

***“A study on perception of customers towards banking services provided by
MRB - Branches in Lunglei Town”***



***A report submitted to Department of Commerce, Higher And Technical
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Chapter I

Introduction

1.1 Conceptual Framework

Banking system is an important constituent of overall economic system. It plays a crucial role in the attainment of macro-economic objectives. In the rural banking, service quality remains very essential parts of customers' experience. As a result, most the rural banks consistently appraise their services to promote customer satisfaction, keeping in mind the end goal to improve customer loyalty.

The impact of electronic banking on customer satisfaction is one of the important aspects of marketing of banking services through innovative technologies in the modern world. This study would be very important in the present day banking services which help to provide valuable information to strengthen the banking services and also fulfil the expectations of the existing customers through its innovative information technology. This research focuses the level of customer satisfaction derived from banking services of Rural Bank

1.2 Literature Review

Aby Abdul Rabb (2014) evaluated the customers' satisfaction towards the banking services rendered by the RBI in Kanyakumari District. The author conducted a literature search on banking services of RBI interviewing of its 150 customers and thoroughly scrutinized how it caters to the banking needs of the inhabitants of Kanyakumari district. The study also focused on various factors that determine the customers' satisfaction like employees' behavior, banking services, banking performance, infra- structure facility, loan-oriented and other value added services. Analysis was made by using various tools like percentage Analysis, Chi- Square Test and charts. The result showed that there is a significant relationship between the variable of customer satisfaction and banking services of the RBI and the customers have a medium level of satisfaction. The RBI could consider the researcher's suggestions in order to alleviate its reputation and customer satisfaction.

Dr. V. Aravmudhan (2014) analyzed the relationship among service quality, customer satisfaction and customer retention in Lakshmi Vilas Bank at Tiruchengode town. It addresses whether the dimensions of service quality impacts customer satisfaction which eventually leading to customer retention. Correlation was used to analyze the relationship among service quality, customer satisfaction and customer retention. Service quality and customer satisfaction have a

positive correlation with customer retention. Hence, the bank provides quality services and also highly satisfies and retains their customers.

Minal Shah, Dr. Sanjay Guha, Dr. (Mrs.) Urvashi Shrivastava (2013), conducted to study the customer perception towards services provided by public banks. The research has been conducted with public sector banks. Typically, customers perceive very little difference in the banking products offered by public banks dealing in services as any new offering is quickly matched by competitors. Parasuraman et al (1985) and Zeithaml et al (1990) noted that the key strategy for the success and survival of any business institution is the deliverance of quality services to customers. The present study wanted to examine to Customer's Satisfaction towards Banking Services of Rural Bank of India and also find out any possible satisfaction among RSBI services.

Nisha Malik & Chand Prakash Saini (July 2013) have examined the study of relationship between service quality and customer satisfaction of two private sectors bank of India. They may be difference between customers of public and private sectors banks, but why are two banks of one sector being preferred differently by customers. This research study is an effort to find out the answer of these questions.

Vijay M. Kumbhar (2011) the study evaluates major factors affecting on customers' satisfaction in e-banking service settings. This study also evaluates influence of service quality on brand perception, perceived value and satisfaction in e-banking. Required data was collected through customers' survey. For conducted customers' survey liker scale based questionnaire was developed after review of literature and discussions with bank managers as well as experts in customer service and marketing.

1.3 Statement of the project

From the present observation on the Mizoram Rural Bank, it is set up mainly with a view develop rural economy by providing for the purpose of development of agriculture, trade , commence, industry and other productive activities. But in Lunglei, it is revealed that the customer found the problems of delayed services, such as the lack of proper guidance, discrimination between small and bid customer by tea bank stuff. As it is the only bank that plays a role in various government schemes where funds does not areas, the deposits of the funds does not entail any interest for the bank, bit involved in its management at the same time.

Sometimes the technology used in the bank is unsatisfied. At the same level on the overall quality

of the services provided by the Bank. While banking with the bank due to the insufficient customer care there are times when problems arise. It is not highly recommend the bank for associates. The off bank officials and the workers take accounts and incurs a lot of time being spent without any profit from the bank.

1.4 Objective of the project

- To know the customer satisfaction level and their perception regarding rural bank.
- To find out the customer awareness regarding the banks product.
- To find out the problems face by customers regarding the bank droduct and services.
- To analyze the customer opinions towards different services.

1.5 Research Methodology

1.5.1 Sample size

Sample size denoted the number of elements selected for the study. For this research, 25 respondents were selected who are willing to participate and share their opinions and experience regarding the topic.

1.5.2 Sources of data collection

The primary data collected were through structured questionnaire that is circulated to the participants through Google forms

The secondary data were collected through different sources. Such sources include journals and thesis published, existing research articles and various websites of the internet, which have been very helpful in understanding the concept and meeting the objectives.

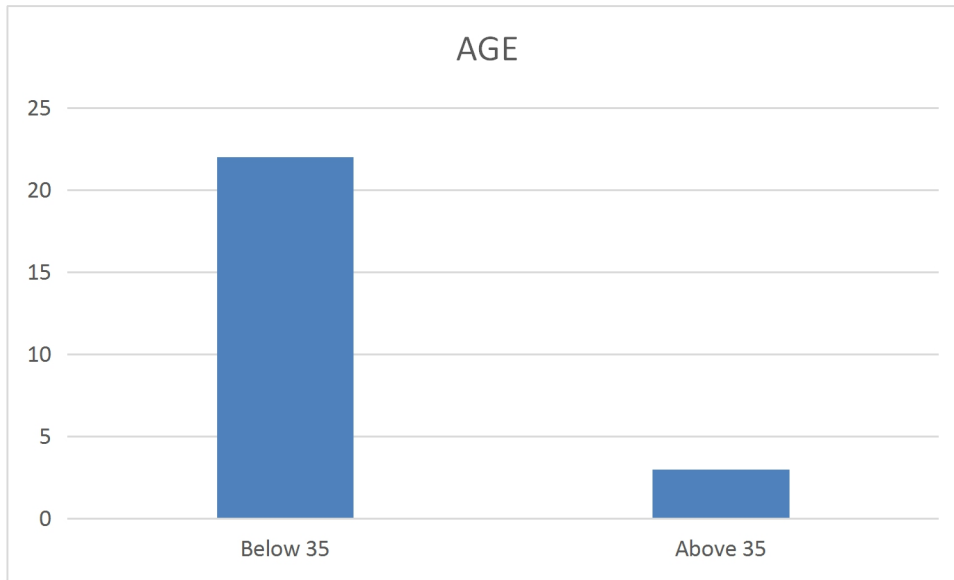
1.6 Limitation of the project

- The survey has been conducted only on 25 respondents.
- The respondents of the study are participating through Google forms.
- Unwillingness of some respondents to provide information is another limitation.
- The accuracy of the findings of study depends upon the correctness of the responses provided by the respondents.

Chapter II

Data Analysis and Interpretation

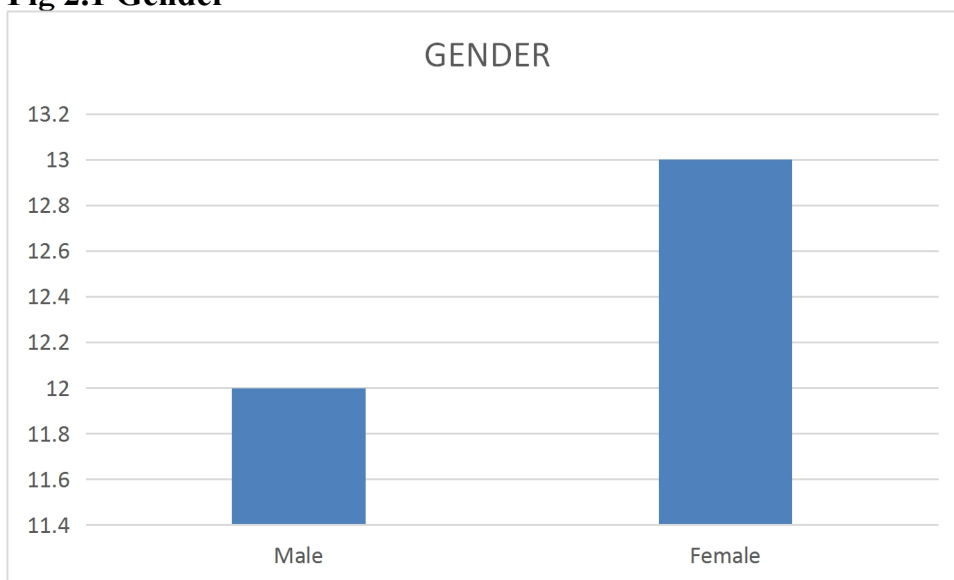
Fig 2.1 Age



Interpretation

Responses have been collected from 25 people. Out of which 22 were below 35 years and 3 are above 35.

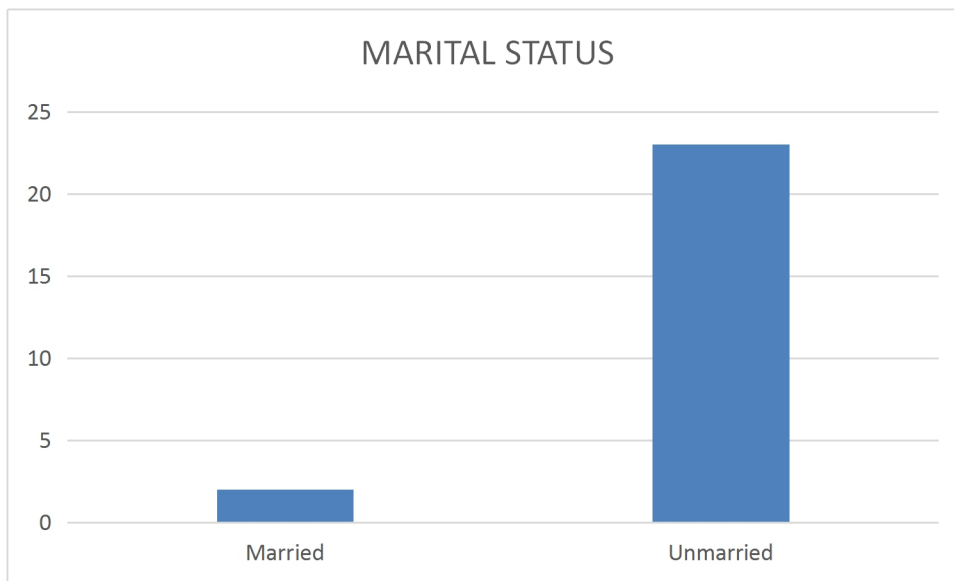
Fig 2.1 Gender



Interpretation

12 people were male and 13 people were female.

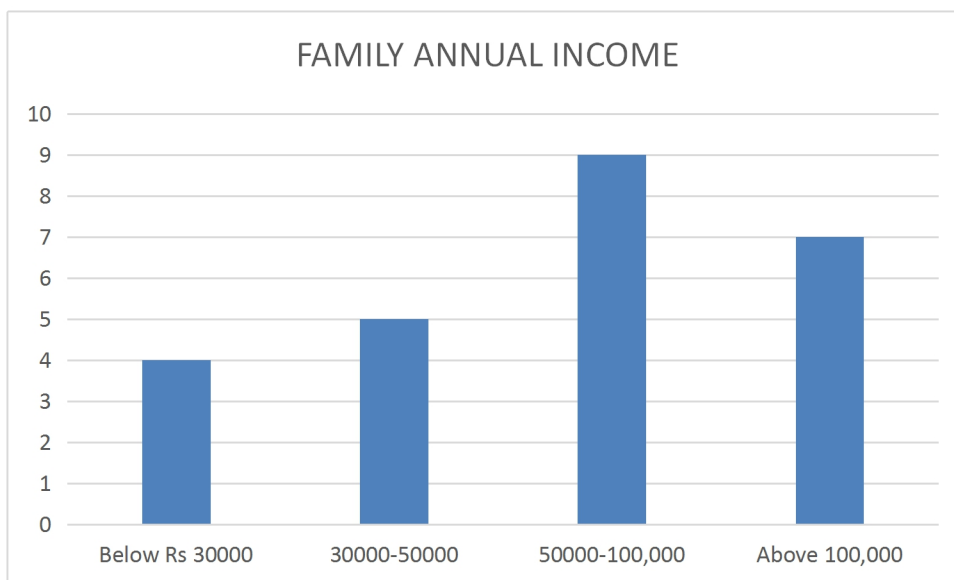
Fig 2.3 Marital Status



Interpretation

Out of 25 respondents, 2 people were married and 23 were unmarried.

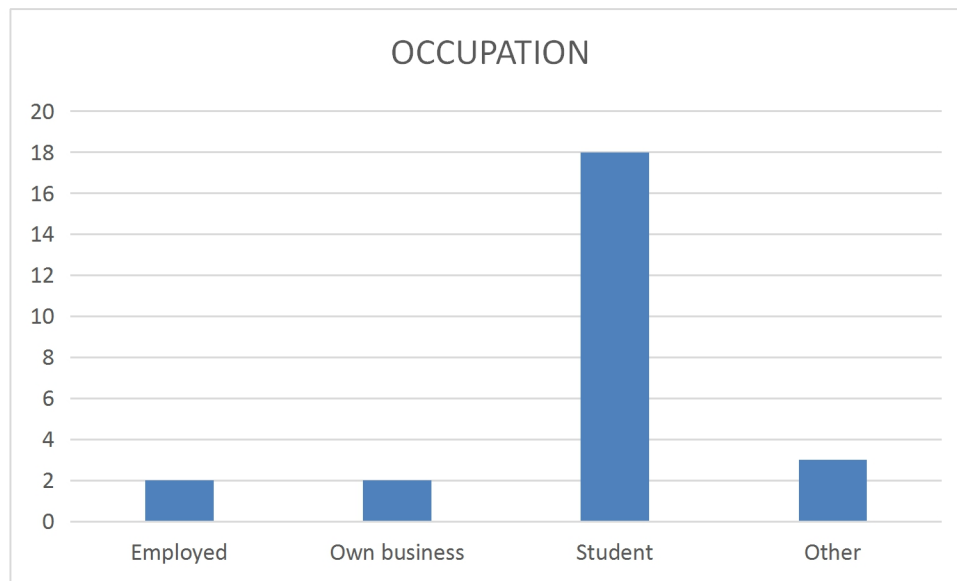
Fig 2.4 Family Annual Income



Interpretation

The maximum respondents belong to the income between Rs.50,000 – 100,000 and the minimum respondents belong to the income of below Rs.30,000

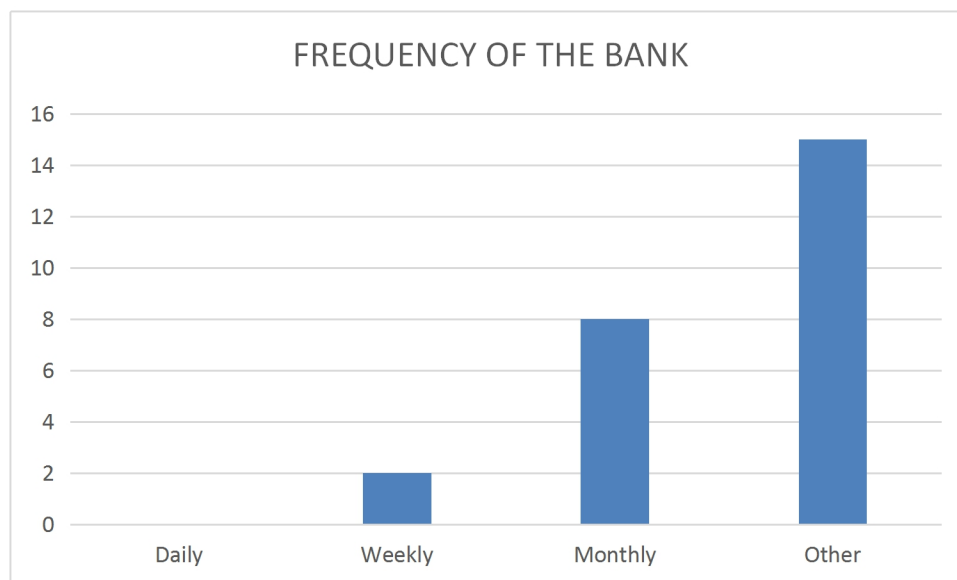
Fig 2.5 Occupation



Interpretation

It can be seen that majority of the respondents are students, followed by others, employed and people who have their own business.

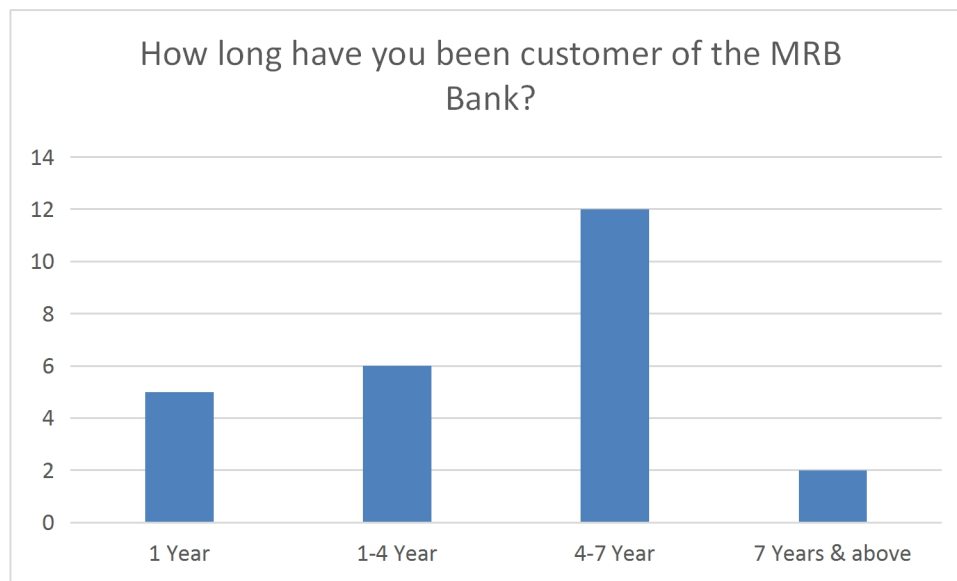
Fig 2.6 Frequency



Interpretation

It shows that the maximum of the respondents who used the bank don't use them periodically, next was followed by the respondents of monthly, and only few of the respondents are having weekly transaction, and none of the respondents uses it for daily transaction.

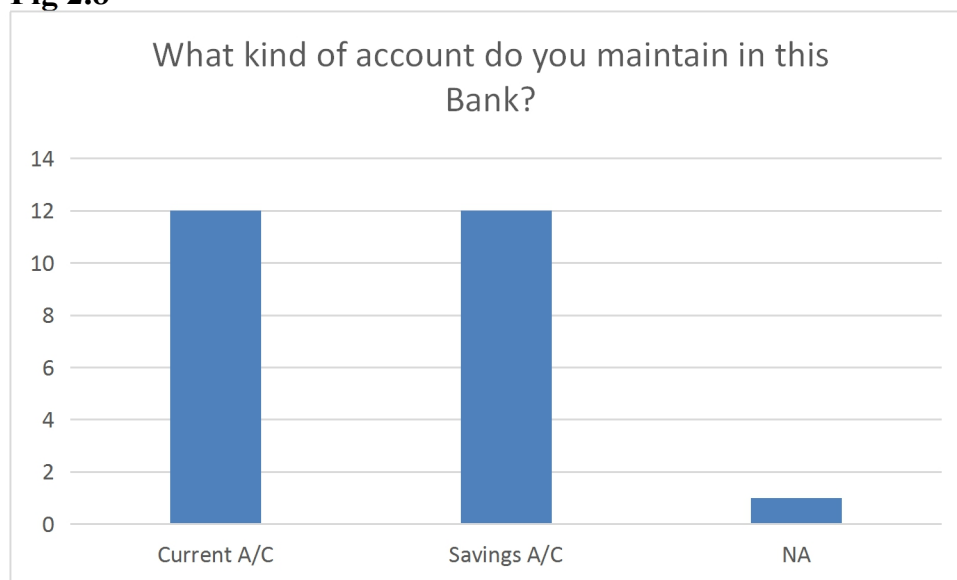
Fig 2.7



Interpretation

It clearly shows that the maximum respondents are being a customer for 4-7 and above, and the minimum respondents are those who are customer for 1 year.

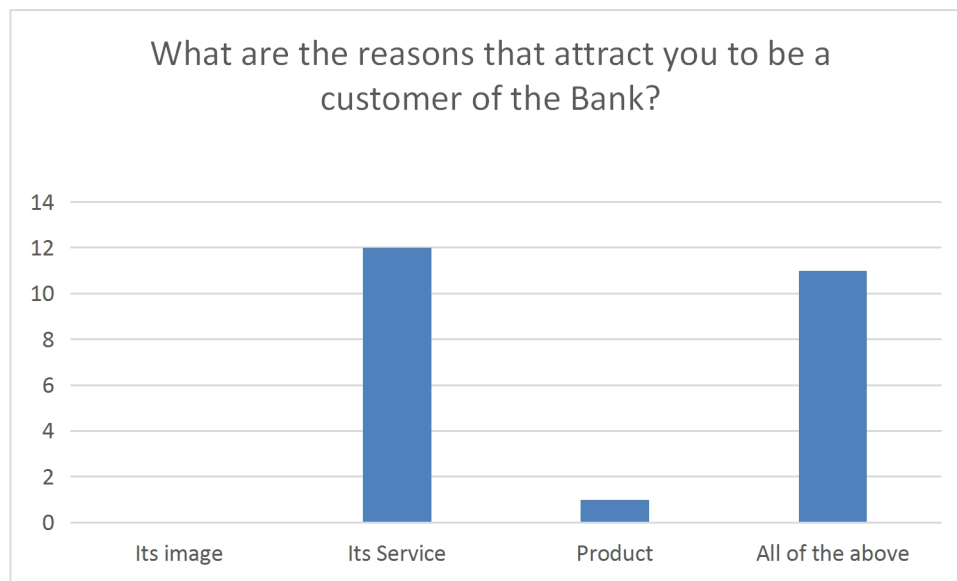
Fig 2.8



Interpretation

Out of the 25 respondents, 12 people have Current A/C and other 12 people have Savings A/C and 1 other respondent does not specify his account details.

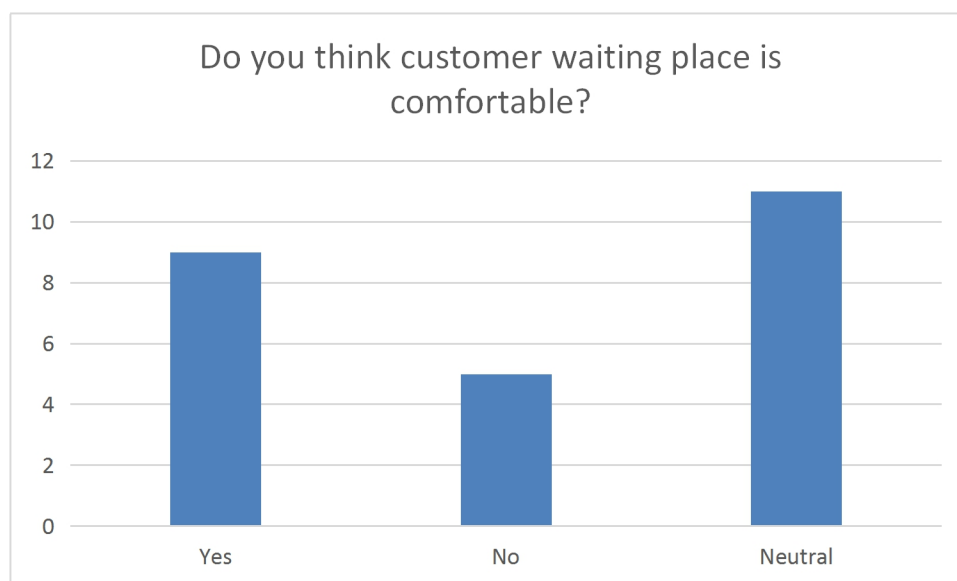
Fig 2.9



Interpretation

From the responds, it can be clearly seen that most of the respondents are interested in the services, followed by people who are interested in the services, product and image combined and small amount of the least in the products. None of the respondents are interested in the image alone.

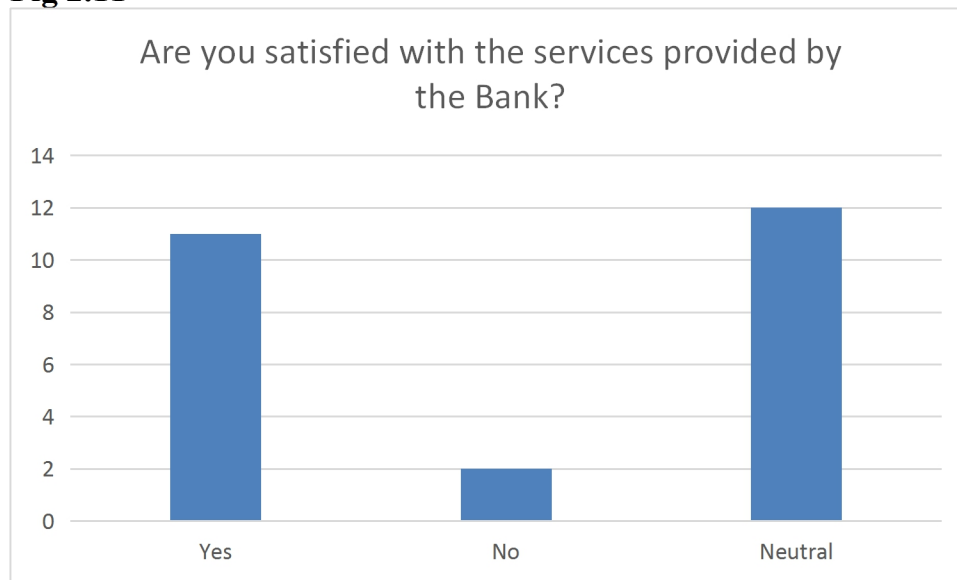
Fig 2.10



Interpretation

The maximum respondents feel comfortable about the customer waiting place, and the minimum respondents are not feeling comfortable.

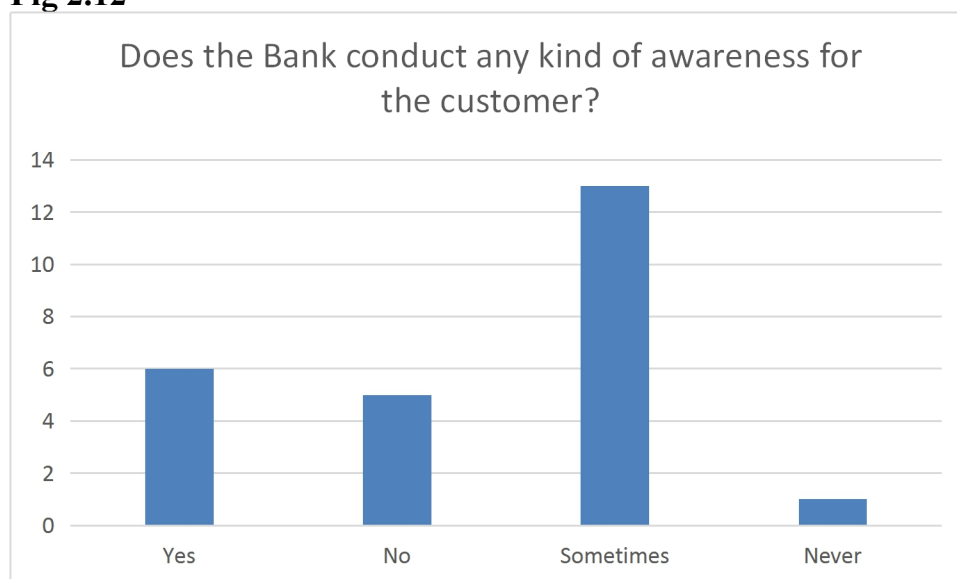
Fig 2.11



Interpretation

11 of the respondents are satisfied with the services provided by the bank. 2 of the respondents are not satisfied. Majority of the respondents are having neutral feeling about the services.

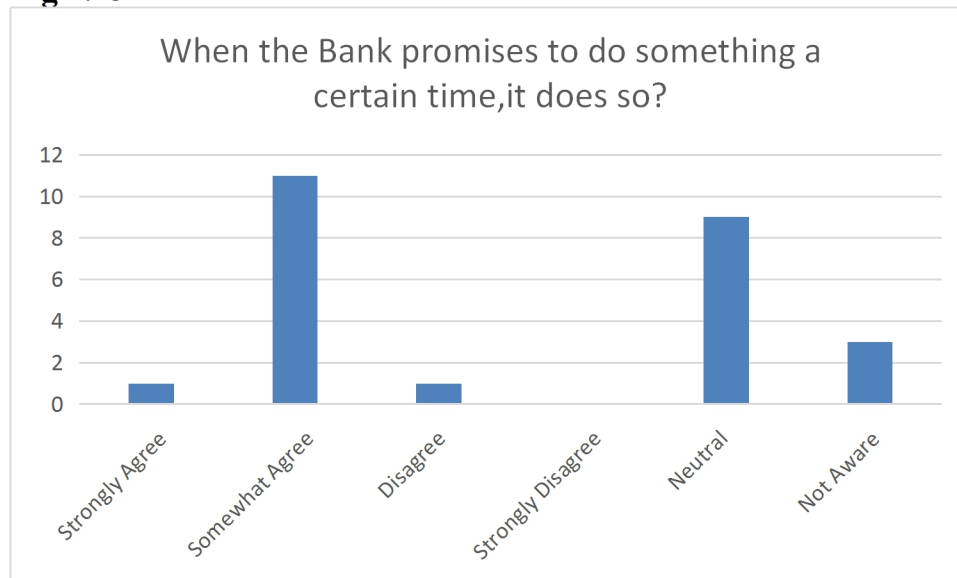
Fig 2.12



Interpretation

When questioned about the awareness programs conducted by the bank, most of the respondents said that they “sometimes” do conduct, while the least population of the respondents said “never”.

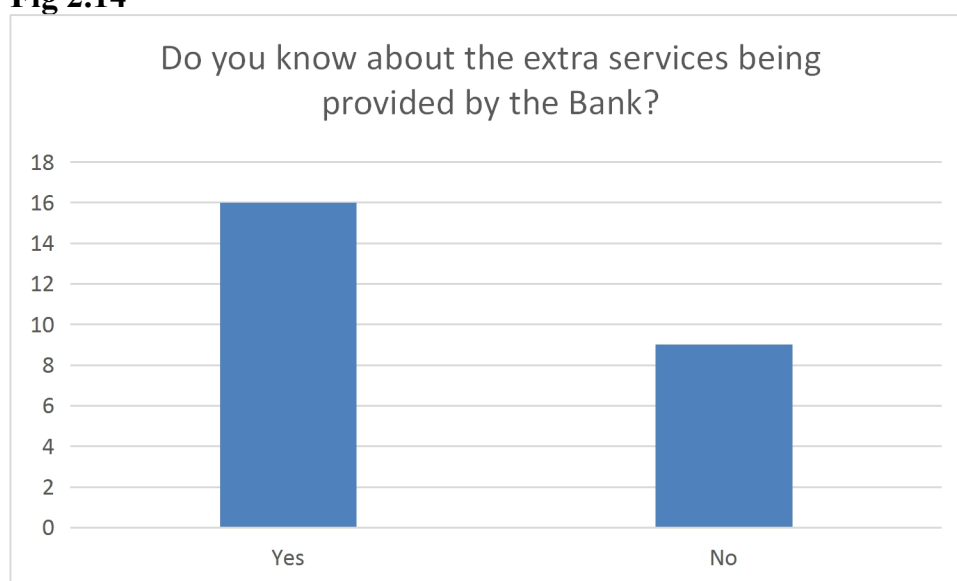
Fig 2.13



Interpretation

Most of the respondents somewhat agreed that the bank keep their promises on time while none of the respondents strongly disagree to it.

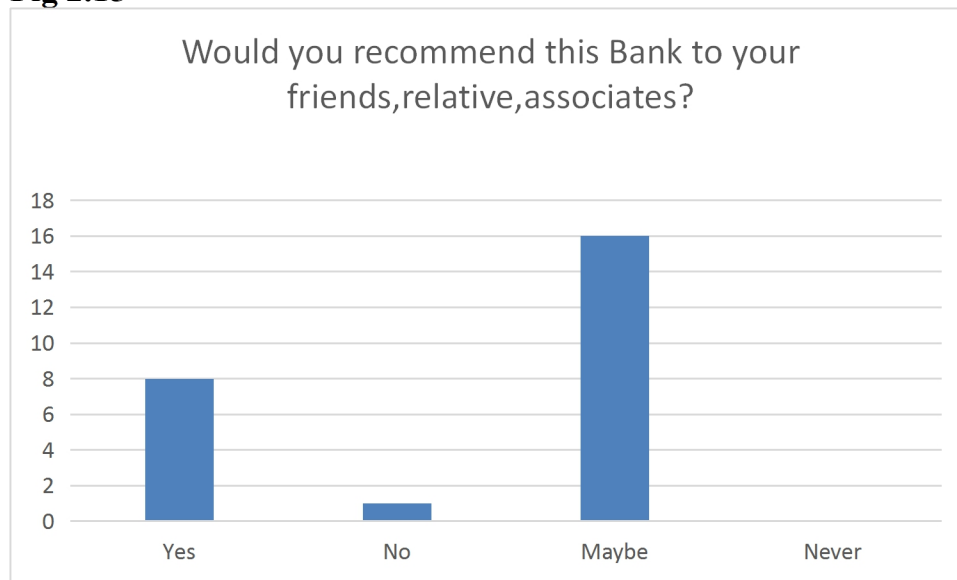
Fig 2.14



Interpretation

Majority of the respondents state that they are aware of the extra services provided by the bank and the remaining people don't know about them.

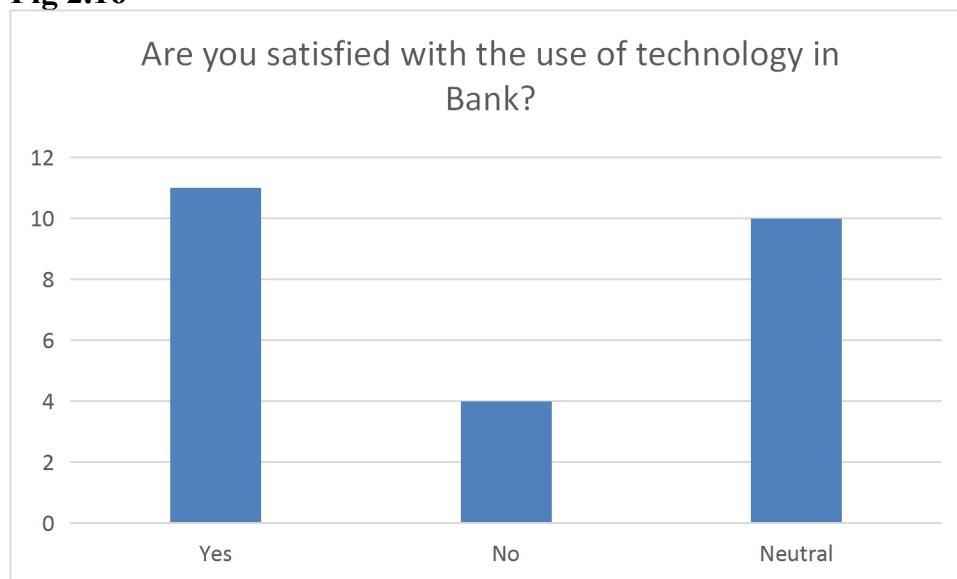
Fig 2.15



Interpretation

Out of 25 respondents, 16 people state they may recommend this bank to their friends, relatives and associates. 8 people say that they would and 1 person said they wouldn't.

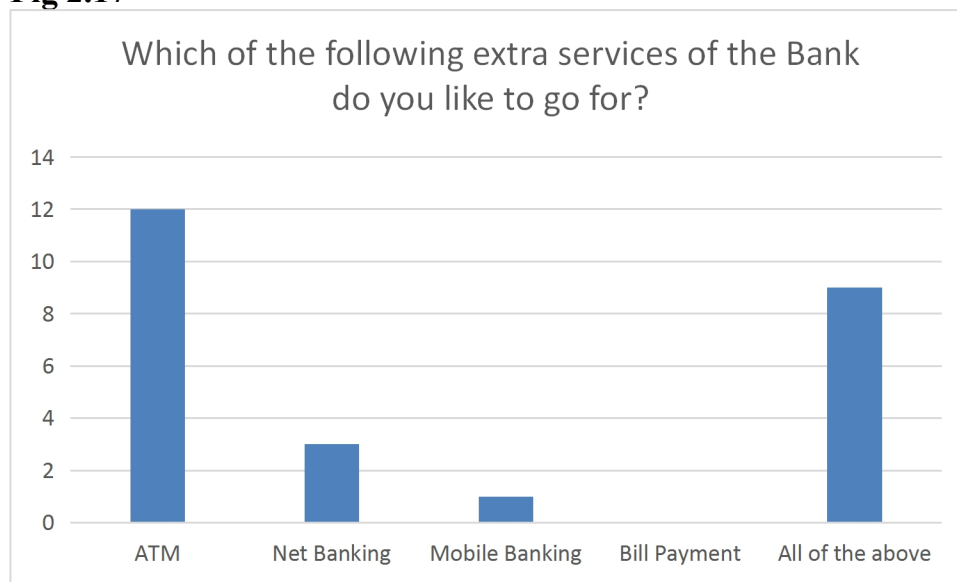
Fig 2.16



Interpretation

Customers are mostly satisfied by the technology used in the bank. The least respondents are not satisfied.

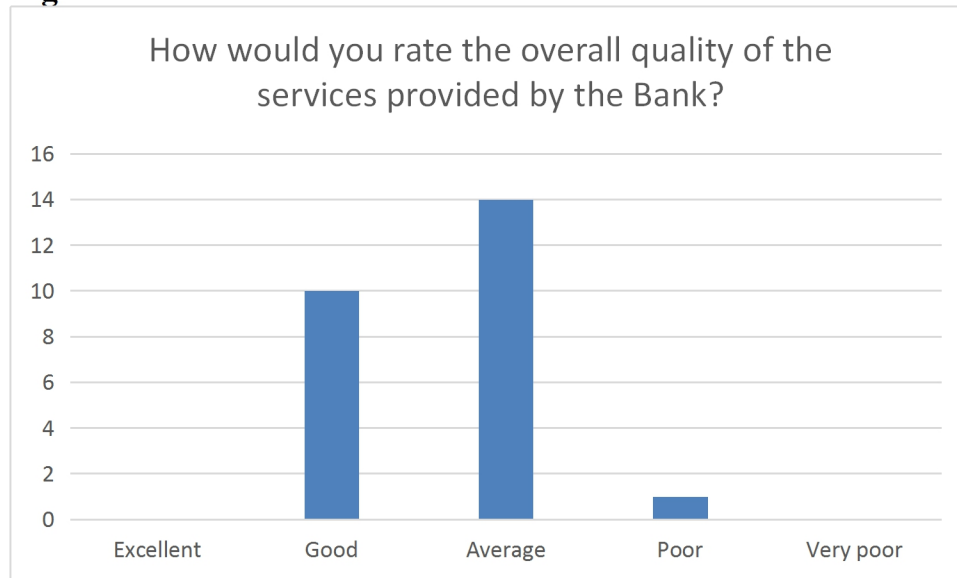
Fig 2.17



Interpretation

From the figure, we can see that majority of the respondents like to go for ATM services of the bank. None of the respondents go for bill payments, and few of the go for net banking and mobile banking.

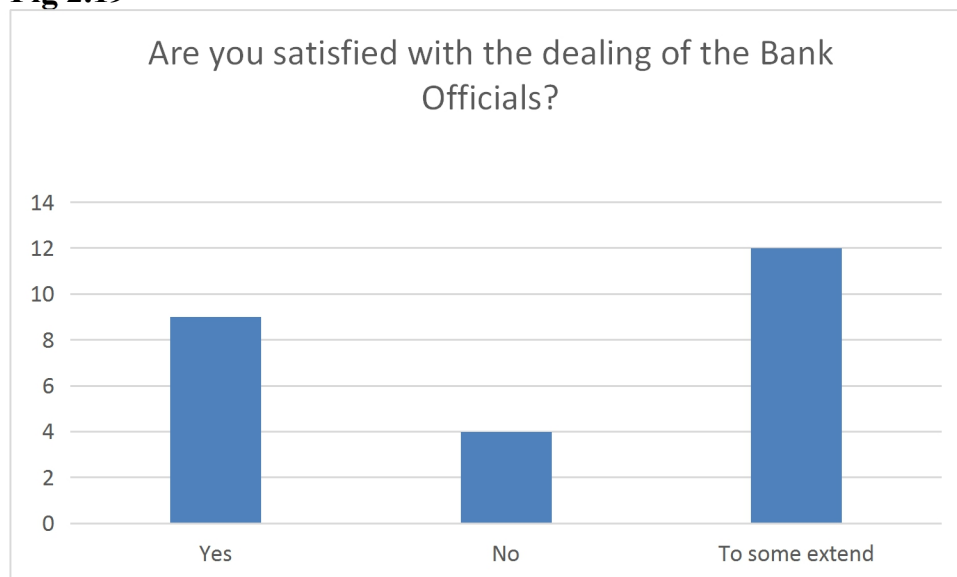
Fig 2.18



Interpretation

From the research, it is found that most of the people found the quality of the services to be average, followed by good rating and 1 person found the service as poor. None of the people are rating for excellent and very poor.

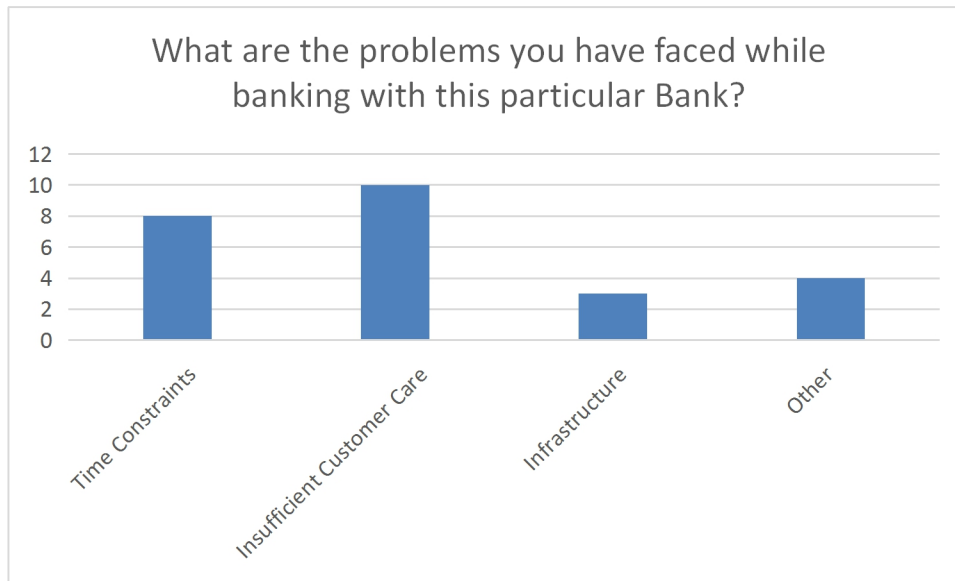
Fig 2.19



Interpretation

From the above figure, majority are somewhat satisfied to some extent with the dealings of the bank officials. Followed by people who are satisfied and minimum people are not satisfied.

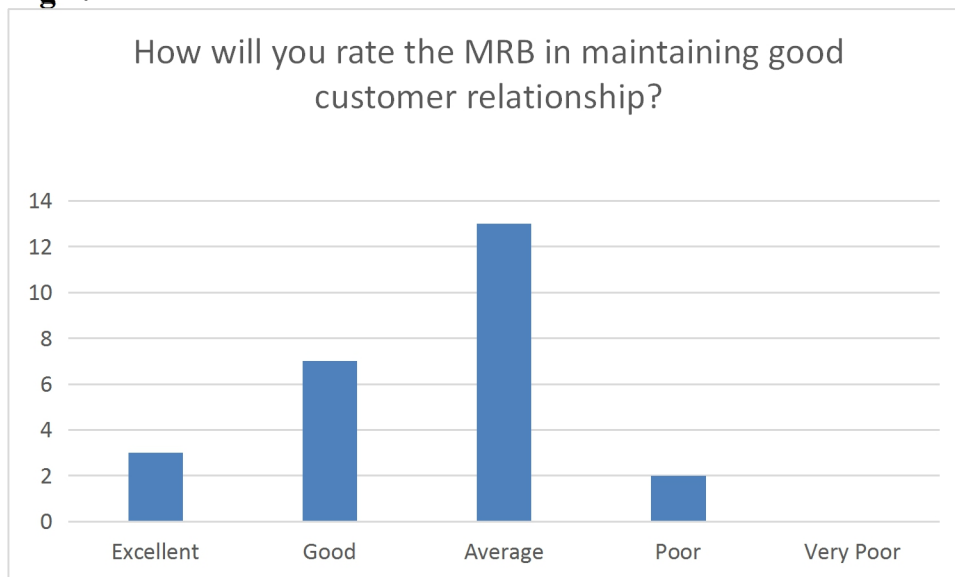
Fig 2.20



Interpretation

Majority of the respondents are facing problem of 'insufficient customer care' which is followed by problem of 'time constraints'. 3 people are not satisfied with the infrastructure and 4 people have other problem which is not mentioned above.

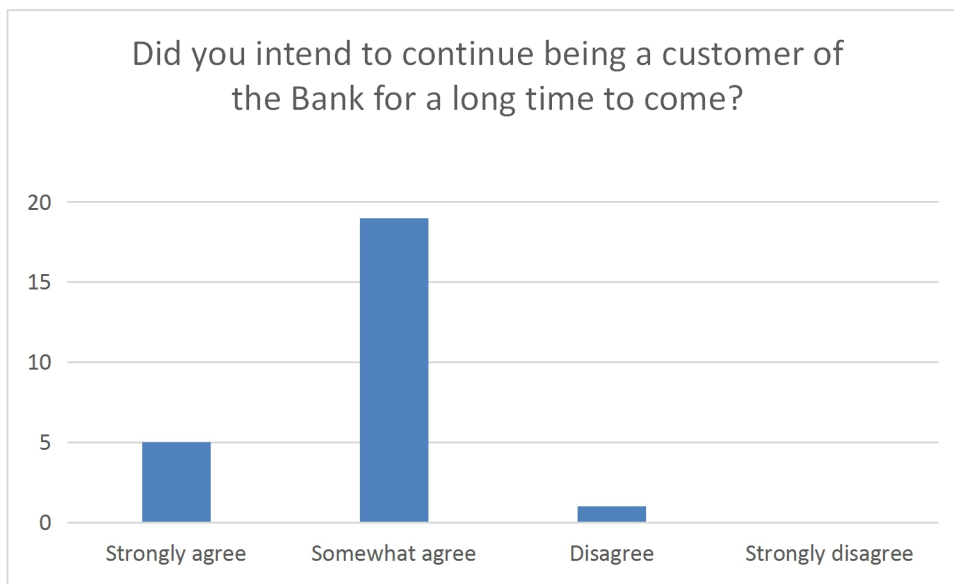
Fig 2.21



Interpretation

The respondents rate the customer relationship maintenance of MRB quite average, some of them rate them as good. Only few respondents are saying they are excellent and poor; and none of the can choose very poor.

Fig 2.22



Interpretation

From this customers opinion 19 of the respondents somewhat agree, 5 people strongly agree, 1 person disagree and none of the respondents strongly disagree.

Chapter III

Results and Discussion

The aim of the present study was to see the Customer's Satisfaction towards banking services provided by the Mizoram Rural Bank, Branches in Lunglei. This research is conducted from the customers of Mizoram Rural Bank from a particular area of Lunglawn, Venglai and Serkawn. Considering the factors of customers' satisfaction regarding the bank, it can be known that most of the customers are satisfied with the services provided by the bank. Through the study, most of the customer are interest in the services and found to be satisfied with the utilization of technology in the bank. Majority are somewhat satisfied to some extend within the dealings of the bank official. However, minimum people are not satisfied. Also from their perception regarding the bank, most of the respondents want to continue being a customer of the bank, while only few of the respondents disagree to it.

It is found that the Mizoram Rural Bank, Lunglei Branch sometimes used to conduct certain awareness programmed and most of the respondents are aware of it as well. Few of the respondents do not aware about this and only a single respondent do not know about the awareness system. From the customers' perception the waiting place provided for customers is quite uncomfortable but some of the respondents do not satisfied with the waiting place. Moreover, most of the respondents somewhat agreed that the bank keep their promises on time while none of the respondents strongly disagree. The customers are aware of the services offered by the bank and know about the extra services provided by the bank. Majority of the respondents like to go for ATM services of the bank, to some extend in mobile banking and net banking, and none of the respondents go for bill payment. Also most of the respondents like to go in for all of the above.

Chapter IV

Suggestion and Conclusion

- The more products that a customer has with the bank, the cheaper it is to serve them per product, and the more difficult it would be for the customer to switch to another bank. Thus the bankers should try to provide more products to the customers.
- Maintenance of confidentiality about the customer information and his\her account details etc.
- The bankers should improve the ability of the services to communicate with the customer in a way he or she will understand. This includes the clarity, completeness and accuracy of both verbal and written information communicated to the customer and the ability to listen and understand the customer.
- It is essential for the bank to maintain clear customer data base to improve its services quality. Banks can take a good look at their customer base; examine what customers want, what are the profitable services, what are the non-profitable services, which one can be retained and which one can be discharged.
- The politeness, respect and propriety shown by the service, usually contact staff, in dealing with the customer and his or her property. Thus, the banks should train their staff in rendering service to the customer in more courteous way.
- The reliability and consistency of performance of bank services and staff. This includes punctual service delivery and ability to keep to agreements made with the customer must be maintained in the banks.

Conclusion

Banking is considered as an essential facility to promote business operation in any economy. To draw a conclusion in this exhaustive thesis would be extremely difficult but to bring out facts that conclusively show defects and merits of this study is essential. In this study, it was attempted to identify problems and remedies where necessary to support the study. Everyone will agree with me that policy matters are very vital to the development and economic improvement of every nation.

This research study mainly highlights the customer satisfaction of the bank and finding the problems and difficulties they experienced in the bank. The respondents are found to be satisfied about the services provided by the bank and are aware of the different services offered by the bank. At the same time they face some problems like time constraints, workers are not quite friendly, customers' waiting place are not comfortable enough. However the customers' opinion was still to be a part of the rural bank and would like to continue being a customer of the bank for a long time to come. Moreover there is a high rate about the overall services provided by the bank and would like to recommend to their relatives, friends, associates, etc.

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Annexure

*“A study on perception of customers towards banking services provided by MRB;
Branches in Lunglei Town”*

I am the student of Higher And Technical Institute, Mizoram. This questionnaire is for the study purposes only. Please read all question carefully and choose whatever is appropriate, your answers have really worth for me. All responses will keep confidential.

- 1) Gender:
- 2) Age:
- 3) Marital Status:
- 4) Annual Income:
 - (A) Below 30000 []
 - (B) Rs.30000-Rs.50000 []
 - (C) Rs.50000-Rs.100000 []
 - (D) Above Rs.100000 []
- 5) Occupation:
 - (A) Employee []
 - (B) Own Business []
 - (C) Student []
 - (D) Others []
- 6) Frequency of using the bank:
 - (A) Daily []
 - (B) Weekly []
 - (C) Monthly []
 - (D) Other []

- 7) How long have you been customer of the MRB Bank?
- (A) 1 year []
- (B) 1-4 year []
- (C) 4-7 year []
- (D) 7 above []
- 8) What kind of account do you maintain in this bank?
- (A) Current A/C []
- (B) Savings A/C []
- 9) What are the reasons that attract you to be a customer of the bank?
- (A) Its image []
- (B) Its services []
- (C) Product []
- (D) All of the above []
- 10) Do you think customer waiting place is comfortable?
- (A) Yes []
- (B) No []
- Neutral []
- 11) Are you satisfied with the services provided by the Bank?
- (A) Yes []
- (B) No []
- (C) Neutral []
- 12) Are you aware of the different services offered by MRB Bank?
- (A) Yes []
- (B) No []
- (C) Neutral []
- 13) Does the Bank conduct any kind of awareness for the customers?
- (A) Yes []
- (B) Sometimes []
- (C) Never []
- (D) No []
- 14) When the bank promises to do something by a certain time, it doesso?

- | | | |
|-----|-------------------|-----------|
| (A) | Strongly agree | [] |
| (B) | Somewhat agree | [] |
| (C) | Disagree | [] |
| (D) | Strongly disagree | [] |
| (E) | Neutral | [] |
| (F) | Not aware | [] |

15) Do you know about the extra services being provided by the Bank?

- (A) Yes []
- (B) No []

16) Would you recommend this Bank to your friends, relatives, associates?

- (A) Yes []
- (B) Maybe []
- (C) Never []
- (D) No []

17) Are you satisfied with the use of technology in bank?

- (A) Yes []
- (B) No []
- (C) Neutral []

18) Which of the following extra services of the Bank would you like to go in for?

- | | | | |
|-----|------------------|---|---|
| (A) | ATM | [|] |
| (B) | Net banking | [|] |
| (C) | Mobile banking | [|] |
| (D) | Bill payment | [|] |
| (E) | All of the above | [|] |

19) How would you rate the overall quality of the services provided by the bank?

- (A) Excellent ☐
- (B) Good ☐

(C) Average []

(D) Poor []

(E) Very poor []

20) Are you satisfied with the dealing of the bank officials?

(A) Yes []

(B) No []

(C) To some extend []

21) What are the problems you have faced while banking with this particular bank?

(A) Time constraints []

(B) Insufficient customer care []

