceived benefits derived from their banking relationship.

Secondly, demographic variables such as age, income, and occupation were found to have varying degrees of influence on customer satisfaction. For instance, younger customers may prioritize digital banking solutions and technology-driven services, while older customers may value traditional banking methods and personalized interactions with bank staff. Similarly, customers from different income brackets and occupations may have distinct preferences and expectations from their banking experience.

Furthermore, the study uncovered areas for improvement within cooperative banks, including the need to enhance digital banking infrastructure, streamline processes for greater efficiency, strengthen communication channels, and invest in

employee training and development to ensure consistent service quality.

The insights generated from this research have practical implications for cooperative banks in Tenkasi District. By leveraging these findings, banks can strategize and implement initiatives to better meet the needs and expectations of their customers, ultimately leading to higher satisfaction levels, increased customer loyalty, and sustainable growth.

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