CHAPTER 3
RESEARCH METHODOLOGY

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3.1 INTRODUCTION

In a very common understanding research refers to a search for knowledge. One can also define research as a scientific & systematic search for information on a scientific topic. Some also regard research as a movement from unknown to known.

According to Clifford Woody research comprises defining & redefining problems, formulating hypothesis or suggested solution, and collecting, organizing, evaluating data, making deductions & reaching conclusions, and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis. It can also be described as the original contribution to the existing stock of knowledge making for its advancement.

Research in other words can be said as searching for truth, which has not been yet detected due to some reasons. There are many purposes of conducting a research, but in common it can be described as.

- To get familiarity with a phenomena or to achieve new insights
- To portray accurately the characteristic of particular individual situation or a group
- To determine the frequency with which something occurs or with which it is associated with something else.
- To test a hypothesis of a causal relationship between variables

Any research work that is to be conducted should be followed in a particular way, it cannot be done is a haphazard manner. Each research has its own way but there are common steps that need to be followed that are: define the problem, sample size, collected the data, integrate it etc. This research work follows the same steps or procedure which can see after this.

This research is based on primary data supported by secondary data. The title of the problem for this research is “Banking Services and Customer Satisfaction: A Comparative Study of Public Sector Banks and Private Sector Banks” (With Special Reference to the Gujarat State)”. The main objective of this study is to know whether the customers are satisfied from various banking services provided by private sector banks and public sector banks of Gujarat and to compare the satisfaction level of the customer of private sector banks and public sector banks of
Gujarat. (To get information, the researcher includes questions regarding various aspects like behavior of bank staff with customer, availability of various banking services for the customer, internet banking etc. in the Questionnaire.) For accomplishing the objectives of the study, structured questionnaire as well as schedules are prepared and used by researcher which involves parameters and problems as well as suggestion from customer’s point of view.

There are some reasons to do the research on satisfaction level of customers of bank. There are many question arise in the mind of the customer i.e. why to open an account in a particular bank? Identify the problems faced regarding to open a bank account. It may be possible that the procedure of opening a bank account is very long or tedious for someone. After opening an account, it may possible the customers face some problems regarding various rules and regulations of the bank.

Online banking is recent and very fast concept now a day in trend. This research also includes the concept of online banking. Whether the customers are ready to use it? And if the answer is no then what are the main reasons for not to using online banking services. From this study, the researcher will find that the online banking will be beneficial or harmful for the customers. Another aspect of satisfaction if behavior of bank staff. Whether the customers satisfied with the behavior of the bank staff and various facilities of the bank? Whether the customers are aware about the various facilities of the bank and its usage?

This study also includes some matters regarding ATM facility provided by bank. What is the procedure to get ATM Card? Is it difficult or easy? Does the facility is available at convenient place of the customer? Does customer satisfies with availability of cash and notes of the ATM? What is the behavior of staff when customer faces any problem regarding usage of staff and need guidance or solution? This research study will answer all above questions.
3.2 TITLE OF THE PROBLEM:

My research topic is on the basis of Indian Banking Services and Customer Satisfaction. Now-a-day in India, banking sector plays a very important role. Indian banking sector have been running and working successfully and providing a world class services to the customer at their door. I have to study at this aspect very deeply. Which is related to banking services and customer satisfaction and then I got proper idea of my research.

My topic is on the basis of:

“Banking Services and Customer Satisfaction: A Comparative Study of Public Sector Banks and Private Sector Banks” (With Special Reference to the Gujarat State)

3.3 DATA COLLECTION:

The study has primary data and is supported by secondary data. Primary data is collected with the help of questionnaire to evaluate banking services. For this purpose, structured questionnaire as well as schedules are prepared and used by researcher which involves parameters and problems as well as suggestion from customer’s point of view. The questionnaire contained multiple choice type questions and scaling question with a five point scale. This questionnaire was administered to a sample of 500 banking customer residing in the five major cities in the State of Gujarat.

The secondary source of data like journals, periodicals, Books; Newspapers, Ph.D. Thesis, Internet and Published Report have been used for Literature Review, Reference and also for better reliability of the study.
3.4 REVIEW OF LITERATURE:

1) Dr. Vidyadhar Reddy, Alleni and Mohd. Abdul Azeem (February 01, 1998) in their empirical study entitled “Customer Satisfaction through complaint is handling” published in the “Southey Economist” PP. 15-17, with regard to bike owners concluded that the gap between customers’ expectations and warranty terms was wide.

2) Shri N. Sridaran (May 1998) in his article entitled “Be True your customer” published in the “Indian Management” (Monthly magazine of AIMA, New Delhi), PP. 23-27 has argued that in an increasingly competitive world, companies are finding that the recipe for success lies not in out-maneuvering the customers and satisfying their every want.

3) Dr. S. Ramesh Kumar (May 1998) in his article entitled “Customer Satisfaction to the fore” published in the “Indian Management” (Monthly magazine of AIMA, New Delhi), PP. 80-84 has argued that intense competition among the makers of customer durables, and the increasing awareness of customer about their own needs, is making a major difference to attempt by companies to ensure customer satisfaction.

4) Lele M.M. and Sheth J.D. (July 1998) on “The fourth fundamentals of customer satisfaction” published in the journal of “Business Marketing”; Vol. 73; PP.80-92 Stated that “Expectations of customers regarding such after-sales support as warranties, parts availability and other post-purchase services will be a factor determining customer satisfaction particularly for durables. After-sales support is said to be the litmus test of a firm’s intentions towards its customers.”

5) Naumann Eral, and Donald W. Jackson Jr., (May/June1999) in their article entitled “One more time. How do you Satisfy Customers?” published in the “Business Horizons”; PP. 71-76 has modified work of Fredrick Herzberg. They have developed a similar type of modified two-factor theory applied to customer satisfaction. According to them exploring the process of value creation will give firms a better grasp of the ups and downs of customer satisfaction.
3.5 SCOPE OF THE STUDY:

The scope present study covers the functional scope and geographical scope which is as under:

Geographical Scope:
Geographically, this study covers banking services users residing in five major cities of the Gujarat, v.i.z. Jamnagar, Rajkot, Ahmedabad, Surat, Baroda. The study does not cover other cities. The customers of Public sector banks and Private sector banks rapidly in Gujarat selected five cities are the main source of primary data.

Functional Scope:
For the present study the researcher has under taken the research specifically covering one important aspect of marketing-Banking Services and customer satisfaction with regard to Public Sector Banks and Private Sector Banks.

3.6 INVESTIGATIVE QUESTION

This study focuses on satisfaction measures taken by public sector banks and private sector banks. It also focuses the banking services related to customers in both the banking groups. Through this research, the researcher would like to address the following question.

1. Whether the information availability in Public Sector Banks and Private Sector Banks are same?
2. Whether the rates of both Banking group are affordable and attractive for the customers?
3. Whether the processes of opening a new account in both types of banks are satisfactory for customers?
4. Whether the behaviors of staff towards customers in both types of banks are satisfactory?
5. Whether the office environment and physical condition of both types of banks are same?
6. Whether the services of both types of banks are satisfactory and same?
3.7 SAMPLE DESIGN:

The population of the study consists of all types of customers in the Gujarat state selected 5 cities. They all may be different in occultation viz. Employee of government sector, private sector; businessman, self-employed, professional housewives, retired etc. are considered.

Questionnaires were distributed among 600 respondents out of them 528 respondents have returned it. Out of them 500 questionnaire were found fully filled up with adequate information, which was considered for the present study.

3.8 RESEARCH DESIGN:

The research study starts from basic understanding of Customer satisfaction in banking services in state of Gujarat. It starts with a comprehensive survey of public sector banks and private sector banks in major cities of the Gujarat state. The collected data are analyzed with appropriate analytical tools. This study is intended to develop and validate a survey instrument that can assess banking services in the state of Gujarat. For the purposes of this study, a quantitative research method related to scaling technique is used.

3.9 OBJECTIVES OF THE STUDY:

This study has been conducted with a variety of important objectives in mind. The following provides the researcher with the chief objectives that have tried to achieve through the study. The extent to which these objectives have been met could judge from the conclusions and suggestions, which appear in the later of this study.

1) To study the factors influencing the choice of a bank for availing banking services.
2) To find out and compare the satisfaction level of customers of Public Sector Banks as well as Private Sector Banks.
3) To study the problem faced by customer of Public Sector Banks and Private Sector Banks.
4) The researcher is intended to identify if there is any difference among the satisfaction level of customers of Public Sector Banks and Private Sector Banks.
5) What are basic factors which drives the level of customer satisfaction of banks?

6) The researcher will try to find out whether the banks of different sector banks are able to satisfy its customers.

7) Examining the opinion of customers for various banking services.

8) Taking the opinion of customers for improvement in services provided by the banks.

9) The main objective of the research is to asset the opinion of customers with regard to banking services in Gujarat state.

10) To make suggestion for improving or change in the services of Public Sector Banks and Private Sector Banks.

3.10 HYPOTHESES OF THE STUDY:

In present study a comparative study of Banking Service and Customer Satisfaction based on some of the hypothesis which is explained as below:

1. There is no significance difference between the Levels of agreement of Public Sector Banks and Private Sector Banks Customers for Minimum waiting time to complete a transaction in Branch.

2. There is no significance difference between the Levels of agreement of Public Sector Banks and Private Sector Banks Customers for Handling Inquiries.

3. There is no significance difference between the Levels of agreement of Public Sector Banks and Private Sector Banks Customers for Time taken to sort out your complain.

4. There is no significance difference between the Levels of agreement of Public Sector Banks and Private Sector Banks Customers for Attitude of bank staff.

5. There is no significance difference between the Levels of agreement of Public Sector Banks and Private Sector Banks Customers for seating arrangement in the bank premises.
6. There is no significance difference between the Levels of agreement of Public Sector Banks and Private Sector Banks Customers for Cleanliness of the bank.

3.11 PERIOD OF THE STUDY:

The researcher has carried out a comprehensive survey of the customers of various public sector banks and private sector banks to assess their level of satisfaction in terms of the banking service provided by the various banks of the two groups. The researcher has conducted this survey and its analysis during June 2012 to June 2015. Hence, as far as the period is concerned it is total three years of assessing customers’ satisfaction of various banks.

3.12 STATISTICAL TECHNIQUE:

Primary Data collected through the questionnaires were classified, tabulated and Analyzed with the help of statistical tools and technique. Statistical tools and technique such as Average, Mean Square and percentage were used for studying Customer Satisfaction and One way ANOVA for Hypothesis testing. Sandler’s A Test were used as non-parametric tests at 5% level of significance.

The brief descriptions of the tests are as follows:

Sandler’s A-Test:

In this test, A-Statistic is found as follows:

\[ A = \frac{\text{The sum of square of the Differences}}{\text{The square of the sum of the Differences}} \quad \text{Or} \quad A = \frac{\Sigma D^2}{(\Sigma D)^2} \]

The calculated value of A-Statistic is compared with its table value at a given level of significance for the given degrees of freedom (n-1) and if the calculated value of A ‘Statistic is more than its corresponding table value, the Null Hypothesis of no difference ‘between the paired data is accepted, otherwise the alternate hypothesis to denote difference ‘between the paired data is accepted for both one tailed and two tailed tests.

F-Test or ANOVA (Analysis of Variances):

F-test is also known as ANOVA, means analysis of variances.
\[ F = \frac{MSB}{MSW} \]
\[ MSB = \text{Mean Square between Groups} \]
\[ MSW = \text{Mean Square within Groups} \]

3.13 **CHAPTER PLAN OF THE STUDY:**

The researcher has undertaken whole research in different chapters to justify the Title. This research report is divided under the Six Chapters as follows:

**Chapter-1 Introduction of Banking Industry**

This chapter gives an overview of public sector banks and private sector banks, various banking services, other some innovative services and effective factors of customers in the bank of Gujarat State selected five Cities.

**Chapter-2 Review of Literature**

In this chapter, introduction and profile of the researcher are briefly mentioned together with their previous research and its finding.

**Chapter-3 Research Methodology**

The "Research Methodology" chapter includes the Title of the Study, Objective of the Study, Scope of the Study, Hypothesis, Sample Design, Data Collection, Data Analysis, Chapter plan, Significant of the Research and limitation of the study.

**Chapter-4 Conceptual frame work of Customer Satisfaction**


**Chapter-5 Data Analysis and Interpretation**

This chapter is completely based on Survey Results and it also covers various Banking Services and regarding Customer Satisfaction, what are the factors offering by Banking Services decisions from where customers get information regarding Banking Services, what is the knowledge of customers for different Banking Services.
and what are the Objectives of using Banking Services. Further this chapter reveals the Hypothesis that is tested with help of statistical tool like Sandler’s A-Test and ANOVA for final conclusions.

Chapter-6 Finding, Suggestion and Conclusion

In this chapter, a brief summary of the research report, the major findings of the study together with overall conclusions and possible suggestions to Banking Sector for effective Banking Services have been given to its Customer.

3.14 LIMITATIONS OF THE STUDY:

Due to constraints of time and resources, the study is likely to suffer from certain limitations. Some of these are mentioned here under so that the findings of the study may be understood in a proper perspective.

1 The study is related to Public Sector Banks and Private Sector Banks only. Co-operative & foreign banks are not included.

2 The study is related to the Gujarat State selected five cities only.

3 The information given by the respondents might be biased because some of them might not be interested to give correct information.

4 Customers' satisfaction focuses only related to Banking Services. Other aspects are not covered.

3.15 SIGNIFICANCE OF THE STUDY:

This study gives a clear picture of Public Sector Banks and Private Sector Banks customer Satisfaction and Banking Services. It says whether, the customer is satisfied with his or her bank or not. It also draws an attention towards the problems faced by the customers for their banks. It may help the banks to improve Banking Services and their customer satisfaction.