

EFFECTIVENESS OF BANKING SERVICES PROVIDED TO CUSTOMERS BY PRIVATE BANKS

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***Abstract:** Banks play a role of considerable economic significance as intermediaries in mobilizing public savings and channelizing the flow of funds for productive purposes, keeping on the process of the economic growth of the country. Private wealth management has become a profitable business for banks and asset managers around the globe. This is done by finding out the awareness level, usage and satisfaction of all the products and facilities provided to Private Banking customers. The research study conducted is descriptive in nature and the population for this study is 148. Primary data is collected to meet the requirements. For collecting the data, a structured questionnaire method is used as an instrument. The questionnaire is based on multiple choice and close-ended questions. The study is mainly based on the primary data and the required primary data were collected through the structured questionnaire from 148 respondents. In this study simple percentage and weighted Average are used to interpret the data collected. The difficulty encountered while conducting the survey was time constraint, difficulty in getting appointments of Private Banking customers and internal banking restrictions do curtail my ability in meeting all customers within the given time. Today customers show more experience in investments, while they participate in investing decisions and request for personalized solutions.*

***Keywords:** Wealth management, Private Banking, Internet Banking*

INTRODUCTION

Private wealth management has become a profitable business for banks and asset managers around the globe. The three core drivers of private banking: While the wealth management industry has yet to find its new equilibrium, there are three fundamental characteristics across all surveyed wealth management markets that remain unscathed by the recent financial turmoil: First, private banking is an industry fundamentally geared for growth driven by socio demographic factors, entrepreneurship, and the increasing concentration of wealth. Second, revenue pools in private banking are

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cyclical in nature, strongly tied to the underlying equity market across all markets. Third, private banks have once again proven highly resilient, being able to generate profits even in difficult times.

REVIEW OF LITERATURE

Vyas P (2004) concluded that there was effective implementation of e-banking services in case of private banks and foreign banks, whereas, nationalized banks were found to have lesser degree of computerization. Salma (1998) studied technological reforms in the banking sector. The emphasis on technology as the key factor for improving performance and increasing productivity in banks has been well exemplified by her through illustrations. Most Indian banks, mainly private ones, are hastening to interconnect their countrywide branches. Turnbull and Gibbs (1989) found that the corporate customers perceived quality of service as the most important factor in establishing a relationship. Other influential factors were quality of staff, bank manager's attitude and price of service. Although very large companies considered quality of service as the most important factor, both price and quality of staff were equally important. Split banking relationship practice was common amongst the corporate customers. Almost all of the researchers agreed that physical appearance of the banks had no impact on their selection process.

OBJECTIVES

1. To study the awareness level of all the products and facilities provided to customers.
2. To study the usage level of Private Banking customers.
3. To find out the satisfaction level of banking with private banks.

DATA COLLECTION METHOD

The questionnaire was conceived in such a way that the questions as well as the answers were standardized. This is accomplished by employing fixed alternative. Such a questionnaire facilitates easy administration & tabulation and analysis closed ended questionnaire was used in the project.

Demographic Profile of the Respondents

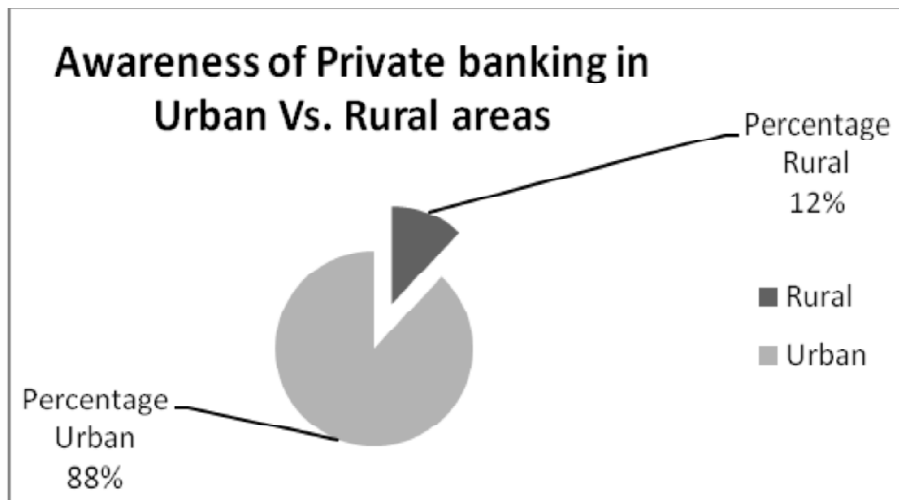
Kaynak *et al.* (1991) reported differences in bank selected criteria based on gender, age, education background of bank customer in Turkey. This study reported that male customer put more importance on reputation of the bank, business hours, parking facilities, availability of wide-range of services, and fast and efficient services than the female customers. The convenience (especially bank location) played important role for customer under age 40. According to educational segmentation, customers with more than primary education considered empathy, fast and efficient services, location of the banks more important than the uneducated group.

Table 1
Demographic Profiles

Parameter		%
	No. of Years of Relationship with bank	
0 – 1year		20
1 – 3 Years		36
Above 3 years		44
	Age	
30-40 yrs		43
40-60 yrs		39
<60 yrs		18
	Gender	
Male		74
Female		26
	Education	
Up to HSC		18
Graduate		23
Post Graduate		32
Professional		27
	Occupation	
Salaried		41
Self Employed		06
Business		13
Professional		11
Student		13
Retired		13
House Wife		03

The above table describes the demographic profile of customers in this study.

Chart 1: Awareness of customers towards private banks



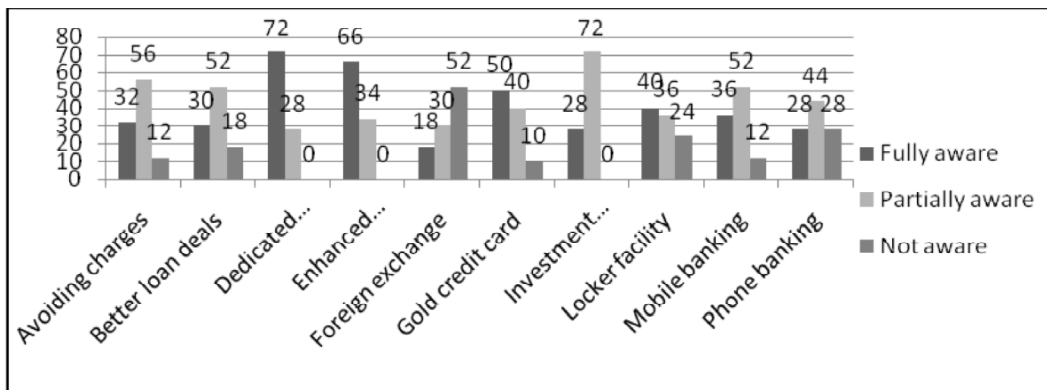
The above chart shows the awareness of private banking in Urban and Rural areas.

AWARENESS OF ALL THE PRIVILEGED BANKING SERVICES

M. Kailash (2012) have done a study in the same area and The findings show that Private sector banks performed significantly by satisfying its customers with good services and they have been successful in retaining its customers by providing better facilities than Public sector banks. Nirmaljeet Virk, Prabhjot Kaur Mahal (2012) has concluded that private sector banks are providing better services in terms of mutual funds, query resolution through telephone, branch facilities, services by teller and above all customer relations with manager.

Manoj Dash, Saroj Dash, Jai Prakash Sharma (2012) has made an attempt to do the comparative analysis of the service attributes among two major segments and it has revealed that private banks have dominated public sector banks in terms of delivering qualitative customer service. Although public sector banks played a vital role in reaching every segment of the society in the past, the performance in the current scenario is not encouraging. So, efforts should be made.

Chart 2: Awareness levels of Privileged Banking Services



The above chart shows the awareness of banking services offered by Private Banks.

RESPONDENTS' FREQUENCY OF USING DIFFERENT CHANNELS FOR BANKING WITH PRIVATE BANK

Aktan B., Teker E. and Erosy P. (2009) examined the usage of internet in Turkey to make a basic due-diligence investigation for the financial institutions, including banking, stock trading, insurance and provision of financial information over the period 2005 and 2008. The findings showed that internet usage in Turkey with its young population has continued to grow dramatically in financial services in terms of customers and financial transactions of various natures.

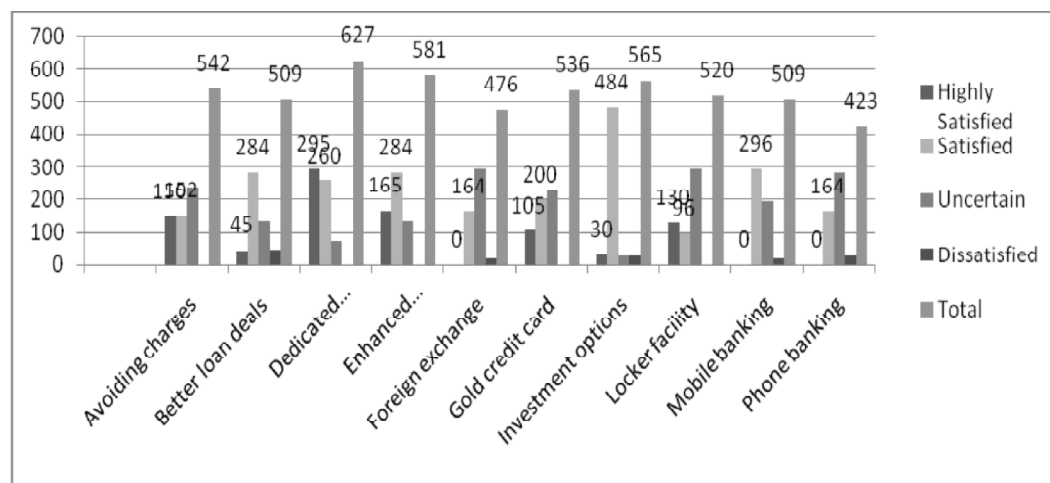
Frequency of using channels	Daily	Weekly	Fortnight	Monthly	Never	Total
ATM	75	320	123	24	-	542
Branch	-	72	204	124	-	400
Internet Banking	195	36	-	200	-	431
Mobile Banking	45	132	27	194	-	398
Phone Banking	45	36	45	230	-	356
Relationship Officer	75	120	123	78	23	419

The above table shows that that most frequently used channel for banking with is through ATM. The next frequently used channels are Internet Banking, Relationship Officer, Branch, Mobile Banking, and Phone Banking respectively. It is found that Phone Banking is the least frequently used channel for banking with Private Banks.

SATISFACTION LEVEL OF RESPONDENTS ON THE PRIVILEGED BANKING SERVICES

Riquelme H.E., Mekkaoui K.A. and Rios R.E. (2009) identified which customer service and online attributes predict overall satisfaction, determine that if satisfied customers use more online banking features than less satisfied customers and the characteristics of less satisfied customers. The sample of 185 customers is drawn from one of the main banks in Kuwait, the Middle East and multiple regression and discriminant analysis are used to analyze the data. The findings suggest that satisfaction can be generated through improving courtesy, content, timeliness and product and services offered and the majority of the customers in the sample are satisfied or very satisfied with the service and online systems attributes. The study explores that companies that offer a wide product portfolio and relevant website content accompanied by prompt and courteous response create satisfaction online.

Chart 3: Satisfaction Level of Respondents on the Privileged Banking Services



The table shows that dedicated relationship officer is the most satisfied privileged banking services. The next satisfied privileged banking services are Enhanced withdrawal facility, Investment options, Avoiding charges, Gold credit card, Locker facility, Better loan deals, Mobile banking, Phone banking, and Foreign exchange respectively. It is found that Foreign exchange is the least satisfied privileged banking services.

SUGGESTIONS AND CONCLUSION

Private Banks can use effective strategies to bring more customers under the Private Banking umbrella such as door step service, reduce the eligibility criteria to become a Private Banking customer etc. Private Banks can come out with strategic decisions to increase the usage level of all the facilities provided to Private Banking customers. Private Banks can give proper training to the persons in the Phone banking and try to reduce time lag in transaction through Phone banking. From the survey it is understood that the awareness, usage and satisfaction level of Private Banking customers is moderately good. It is also clear that customers have different needs, so they are adhered to limited facilities provided to them. Also the area such as increasing the effectiveness of privileges provided to Private Banking customers is to be adhered.

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