SATISFACTION AND BEHAVIORAL INTENTION AMONG CURRENT ACCOUNT HOLDERS IN HDFC BANK WITH SPECIAL REFERNCE TO MADURAI BRANCH

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Abstract: *Customer satisfaction has become the prime subject organizations and researchers. This research has been narrow only to the current account customers within three major places and the sample size is 100. In this research the researcher studies the service quality of HDFC bank in Madurai by obtaining the opinion of the customer's. This research is a descriptive research and quota sampling technique was used. Likert 5 point scales were used ranging from extremely satisfied to extremely dissatisfied to measure the opinion towards customer satisfaction of HDFC bank. Similarly Likert 5 point scale starting from highly likely to highly not likely is used to evaluate behavioral intention of customers towards the service provider. Chi-square test, Friedman Test, correlation, Descriptive analysis is used to analyze data. More regular current account customers are satisfied with HDFC bank product and services. The customer those who are associated with HDFC for a short period responded negatively for few questions. The customers were attached with HDFC and were not willing to switch to competitor if they experience problem in HDFC bank while few of the customers were willing to switch to other banks if they experience problem in future with HDFC bank. It is obvious that the company needs to provide persuasive and advertisements through effective Medias like TV, Newspapers, Hoardings, Bit Notice, and FM Radio.*

Key word: *Behavioral intention, Customer satisfaction, Customer Perception, customer Expectation, Service quality.*

1. INTRODUCTION

Customer satisfaction has become the key result area for all business. The principal objective of any organization is to maximize profits and to minimize cost by offering good quality and to meet out the expectation of the customers. Now a days competition among banks and choices available to bank customers have led to a

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situation that a single customer owns multi account in several banks. It is also found that the dissatisfied customers tend to switch their operation to another bank.

In general services quality literature it is assumed that higher order of services quality leads to customer satisfaction, which shall lead to customer loyalty and this ultimately leads to business profitability in long run. Similarly, Rust and Zahorik (1995), in their research addressed the chain of impact of services quality to customer satisfaction and customer satisfaction to customer retention and loyalty and customer loyalty on the profitability. They also argue further that maintaining an existing customer is far more challenging than attracting new customer. So, service providers must make efforts to retaining their customers by satisfying them. Once the customers are satisfied, there is a greater probability to be loyal and that ultimately reflects on the profitability. Similarly Fornell (1992) in his study on Swedish consumer's opinion, it is observed that though service quality and customer satisfaction are very important for all firms, similarly satisfaction is highly significant for loyalty in service industries such as banks, mutual fund and insurance.

This study initiates to study the relationship between the customer satisfaction and their behavioral intention among the current account holder in HDFC bank in Madurai. There are many empirical researches which have proved the association between the satisfaction and behavioral intention. But this study specifies its focus on HDFC bank in Madurai region. It is understood that the customers who have positive experience with the service provider tend to behave positively and customer with negative experience tend to behave negatively. This research paper intends to understand the satisfaction level of the HDFC current account holders and their intention to behave with respect to their satisfaction level.

The statement of the problem in this study is focused and addressed clearly. The outcome of this study shall enhance HDFC bank to bring some operational changes and to retain their customers. This study is limited to current account holders of HDFC bank in Madurai. The finding of the study shall also be applied to the customers who may bank under the similar environment.

2. LITERATURE REVIEW

Abdullah and Rozario F. (2009) found in their study that the customer satisfaction influenced by service and product quality. The study was conducted from 149 respondents from a well-known hotel in Kuala Lumpur, Malaysia. The researcher underwent psychometric testing to ensure the reliability and validity of the instrument. In their study they observed positive relationship between ambience / place and service quality among the customer satisfaction. It was also observed in the study that the relationship between quality of services and customer satisfaction were in negative direction. They also recommended future researches to focus on determining attributes that influences customer satisfaction while cost or price is not a major factor. Somehow the factors like place / ambience is more

influencing customer satisfaction.

Hua G. (2009) conducted a study among the users of online banking system in China. In their study they attempted to find the opinion towards the easy to use website and the privacy policy of the banker in their website. The study was conducted among 110 Chinese University undergraduate students. The study observes that the factors perceived privacy policy and ease of use have significant impact over user's adoption of internet banking. This research investigated the relative importance between privacy, perceived ease of use and security. It was observed that perceived ease of use was given relatively less significance than security and privacy. Security was the utmost important factor that influences user's adoption. The research also discussed the implications of these results.

Riquelme, Mekkaoui and Rios (2009) executed a study to determine the influence of customer service attributes and online attributes over overall satisfaction. They attempted to study the online banking usages by highly satisfied and less satisfied customers. The study was conducted among 185 customers from a bank in Kuwait. Tools like discriminate analysis and multiple regression were applied for analyzing the data. From the findings of the study they suggested that satisfaction among the customers can be influenced by improving content, timeliness, courtesy, and services offered. Moreover it was also understood that the major part of the customers were satisfied and highly satisfied towards the services offered through online system. The study also explores that the companies that offer wide products and website content updation in connection to that in a prompt and courteous manner improve the customer satisfaction through online banking.

3. RESEARCH METHODOLOGY

3.1 OBJECTIVES OF STUDY

 i. To study the customer satisfaction level of HDFC bank on the service quality factors.

 ii. To pin point or to identify the strong and weak service attributes of HDFC bank and to suggest means to improve and to retain customers strategically.

 iii. To identify the impact of SQD on Overall satisfaction of the customers and on Behavioural Intention of the customers.

3.2 SCOPE OF THE STUDY

This research study and its findings shall be applicable to the similar banks offering similar services of identical customers. This research has been narrow only to the current account customers within three major places and the sample size is 100.

3.3 HYPOTHESIS TESTING

H1: There is an association between kind of current account and overall customer satisfaction level

H2: There is significant relationship between continue doing business in HDFC bank if service charges increase somewhat and years of having current account in HDFC bank.

H3: There is significant relationship between Switch to Competitor If Experience Problem with HDFC bank and complain to other customers if experience problem in HDFC Bank.

H4: There is significant relationship between switch to competitor if experience problem with HDFC bank and years of having current account in HDFC Bank

3.4 METHODOLOGY

In this research the researcher studies the service quality of HDFC bank in Madurai by obtaining the opinion of the customer's. Therefore this study is descriptive in nature since it describes the opinion of the respondents (customers). Quota sampling technique was used, where current account customer total are 1750, in that the researchers select major three areas like East Masi Street, Kamarajar Salai and Palace road in Madurai. The total population in this three areas are 417, from that the researcher selected the sample size as 100 by interview method. A well structure questionnaire including the demographical profile of the HDFC bank customers and question covering, various attributes related to RATER dimensions of service quality was prepared. Likert's five point scales were used ranging from extremely satisfied to extremely dissatisfied were adopted to measure the opinion towards customer satisfaction of HDFC bank. Similarly Likert5 point scale ranging from highly likely to highly not likely was used to evaluate behavioral intention of customers towards the service provider. The questionnaires were distributed to the customers who are the account holders of HDFC banking Madurai. Chi-square test, Friedman Test, correlation, Descriptive analysis are used to analyze data. This Research was done from March 2014 to June 2014.

4. ANALYSIS AND INTERPRETATION

4.1 Demographic Profile of the Respondents

82% of the respondents are male and 18% of respondents are female. More over 26% of the respondents belongs to the age group of 18-30 years, 33% of the respondents belong to the age group of 30-40 years, 34% of the respondents belong to the age group of 40-60 years and 7% of the respondents are above 60 years of each.

In addition to this 14% of the respondents Turnover falls under 10L – 20L (L–Lakhs), 29% of the respondents Turnover falls under 20L – 50L, 42% of the respondents belong to Turnover 50L – 1Crore and 15% of the respondents were having above 1Crore turnover. 37% of the respondents are doing Proprietorship business, 21% of the respondents are doing Partnership business, 29% of the respondents are working in Private Limited, and 5% of the respondents are working in Public Limited and 8% of the respondents belong to others.

63% of the respondents are having Regular Account, 21% of the respondents are having Premium Account, 7% of the respondents are having Professional Account, 3% of the respondents are having flexible Account, 6% of the respondents are having other Account.16% of the respondents are holding the accounts with HDFC for Below 12 Months, 27% of the respondents are 1 – 3 Years, 36% of the respondents are 3 – 5 Years, and 21% of the respondents are Above 5 Years.

4.2 Reason for Customers Dissatisfaction

It is clearly understood customers feel dissatisfaction towards few factors they as such; 3% of the respondents are dissatisfied because of Poor Service Quality, 2% of the respondents stated Poor Employee Response for their dissatisfaction, 8% of the respondents are opined HDFC bank is far from their residence, 3% of the respondents have expressed that waiting time is high, similarly 5% of the respondents opined that there is delay in operation, 2% of the respondents stated that bureaucratic in Nature, 3% of the respondents have stated for the reason poor communication.

4.3 Respondents Satisfaction Level on Various Attributes

i. 47% of the respondents are extremely satisfied with equipment and technology, and only 2% of the respondents are extremely dissatisfied.

ii. Similarly 29% of the respondents are extremely satisfied with Infrastructure of HDFC Bank, 18% of the respondents are dissatisfied and only6% of the respondents is extremely dissatisfied.

iii. It is observed that 32% of the respondents are extremely satisfied with seating space for waiting, 17% of the respondents are dissatisfied and 19% of the respondents are extremely dissatisfied.

iv. It is observed that 55% of the respondents are extremely satisfied with internet banking facilities and only 2% of the respondents are dissatisfied.

v. From the calculations it is clearly stated that 25% of the respondents are extremely satisfied with parking facility, 22% of the respondents are dissatisfied and 7% of the respondents are extremely dissatisfied.

vi. A handsome of 38% of the respondents was extremely dissatisfied and only 5% of the respondents are dissatisfied and only 3% of the respondents is extremely dissatisfied.

vii. From the analysis it is found that 32% of the respondents are extremely satisfied towards helping attitudes to the customer in urgency, 8% of the respondents are dissatisfied and 12% of the respondents are extremely dissatisfied.

viii. It is found that 39% of the respondents are extremely satisfied with convenient HDFC ATM facilities, 42% are satisfied, 7% of the respondents are dissatisfied and 4% of the respondents are extremely dissatisfied.

ix. It is inferred that the mean rank for internet banking and do something as per the promise factors are high and the customers are highly satisfied. On the other hand the mean rank for parking facility and seating space for waiting factors are low and the customers are dissatisfied so the bank should necessary steps to provide adequate seating space and parking facilities

4.4 Behavioural Intention of the Respondents

i. Similarly it is observed that 22% of the respondents are highly likely to continue their Business even though they Experience the Problem With HDFC Bank, 37% of the respondents are Likely, 16% of the respondents are No Ideas, 18% of the respondents are not likely and 7% of the respondents are Highly Not Likely.

ii. It is observed that 23% of the respondents are Highly Likely Switch to Competitors if any problem occurs with HDFC bank, 43% of the respondents are Likely to switch over, 9% of the respondents are not likely and 11% are Highly Not Likely to switch over ever if any problem arises.

iii. 11% of the respondents are highly likely, to complain about the problems with HDFC services to other customers. 18% of the respondents are not likely and 10% of the respondents are Highly Not Likely to complaint to other customers. However 43% of the respondents are highly likely to complain the problems they experienced with the HDFC services to HDFC employees.

4.5 Results of Hypothesis Testing

i. By applying correlation analysis it is observed that It infers that there is a positive correlation between somewhat increase in charges and years of having current account in HDFC Bank. Hence the long term customers are loyal to the bank even the service charges increases and those customers who are doing business with HDFC a short duration are leaving HDFC bank if it increases the service charges somewhat.

ii. It infers that there is a positive correlation between switch to competitor if they experience problem and complain to other customers if experience problem in HDFC bank. So the customer those who are attach with HDFC for a short period they may complain about the negatives related to services of HDFC bank to other HDFC customers.

iii. By applying Chi Square test it is concluded that there is no association between kind of current account and overall customer satisfaction level. Hence more regular current account customers are satisfied with HDFC bank product and services.

iv. It infers that there is a positive correlation between switch to competitor if experience problem with HDFC bank and years of having current account in HDFC bank. Hence the customers are attached with HDFC are not switch to competitor if they experience problem in HDFC bank and the rest of the customers are willing to switch to competitors if they experience problem with HDFC bank services.

5. DISCUSSION

A handsome number of the respondents are not satisfied with seating space for waiting. Addition to this few respondents are not satisfied with Internet banking facility. More over some of the respondents are not satisfied with parking facility. Majority of respondents are satisfied with helping attitude to the customers in urgency. And it is found that there is no association between kind of current account and overall customer satisfaction level. Hence regular current account customers are satisfied with HDFC bank product and services.

It is found that that there is a positive correlation between charges increase somewhat and years of having current account in HDFC Bank. Hence the long term customers are loyal to the bank even the charges increases and short term customers are leaving from the bank if charges increases somewhat. It is concluded that there is significant difference between mean ranks towards customer satisfaction. The mean rank for internet banking and do something as per the promise factors is high and the customers are highly satisfied. On the other hand the mean rank for parking facility and seating space for waiting factors are low and the customers are dissatisfied so the bank should take action.

6. SUGGESTIONS

Customers of the bank hesitate to completely rely on the bank. The bank shall shows sincere interest in solving whenever the customers come across any problem with in the certain time as promised. There is a huge role of staff in the satisfaction

of customer shall be recognized and the staffs shall be trained accordingly. The management shall understand the benefits of service quality and suggested to focus on customer satisfaction, improved customer retention, positive word of mouth, decreased operating costs, reduced staff turnover, enlarged market share, increased profitability, and improved financial performance.

7. GENERAL SUGGESTIONS

Customers from rural areas they find difficulties in travelling to the bank for services. So the bank shall open branches in rural areas. Some respondents have opined that they are facing difficulties in adopting new technologies like net banking/ mobile banking services. It infers that the bank should guide the customer on adopting new technologies in order to achieve their mission of 'world class Indian bank'.

8. CONCLUSION

The general performance of the bank towards enhancement of services quality is commendable. It is understood that the company needs to provide persuasive and advertisements through effective Medias like TV, Newspapers, Hoardings, Bit Notice, and FM Radio. HDFC BANK, the pioneer in bringing this service will definitely attract more customers since they are redefining their products from traditional ones and introducing many new market linked products by making it more professionalized, customers never experienced before. And the bank needs to take quick actions in order to turn dissatisfied customers into a satisfied one.

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