

# **Project Dissertation Report on**

## **A STUDY ON CUSTOMER SATISFACTION TOWARDS BANKING SERVICES OF GRAMIN BANK OF ARYAVART**

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Submitted in partial fulfillment of the requirements of  
**EMBA 2019-2021 (IV-SEMESTER)**

Submitted By:

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## **DECLARATION**

I hereby declare that this Project Report entitled “**A study on customer satisfaction towards banking services of Gramin Bank of Aryavart**” submitted by me to Delhi School of Management, New Delhi, is a bonafide work undertaken by me and it is not submitted to any other university or institution for the award of any degree, diploma/certification or published any time before.

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Signature of the Student

**GOPAL GUPTA**

**Enrollment No: 2K19/EMBA/518**

**IV– Semester, Batch-2019-2021**

**Date:**

## CERTIFICATE

This is to certify that **Gopal Gupta** pursuing Executive Masters of Business Administration (EMBA) from Delhi School of Management affiliated to Delhi Technological University has completed this project under my supervision and guidance. He has taken care of all the necessary aspects and shown interest and sincerity during the completion of the project report on “**A study on customer satisfaction towards banking services of Gramin Bank of Aryavar**” to my full satisfaction.

I certify that this project is up to my expectations as per the guidelines laid down by Delhi Technological University.

**Dr. Rajan Yadav**

Professor

Delhi School of Management

Delhi Technological University

## **ACKNOWLEDGEMENT**

It is with deep sense of gratitude that I express my sincere thanks to **Dr. Rajan Yadav** under whose supervision I had the privilege to work. Without the wisdom of his suggestions, constant guidance, support, supervision and encouragement, this attempt could not have been successful.

I would like to thank **Delhi School of Management** for providing me with this great opportunity to work on this report and choosing my own topic of interest.

I would extend my gratitude to my friends who helped me in carrying out surveys required for this project.

**Gopal Gupta**

**Enrollment No: 2K19/EMBA/518**

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# Abstract

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Customer satisfaction has always been one of the major metrics for evaluating the performance of a bank in the banking industry. This has been necessitated by the stiff competition in the industry. In order to raise the bar, the Gramin banks are constantly striving hard to offer quality services and products in a bid to maintain their existing customers and woo the new ones as well. Customers on the other hand always want the best value for their money therefore they always comb around to get the best services.

Through this study, we will understand the level of customer satisfaction towards Gramin Bank of Aryavart in Agra region. A sample of 190 customers has been collected in premises using close ended questions and interviews from people who are currently holding their account with the bank. The study also intends to understand the awareness of rural population and their acceptance towards latest banking services like digital banking etc. We will also explore how the income and education levels of a customer influences the customer satisfaction towards bank.

Correlation and Chi square test were employed in the data analysis using SPSS tool. The results revealed that the majority of customer who were less educated were satisfied with the banking service, staff behavior and the efficiency of their service, whereas customers with better education levels were less satisfied. The primary reason for their dissatisfaction was that the bank did not offer all the essential services online. It was revealed that the sole purpose of these customers for holding their saving A/c and Fixed deposit in bank was because of greater interest rate provided by the bank.

Recommendations were floated that the bank should not limit its offering to mere FDs and saving A/c rather it should expand its offering in other avenues and support its customers in achieving wider goals. Also, significant investment in technology should be done so that the bank could offer its customers, easier and more intuitive experience and thus increase customer satisfaction levels.

# 1. Introduction

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*“If the banks cannot be truly customer intimate, they are doomed to be just dumb commodities, acting behind the scenes, like utilities.” –JP Nicols*

Customers are kings who always decides the future of a product or service provided by an organization. In competitive market, by spending their money on a product, the customers do a favor to it and therefore the producer and service provider should be obliged to the customers.

In the event of failure to satisfy its customer expectations up to a minimum acceptable level, the product is excluded from the domain of customers choice. Ultimately, the customers throw the product or service out of market simply, by spending their money somewhere else. Therefore, achievement of the desired results in any business is frequently a result of customer actions and therefore customer orientation is of crucial importance for the success of each and every business and the banks are no exception to it.

Banking being service industry, is directly linked to customers. The customers are the heart of their business. Therefore, it is inevitable bankers to ensure that a customer is not just money in the cash register of the banks but a human being with needs and feelings and hence deserves the most courteous attention and therefore the banks require a high-level customer interface and understanding of customer requirements.

The issue of customer satisfaction and service quality rendered by banks to the common person, dates back to the R.K. Talwar Committee (1975) and the Goiporia Committee (1990). The implementation of the recommendations of the first Narasimham Committee (1991) was expected to spur competition in the banking sector through deregulation and entry of new private sector banks. It was also expected to provide high quality customer service to meet the long pending aspirations of the bank customers. But there is an increasing realization that the competitive forces alone do not ensure fair treatment or adequate quality in service to the customers at a justifiable price in a transparent manner.



It was in the context that the ‘Committee on Procedures and Performance Audit of Public Services’ was constituted by the Reserve Bank of India in 2003 to address the issues relating to availability of adequate banking services to the common man. The Committee therefore, recommended setting up of the Banking Codes and Standards Board of India (BCSBI).

In the context of improving the quality of customer service, Banking Ombudsman Scheme has already been introduced to remove ambiguities in the regulatory guidelines issued by the Reserve Bank of India which, in many cases come in the way of rendering efficient customer services.

Under this backdrop, the present study highlights the level of customer satisfaction and quality of services in rural banking, particularly, with respect to the Regional Rural Banks, which was established as a rural financial institution in 1975 with a view to provide banking facilities at the door step of the rural people.

## 1.1 Regional Rural Banks

**Regional Rural Banks (RRBs)** are Indian Scheduled Commercial Banks (Government Banks) operating at regional level in different States of India. They have been created with a view of serving primarily the rural areas of India with basic banking and financial services. However, RRBs may have branches set up for urban operations and their area of operation may include urban areas too. **As of 1<sup>st</sup> April, '2020 there are 43 RRB's in India.**

The area of operation of RRBs is limited to the area as notified by Government of India covering one or more districts in the State. RRBs also perform a variety of different functions. RRBs perform various functions in following heads:

- Providing banking facilities to rural and semi-urban areas.
- Carrying out government operations like disbursement of wages of MGNREGA workers, distribution of pensions etc.
- Providing Para-Banking facilities like locker facilities, debit and credit cards, mobile banking, internet banking, UPI etc.
- Small financial banks.

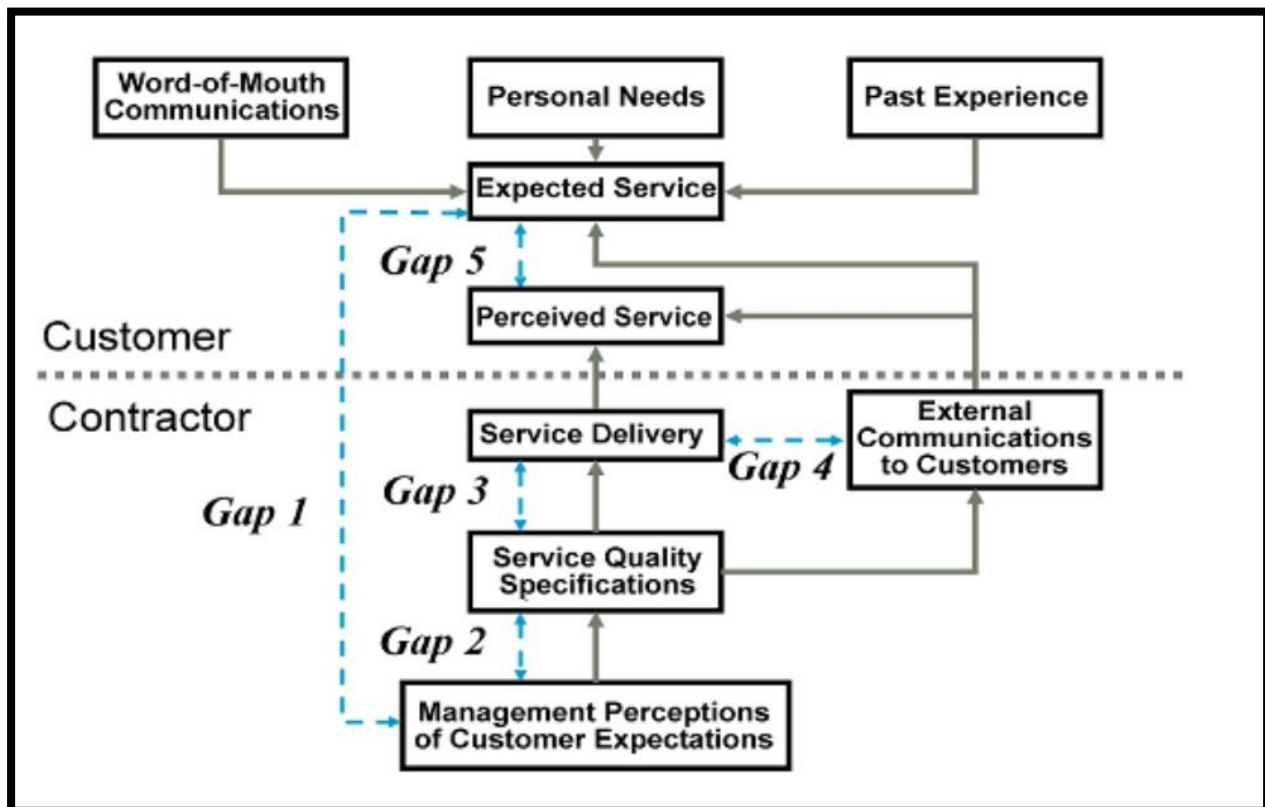
Regional Rural Banks	Andhra Pradesh Grameena Vikas Bank · Andhra Pragathi Grameena Bank · Assam Gramin Vikash Bank · Bangiya Gramin Vikash Bank · Kerala Gramin Bank
	· North Malabar Gramin Bank · Mizoram Rural Bank · Pallavan Grama Bank · Pandyan Grama Bank · Paschim Banga Gramin Bank · South Malabar Gramin Bank · Uttar Bihar Gramin Bank · Uttarakhand Gramin Bank · Vananchal Gramin Bank
	Uttar Pradesh · Allahabad UP Gramin Bank · Gramin Bank of Arvavart · Sarva UP Gramin Bank

Source: Reserve bank of India, Wikipedia

- The main aim of establishing RRB in India is to provide credit to the rural people who are not economically strong enough, especially the small and marginal farmers, artisans, agricultural labours, and even small entrepreneurs.

## 1.2 Conceptual Framework

The SERVQUAL model was developed by Parasuraman, Zeithaml and Berry (1988, 15) to identify five different gaps between customers expectation and service which is provided by a company. Customer expectations meaning desires and hopes which they have prior to the service and perceptions means evaluation of the service that have been provided. If expectations are greater than the actual performance, then customer dissatisfaction occurs. On the contrary, the smaller these gaps, the better service quality and hence the great level of customer satisfaction.



Source: Zeithaml, Parasuraman and Berry, Delivering quality service

## 2. Industry Profile

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The Regional Rural Banks were set up in 1976 on the recommendations of the Narshimham committee working group during the tenure of Indira Gandhi's Government with a view to include rural areas into economic mainstream since that time about 70% of the Indian Population was of Rural Orientation. These banks were launched to ensure better credit delivery system and efficient banking services to the rural poor.

The Regional Rural Banks or Gramin banks were owned by the Central Government, the State Government and the Sponsor Bank (Any commercial bank can sponsor the regional rural banks) who held shares in the ratios as follows Central Government – 50%, State Government – 15% and Sponsor Banks – 35%.



**Figure 1: Aryavart Bank logo**

Aryavart Bank, a Regional Rural Bank, was constituted on 1st April, 2019 after amalgamation of two Regional Rural Banks (RRBs) namely Gramin Bank of Aryavart and Allahabad UP Gramin Bank as per Government of India Gazette notification No.338 dated 25-01-2019.

Gramin Bank of Aryavart was sponsored by Bank of India while Allahabad UP Gramin Bank was sponsored by Allahabad Bank. The amalgamated entity Aryavart Bank functions under Regional Rural Banks Act 1976 having its Head Office at Lucknow under the sponsorship of Bank of India.

The Aryavart Bank is operating in 26 districts namely Agra ,Aligarh, Ayodhya, Bahraich ,Banda ,Barabanki ,Chitrakoot ,Etah ,Farrukhabad ,Firozabad ,Hamirpur ,Hardoi ,Hathras ,Jalaun ,Kannauj ,Kasganj ,Lakhimpur ,Lucknow ,Mahoba ,Mainpuri ,Mathura ,Mirzapur ,Shravasti ,Sitapur ,Sonbhadra and Unnao in the State of Uttar Pradesh with a network of 1367 Branches & 22 Regional Offices.

Few of the services offered by the bank are:

- Rural Housing Finance Scheme
- Solar Home Lighting System
- General Credit Cards
- Vermi Compost Hatchery Unit Scheme
- Financial Assistance To Farmers For Purchase of Two Wheelers
- Financial Assistance To Farmers For Purchase of Land For Agriculture Purpose
- Education Loan
- Scheme For Solar Water Heater System
- Kisan Credit Card
- Advance Against Insurance Policies
- Financial Assistance For Mediclinics For Qualified Medical Practitioners
- Housing Loan
- Scheme of Agriculture Graduates For Establishing Agri Clinics And Agri Business
- Amra Krishak Card

On 19 June 2008 Aryavart Gramin Bank received Ashden Award. This award was for an innovative scheme to make available finance for Solar Home Lighting Systems (SHS) with a slogan Ghar Ghar Me Ujala (Light in every house) mainly to provide ambient light at home to improve living standard, education, health and welfare of the people residing in rural, semi urban and even in urban areas with frequent power cuts.

# 3. Literature Review

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**Dhananjay Bapat (2010)**, in his study on “Perception on banking service in Rural India” focusses on assessing the level of banking penetration in small villages and to find the relationship between bank accounts and related factors like occupation, income & asset-holding status. His findings indicate that 75.2% of the respondents have bank accounts & 26.7% of the respondents avail credit facilities. Two-thirds of the respondents have inclination to avail credit facilities for dairy and for other business activities. He used chi square test to establish a significant relationship between bank account and relevant factors like occupation, income and asset-holding pattern. The findings provide practical implications for bankers in terms of providing banking services in rural areas.

**Ishgaley Ishmuhametov (2018)**, in his research paper “Customer satisfaction with banking service and its estimation” focuses on determining the way for assessing the level of corporate customer satisfaction with banking service, and the intra-bank procedure for such assessment implementation. The study is conducted on 180 customers and it has found that having a manager for different branches and operational offices for monitoring, timely detecting & correcting areas related to cooperation with corporate client increases customer satisfaction.

**L.Lakshmi and Manoj PK (2017)**, in their study “Service quality in rural banking in North Kerala” focus on comparing the service quality provide by Kannur cooperative bank and Kerala Gramin bank and also suggest various growth strategies to improve the service quality of respective bank. They found that there is a wide difference in relative score to various service quality parameter like behavior of staff, responsiveness etc. It is suggested that KDCB has to focus maximum attention to improving customer service by ensuring more responsive staff & their friendly attitude. Also, KDCB should give more attention in managing existing accounts and deposit. In order to satisfy customer, more customer friendly and professional approach is required.

**Pratap Bhan, A.solanki, Sandhya, DP Mishra (2019)**, in their combined study on “customer satisfaction towards the banking service provided by Indian Overseas Bank in Gujrat” focuses on IOB interviewing of its 160 customers and thoroughly scrutinized and how it caters to the banking needs of the inhabitants of IOB in Vadodara. The study also focused on various factors that determine the customer satisfaction based on employee behavior, banking services, facility and other value-added services. Analysis was made by using various tools like percentage Analysis and the result showed that there is no association between type of gender and level of significant ( $p>0.05$ ), while there is a significant association between Educational level and type of occupation( $p<0.05$ ).

**Michael Ayikwei Quashie (2018)**, in his paper on “Service quality delivery of rural banks and perception of customer in emerging economies” employed descriptive design, closed ended question for 382 customers. The study found that customer want rural banks in Takoradi to establish more convenient branches and further extension in banking hour to resolve overcrowding at the bank halls. He also recommended that the management of these rural banks in Takoradi, Ghana should liaise with stakeholder to establish more branches in its catchment areas to ease the frequent congestion in the banking halls.

**Gurjeet Kaur (2004)**, in his article “Strategy for customer satisfaction in rural banks - a case study of Shivalik Kshetrya Gramin Bank Hoshiarpur” reveals that the Regional Rural Banks have not succeeded in satisfying their customers fully, mainly due to communication gap and also because of unattractive loan packages. Furthermore, illiteracy is the main hindrance in generating awareness among customers. Thus fulfilling these gaps could ensure better customer satisfaction loyalty.

## 4. Significance of the study

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- Customer Satisfaction is quite essential for bank industry to survive in the market
- Customer Satisfaction helps the business by placing future demand to the company.
- Customer Satisfaction provides the words of mouth to other potential customers.
- Customer Satisfaction is the most important factor for the bank to take care of the customers and make them happy.



# 5. Objectives of the study

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The following are the objectives of this study:

- To examine the socio-economic profile of the bank customers.
- To know the level of customer satisfaction based on the services offered by Aryavart bank.
- To understand and determine the factor influencing the level of customer satisfaction.
- To examine customer feedback and recommend the suggestion to augment the performance of Gramin bank of Aryavart.

# 6. Research

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## 6.1 Research Methodology

This will be a quantitative research as we will see satisfaction of our customer towards services offered by Aryavart Bank and our focus will be on objectivity and accuracy.

- **Research approach:** survey approach
- **Data source:** Primary data
- **Instrument:** questionnaire
  
- The source of data collection was primary. Customers visiting the branch were asked to fill the questionnaire and the questionnaire was in close ended form.
  
- A sample of 190 Customers who were directly associated with bank i.e., they had at least one account with the bank and operated the same on regular basis, were selected for this study. The information has been collected through structured questionnaire. As the bank cannot share their customer data due to compliance issue and policies, the form was filled after taking due consent of the customer.
  
- **Sample size:** 190
- **Sampling Technique:** Convenience Sampling
- **Techniques of analysis of Data and Statistical Tools:** Pearson Chi-Square test and Correlation test, using SPSS tool and Excel to analysis and interpret data.
  
- ❖ A chi square ( $\chi^2$ ) statistic is used to investigate whether distributions of categorical variables differ from one another. Basically, categorical variable yield data in the categories and numerical variables yield data in numerical form. The Chi Square statistic compares the tallies or counts of categorical

responses between two (or more) independent groups.

$$\text{Equation } X^2 = \sum_{i=1}^r \sum_{j=1}^c \frac{(O_{i,j} - E_{i,j})^2}{E_{i,j}}$$

❖ The chi square statistic  $\chi^2$  by completing the following steps:

1. For each *observed* number in the table subtract the corresponding *expected* number ( $O - E$ ).
2. Square the difference [ $(O - E)^2$ ].
3. Divide the squares obtained for each cell in the table by the *expected* number for that cell [ $(O - E)^2 / E$ ].
4. Sum all the values for  $(O - E)^2 / E$ . This is the chi square statistic.

Chi Square distribution table: Degrees of Freedom =  $(c - 1)(r - 1)$

probability level (alpha)						
Df	0.5	0.10	0.05	0.02	0.01	0.001
1	0.455	2.706	3.841	5.412	6.635	10.827
2	1.386	4.605	5.991	7.824	9.210	13.815
3	2.366	6.251	7.815	9.837	11.345	16.268
4	3.357	7.779	9.488	11.668	13.277	18.465
5	4.351	9.236	11.070	13.388	15.086	20.517

Figure 2: Chi Square distribution table

## 6.2 Hypothesis

To examine the customer satisfaction towards banking service of Gramin bank of Aryavart, the following hypothesis were floated:

**H1:** There is a significant relationship between customer satisfaction and their degree of education.

**H2:** There is a significant relationship between services offered by bank and the loyalty of customer.

**H3:** There is a significant relationship between customer satisfaction and the behavior, prompt service offered by bank employees.

**H4:** There is a significant relationship between income level of the customer and their level of satisfaction.

## 6.3 Data Analysis and Interpretation

### Hypothesis 1

**H0:** There is no significant relationship between customer satisfaction and their degree of education

**H1:** There is a significant relationship between customer satisfaction and their degree of education

### Observations

#### Socio-economic profile of customer

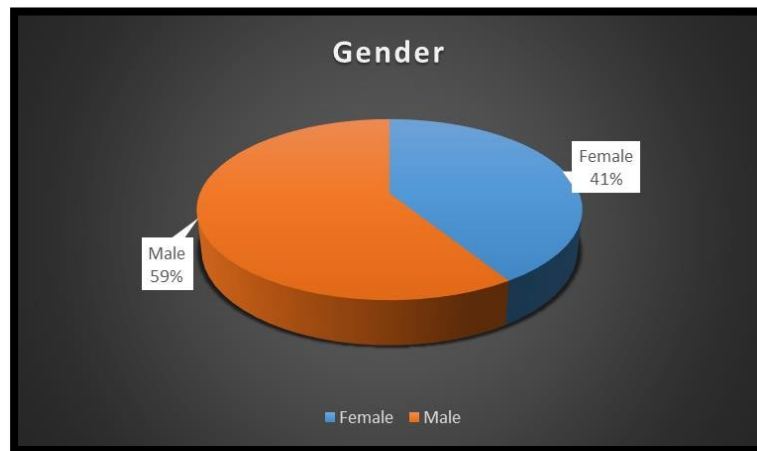


Figure 3: Gender

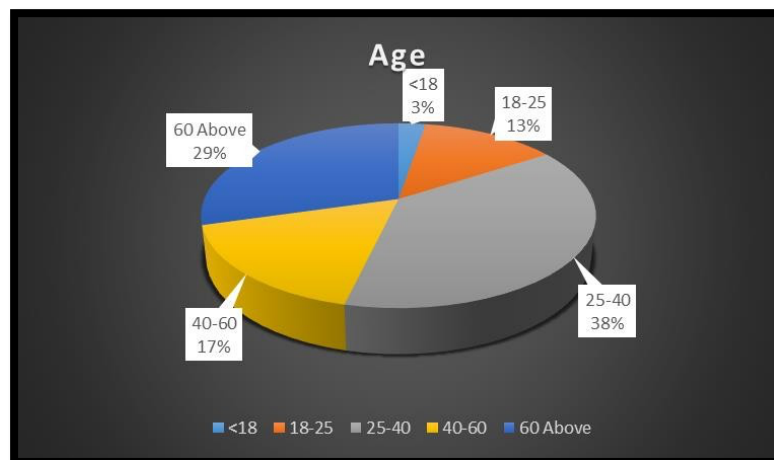
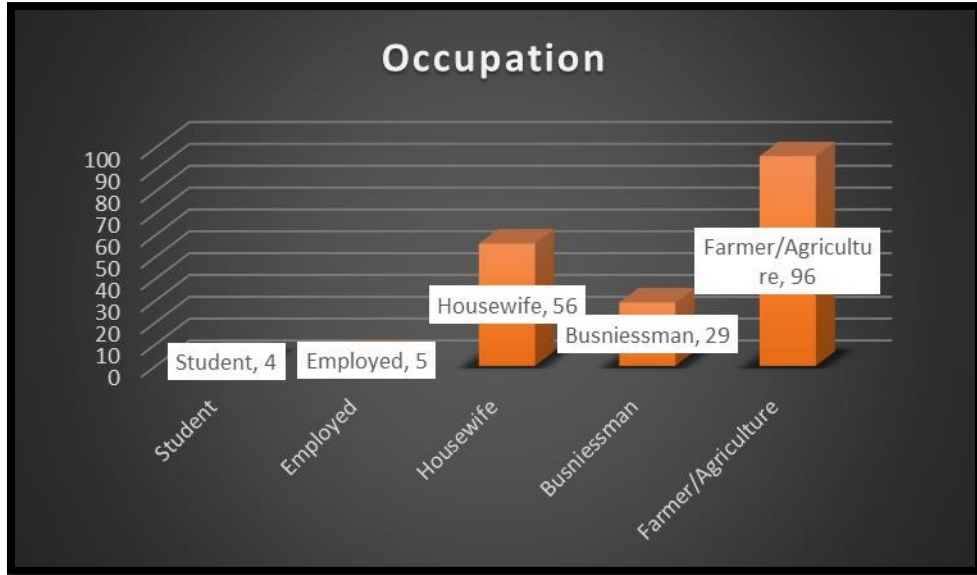
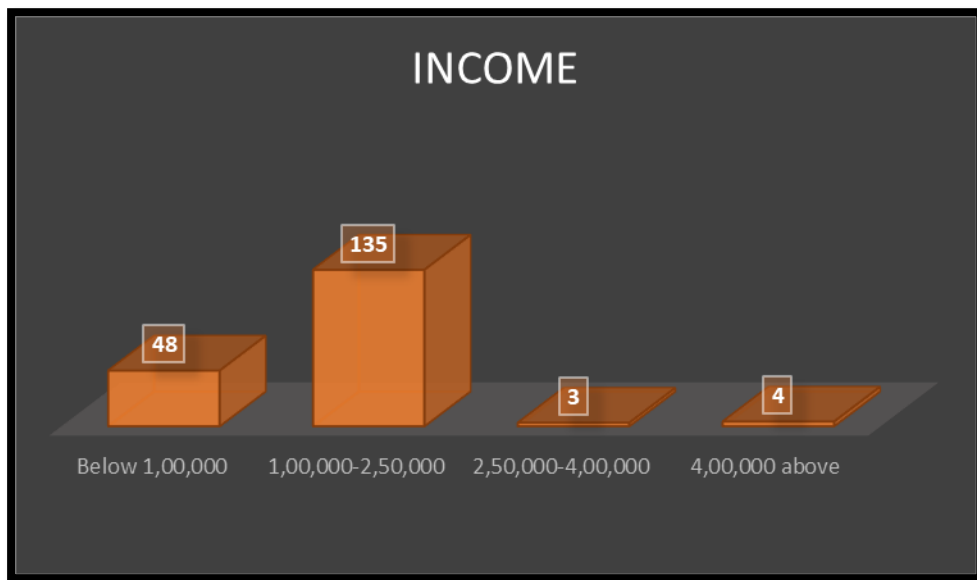


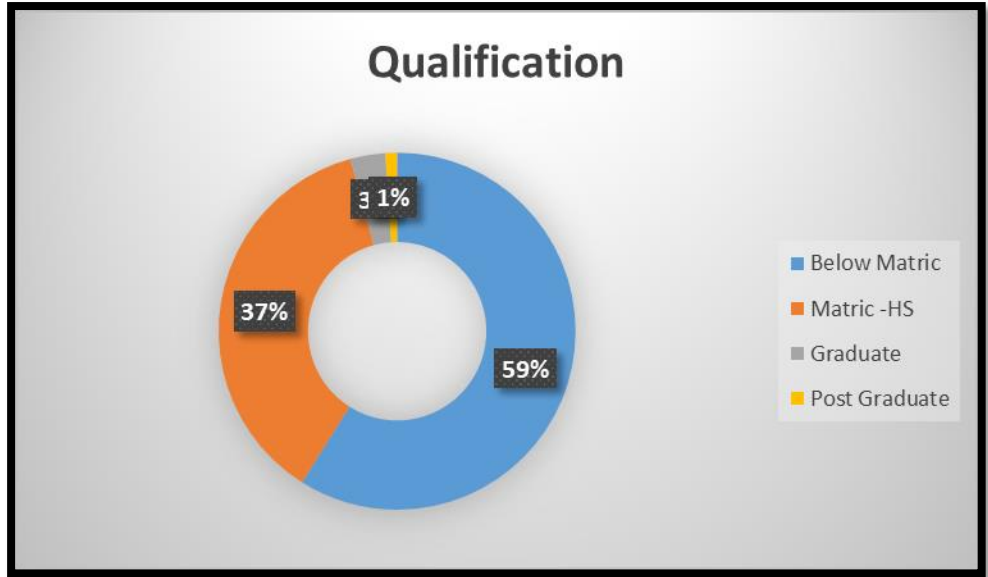
Figure 4: Age distribution



**Figure 5: Occupation of the customer**



**Figure 6: Distribution of customer as per their income**



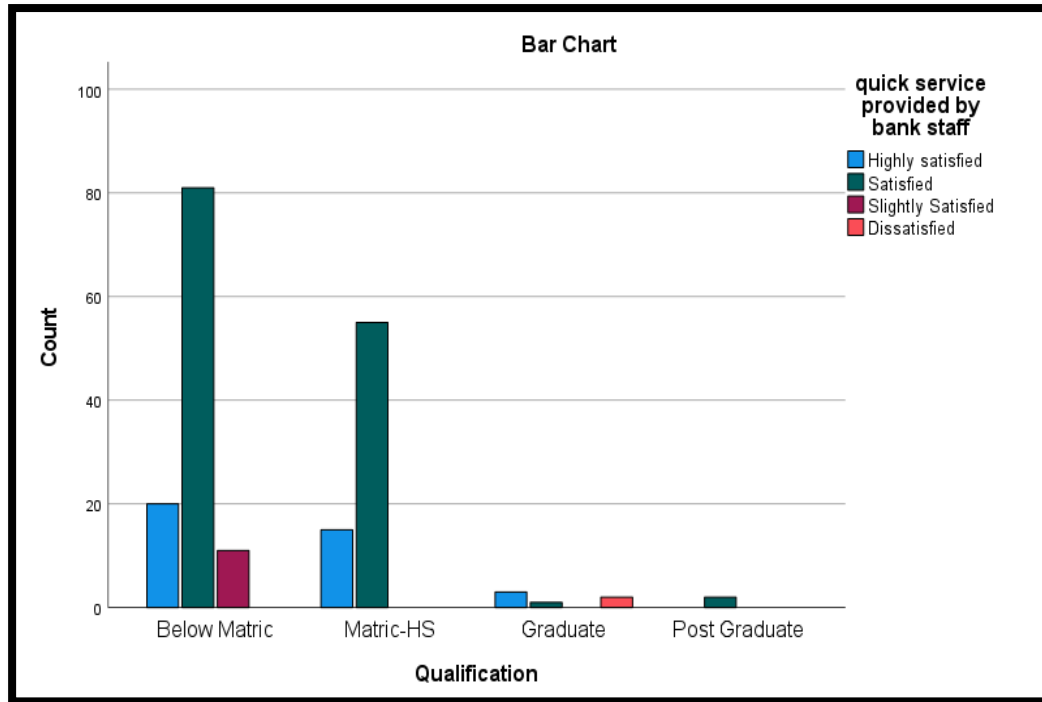
**Figure 7: Education Qualification of the customer**

#### Correlations

		Qualification	level of service knowledge of bank staff	quick service provided by bank staff	Behavior of staff	
Spearman's rho	Qualification	Correlation Coefficient	1.000	-.222**	-.108	.072
		Sig. (2-tailed)	.	.002	.137	.326
		N	190	190	190	190
	level of service knowledge of bank staff	Correlation Coefficient	-.222**	1.000	-.050	.258**
		Sig. (2-tailed)	.002	.	.490	<.001
		N	190	190	190	190
	quick service provided by bank staff	Correlation Coefficient	-.108	-.050	1.000	.105
		Sig. (2-tailed)	.137	.490	.	.148
		N	190	190	190	190
	Behavior of staff	Correlation Coefficient	.072	.258**	.105	1.000
		Sig. (2-tailed)	.326	<.001	.148	.
		N	190	190	190	190

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Figure 8: SPSS test result |Correlation test**



**Figure 9: Graphical representation of above SPSS test**

### **Interpretation of the result**

We have total 190 respondent out of which 112 are male and remaining are females. Majority of them are of the age group of 25-40 and 60 above years. Most of them not educated beyond matriculation. They mostly visited branch for either deposit or cash withdrawals. The money deposited or withdrawn is either from their saving or the ones received through various government schemes. They seem to be highly satisfied with the service provided by the bank and also seem satisfied by efficiency of the staff.

Few people who had higher degree of education seem to be less satisfied with banking services. Primary reason was inability of bank to provide online banking services.

But this was not prominent factor and Correlation test also shows negative and weak relation between these two variables. and hence we stated that there is not a significant relationship between customer education and their level of satisfaction.

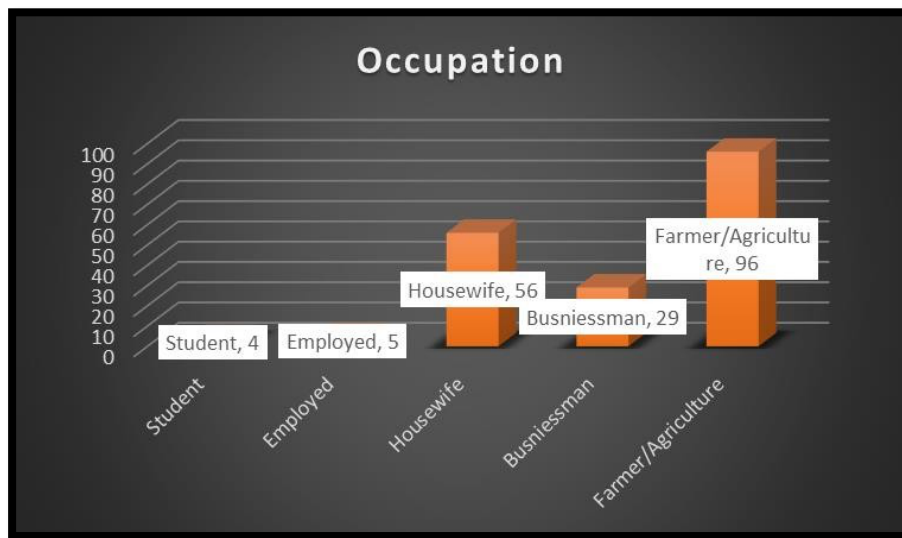


## Hypothesis 2

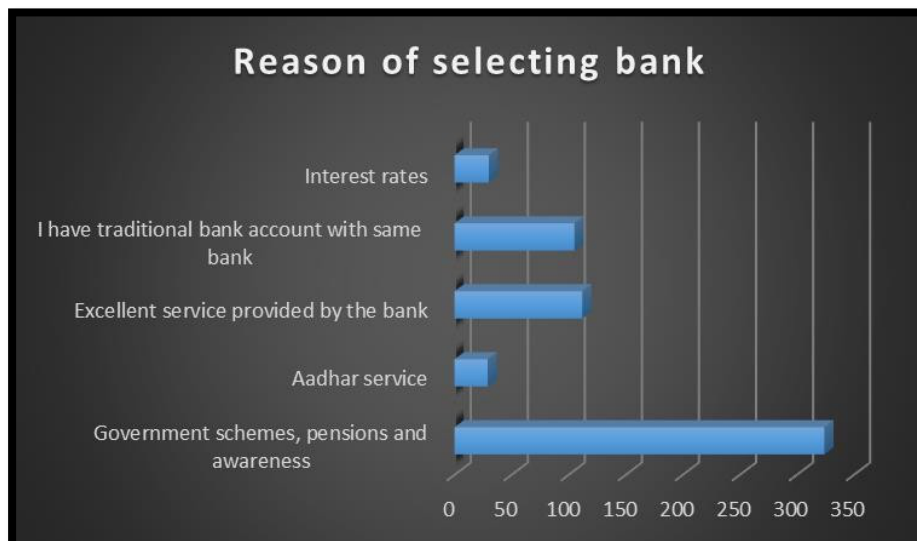
**H0:** There is no significant relationship between services offered by bank and the loyalty of customer.

**H2:** There is a significant relationship between services offered by bank and the loyalty of customer.

## Observations



**Figure 10 : Occupation of the customers**



**Figure 11: Reasons of selecting the bank**

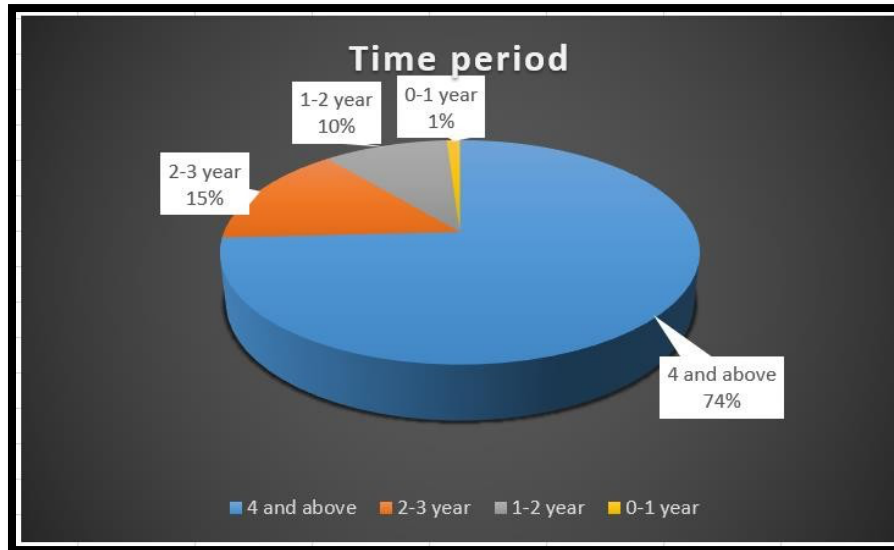


Figure 12: Period spent with Aryavart bank

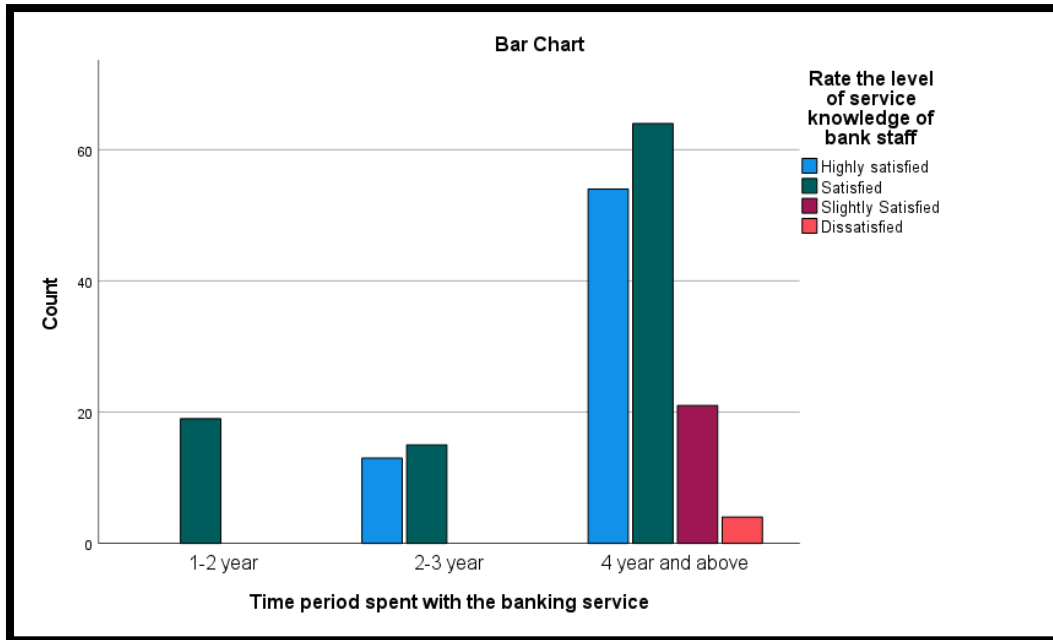
Correlations				
			Time period spent with the banking service	Overall satisfaction with bank service
Spearman's rho	Time period spent with the banking service	Correlation Coefficient	1.000	.666**
		Sig. (2-tailed)	.	<.001
		N	190	190
	Overall satisfaction with bank service	Correlation Coefficient	.666**	1.000
		Sig. (2-tailed)	<.001	.
		N	190	190

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Confidence Intervals of Spearman's rho				
	Spearman's rho	Significance (2-tailed)	95% Confidence Intervals (2-tailed) <sup>a,b</sup>	
			Lower	Upper
Time period spent with the banking service - Overall satisfaction with bank service	.666	<.001	.575	.740

Figure 13: SPSS results | Correlation test



**Figure 14: Graphical representation of SPSS test results**

### **Interpretation of the result**

Majority of customer work as farmer or businessmen, and they all are quite happy and satisfied with the knowledge of the staff, the efficiency of the service they received from the bank. Most customers have cordial relations with the bank staff.

The customers feel that bank values their association with them, also facilities are customer centric like, door step service for KYC etc

Customers revealed that even non literate persons were provided banking facilities with ease. Nitty gritty of banking services like interest charges, sms fees, various terms and conditions of schemes etc. were conveyed upfront in an effective and transparent manner.

Majority of customers have saving a/c with the bank from last 4 years which clearly show their loyalty towards bank and their satisfaction with the service served by the bank.

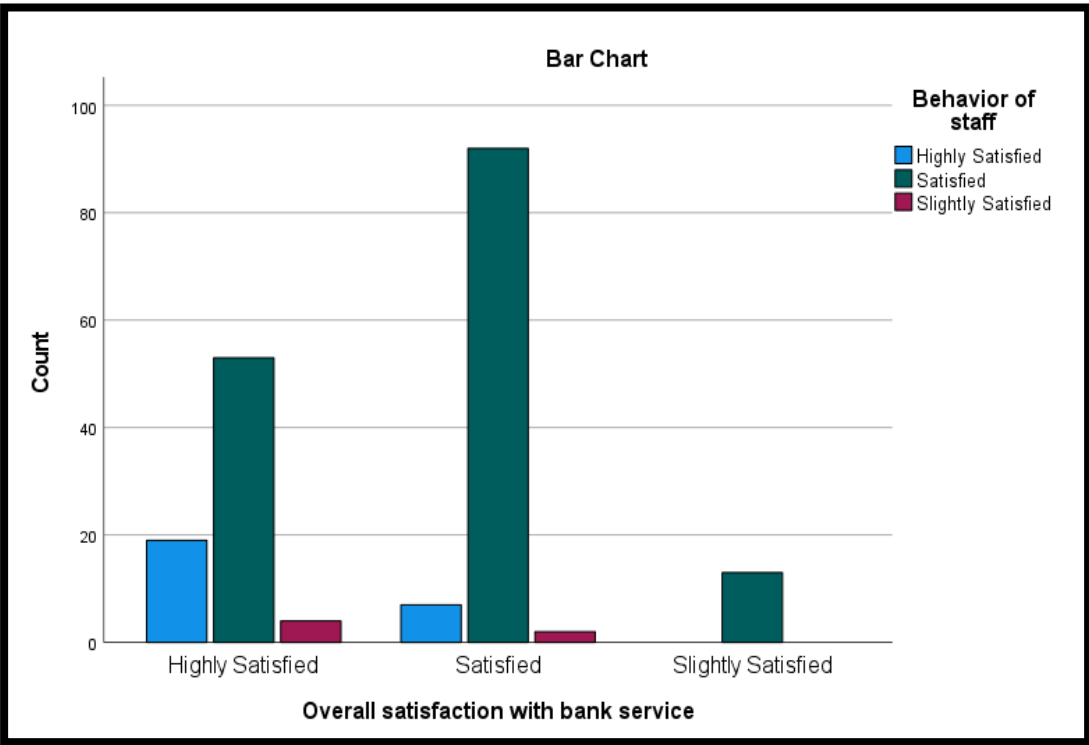
Cor-relation test also shows strong positive relation between these two variables. and hence we stated that there is a significant relationship between services offered by bank and the loyalty of customer.

**Hypothesis 3**

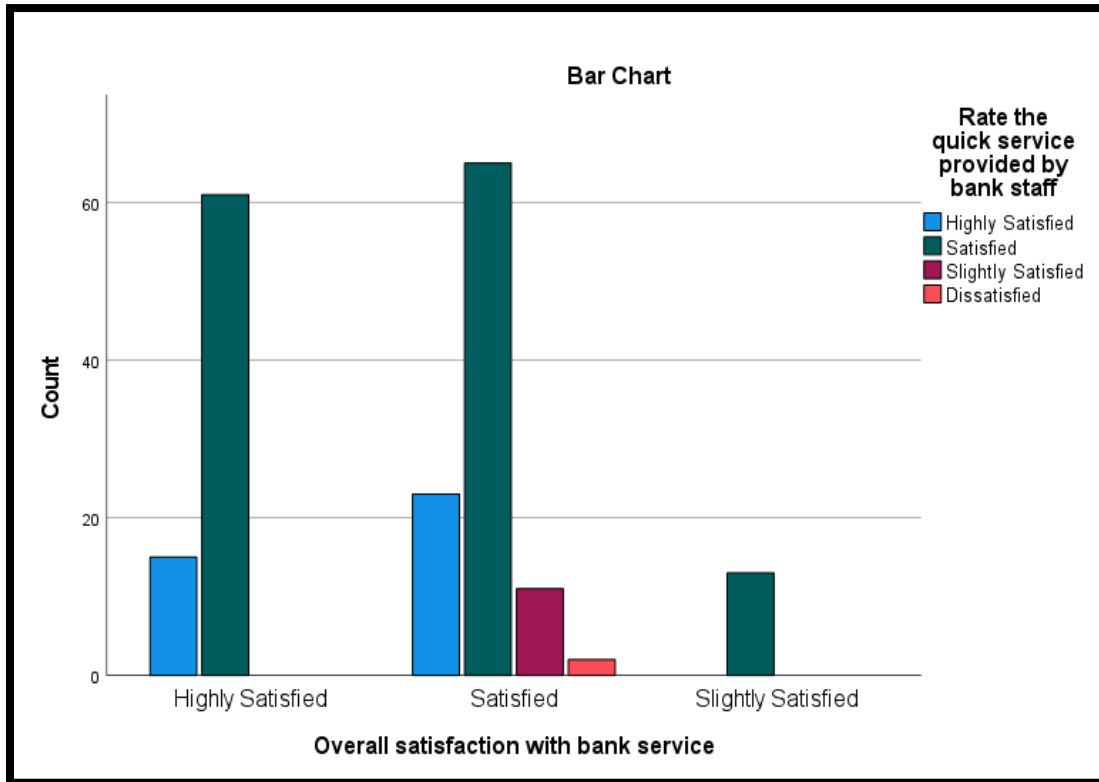
**H0:** There is no significant relationship between customer satisfaction and the behavior, prompt service offered by bank employees.

**H3:** There is a significant relationship between customer satisfaction and the behavior, prompt service offered by bank employees.

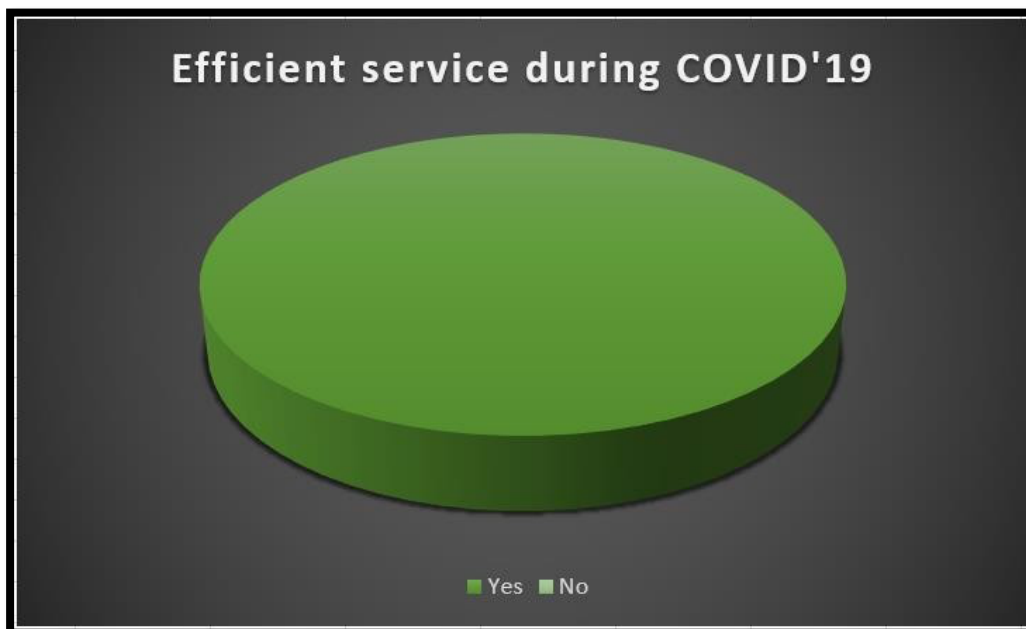
**Observations**



**Figure 15 : Graphical representation of Satisfaction level vs Behavior of staff**



**Figure 16: Graphical representation of Customer satisfaction vs service provided by employee**



**Figure 17: Efficient service during Pandemic**

Correlations			Overall satisfaction with bank service	Rate the quick service provided by bank staff	Behavior of staff
Spearman's rho	Overall satisfaction with bank service	Correlation Coefficient	1.000	.109	.200**
		Sig. (2-tailed)	.	.135	.006
		N	190	190	190
	Rate the quick service provided by bank staff	Correlation Coefficient	.109	1.000	.105
		Sig. (2-tailed)	.135	.	.148
		N	190	190	190
	Behavior of staff	Correlation Coefficient	.200**	.105	1.000
		Sig. (2-tailed)	.006	.148	.
		N	190	190	190

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Figure 18: SPSS test result | Correlation**

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	17.031 <sup>a</sup>	4	.002
Likelihood Ratio	18.496	4	<.001
Linear-by-Linear Association	6.500	1	.011
N of Valid Cases	190		

**Figure 19: SPSS test result | Chi square test**

### Interpretation of the result

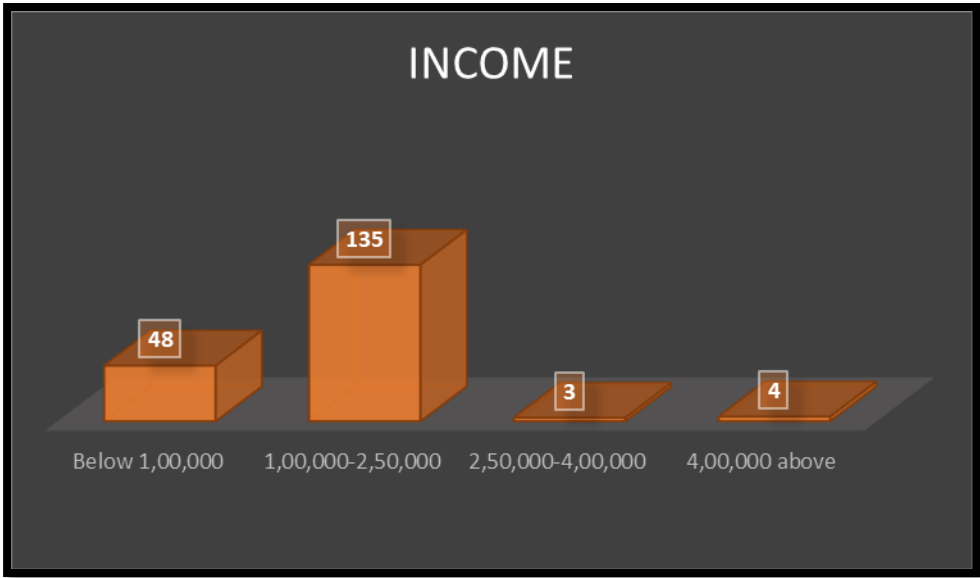
We have total 190 respondent out of which 112 are male and remaining are females. Majority of very much satisfied with the service, problem solving skills of the staff. Most customers commended that the staff took great steps to provide them banking services even in the times of pandemic. Customers revealed that bank staff was empathetic towards them and extended all the help like providing financial aid for business or processing insurance claims under govt. scheme etc. during the pandemic.

Since the chi-square statistic is high 17.031 and the P value is 0.0002 which is less than alpha (0.05), we reject the null and. and hence we stated that there is a significant relationship between customer satisfaction and the behavior, prompt service offered by bank employees.

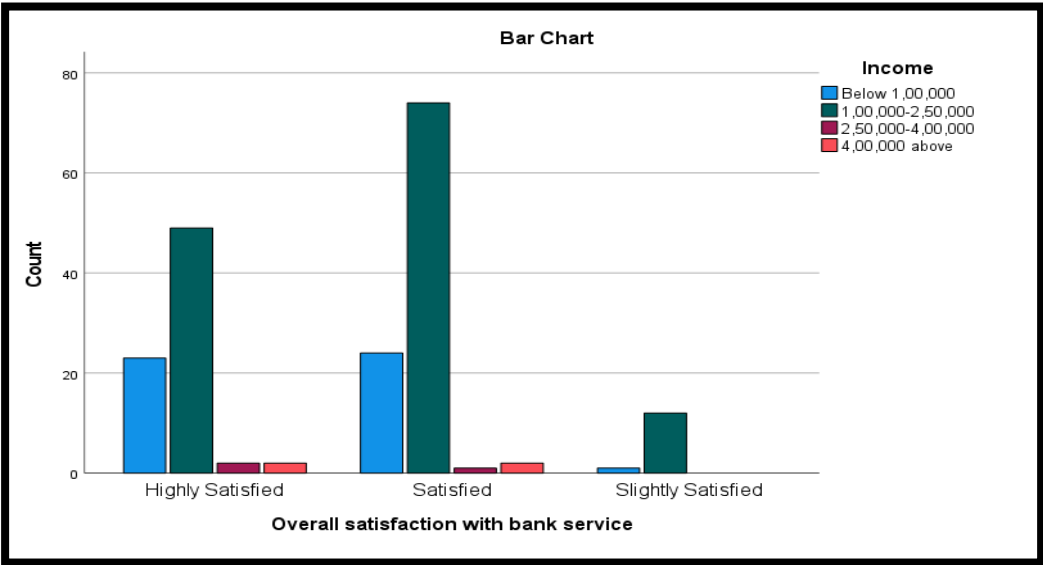
**Hypothesis 4**

**H0:** There is no significant relationship between income level of the customer and their level of satisfaction.

**H4:** There is a significant relationship between income level of the customer and their level of satisfaction.



**Figure 20: Income of the customers**



**Figure 21: Graphical representation of Income level Vs Satisfaction of customer**

**Correlations**

			Income	Overall satisfaction with bank service
Spearman's rho	Income	Correlation Coefficient	1.000	.083
		Sig. (2-tailed)	.	.254
		N	190	190
	Overall satisfaction with bank service	Correlation Coefficient	.083	1.000
		Sig. (2-tailed)	.254	.
		N	190	190

**Figure 22: SPSS test result | Correlation**

**Income \* Overall satisfaction with bank service Crosstabulation**

		Overall satisfaction with bank service				
			Highly Satisfied	Satisfied	Slightly Satisfied	Total
Income	Below 1,00,000	Count	23	24	1	48
		Expected Count	19.2	25.5	3.3	48.0
	1,00,000-2,50,000	Count	49	74	12	135
		Expected Count	54.0	71.8	9.2	135.0
	2,50,000-4,00,000	Count	2	1	0	3
		Expected Count	1.2	1.6	.2	3.0
	4,00,000 above	Count	2	2	0	4
		Expected Count	1.6	2.1	.3	4.0
Total		Count	76	101	13	190
		Expected Count	76.0	101.0	13.0	190.0

**Figure 23: Tabular representation of Income level and satisfaction level from SPSS tool**



Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.132 <sup>a</sup>	6	.527
Likelihood Ratio	6.048	6	.418
Linear-by-Linear Association	.646	1	.421
N of Valid Cases	190		

**Figure 24: SPSS test | Chi square**

### Interpretation of the result

We have total 190 respondent out of which majority of their earning is between 1,00,000 to 2,50,000 per annum. Graph also shows people with less month income are more satisfied with the overall service of the bank as compared to the people who are earning more and are more tech savy.

Since the chi-square statistic is low 5.132 and the P value which is high, and also there is positive but weak correlation with 2 variables, hence we stated that there is no significant relationship between income level of the customer and their level of satisfaction.

The relation between income and customer satisfaction cannot be established, since in rural areas a person with higher education level may have lower income and vice versa. Thus, a person working as a farmer may have higher income but lower banking needs and thus may be more satisfied than another person with higher education level and lower income.

## 6.4 Limitations of Research

Following are the limitations of the study:

- Limited Sample Size 190
- This study is restricted to the only to Agra branch of Gramin Bank of Aryavart.
- Some of the respondent did not answer genuinely (they are not used to giving feedbacks), gave ambiguous or erosive answers.
- Limited period of survey

# 7. Inferences

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For any study to be conclusive, the test analysis and the inferences need to be recorded systematically. Following are the inferred results based on statistical analyses:

1. There is no significant relationship between customer satisfaction and their degree of education.
2. There is a significant relationship between services offered by bank and the loyalty of customer.
3. There is a significant relationship between customer satisfaction and the behavior, prompt service offered by bank employees.
4. There is no significant relationship between income level of the customer and their level of satisfaction.

## 8. Suggestions

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- Our study proposed to Gramin bank to start the online banking service, ATM facilities in order to provide great satisfaction to the customer who has account in another bank because of some extra facilities. Even 1% increase in customer retention adds up a value in Bank performance.
- As per our study, Majority of customer using saving account, therefore bank should think of new schemes regarding saving accounts and pursue marketing and advertising of these schemes to the customer.
- As observed in premises, some of the work is redundant like passbook printing, Account opening form collection, FD opening etc done manually by the staff. Bank should invest in technology like deploying passbook printing machines in their premises etc. to save time and energy of staff.
- Gramin bank do little advertising as compared to their competitors due to which customer are not aware of all the offerings provided by the bank. Bank should indulge in more advertisement and conduct product and service awareness campaign.
- Training of employee, relationship managers should be done religiously at regular intervals so as to enhance the knowledge of the staff and hence increasing the overall productivity of the bank.
- Primary suggestions provided by customers suggest that they seek more information on loans provided by the Bank, also seek facility like online banking etc. Therefore, bank could assign a spoc who would answer all the queries. Also, bank should work towards establishment of online banking services.
- Bank should assess and reassess the expectation and perception related to their service and communicate efficiently in order to build strong relationship with the customer and increase their degree of satisfaction.

# 9. Conclusion

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With rise of competition in banking industry, traits like agility and resilience have now become mere hygiene factors for the banks. Banks should have a clear strategy based around a clear core competence.

For a Gramin or rural bank, this may mean focusing on a niche segment. For a larger bank, this may mean the ability to deliver a blend of capabilities efficiently to a wide client group.

A clear understanding of role in the financial ecosystem should be understood to become an exceptional bank. This will bring value in highly specific ways. Banks should continually improve their approach to value-creation, through a laser-like focus on what they do best.

They double-down on their strengths — investing to build up key capabilities that differentiate them from competitors — and consider how to partner with others in the ecosystem to complement weaknesses or provide new products and services. They know what they do well, and they don't stray from that path.

Now a days due to increase in competition, customer satisfaction is considered to be the most important factor in banking industry.

We can conclude that customer satisfaction depends on attention to customer complaints by the staff of the bank, accessibility of the bank to customers, speed of service delivery and knowledge base of the staff of the bank. The bankers should be well trained to adapt the technology and should offer more intuitive and efficient banking services to the customers so as to increase their level of satisfaction.

Indulging in advertisement is also necessary so as to reach large number of customers.

# 10. References

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# 11. Questionnaire

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## Socio-economic profile of customer

1. Gender
  - Male
  - Female
2. Age
  - <18
  - 18-25
  - 25-40
  - 40-60
  - 60 Above
3. Occupation
  - Student
  - Businessman
  - Farmer/Agriculture
  - Housewife
  - Employed
4. Income
  - Below 1,00,000
  - 1,00,000-2,50,000
  - 2,50,000-4,00,000
  - 4,00,000 above
5. Customer Qualification
  - Below Matric
  - Matric -HS
  - Graduate
  - Post Graduate

## Factors influencing the level of customer satisfaction

6. Rate the level of service knowledge of bank staff
  - Highly Satisfied
  - Satisfied
  - Slightly satisfied
  - Dissatisfied
7. Rate the quick service provided by bank staff
  - Highly Satisfied
  - Satisfied
  - Slightly satisfied
  - Dissatisfied

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- 8. Behavior of staff
  - Highly Satisfied
  - Satisfied
  - Slightly satisfied
  - Dissatisfied
- 9. Reason of selecting the bank
  - Interest rates
  - I have traditional bank account with same bank
  - Excellent service provided by the bank
  - Location advantage
  - Government schemes, pensions and awareness.
  - Aadhar Service

Satisfaction level and loyalty of the customer

- 10. Time period spent with the banking service
  - 0 to 1 year
  - 1-2 year
  - 2-3 year
  - 4 year and above
- 11. Which product or service are you availing from bank ?
  - Saving A/c
  - Fixed deposit
  - Current a/c
  - Insurance/ Loan
  - Other
- 12. Timeliness of service delivery
  - Excellent
  - Satisfied
  - Slightly satisfied
  - Dissatisfied
- 13. Overall satisfaction with bank service.
  - Highly Satisfied
  - Satisfied
  - Slightly satisfied
  - Dissatisfied
- 14. Do you feel bank provided efficient service during COVID'19?
  - Yes
  - No
- 15. What is the reason of visiting the branch?
  - To make deposit
  - To enquiry about balance
  - To withdraw cash
  - Passbook entry
  - Other...specify



16. Are you interested in Online banking?

- Yes
- No
- Don't know about it.

17. Suggestions for improvement.

18. Are you aware about all the service provided by the bank

- Yes
- No