CHAPTER IV
CUSTOMERS’ SATISFACTION TOWARDS RETAIL BANKING SERVICES OF THE COMMERCIAL BANKS

4.1 Introduction
The working of the customer's mind is a mystery which is difficult to be understood and understanding the nuances of what customer satisfaction is, a challenging task. This exercise in the context of the banking industry will give us an insight into the parameters of customer satisfaction and their measurement. This vital information will help to build satisfaction amongst the customers and customer loyalty in the long run which is an integral part of any business. The customer's requirements must be translated and quantified into measurable targets. This provides an easy way to monitor improvements, and deciding upon the attributes that need to be concentrated on in order to improve customer satisfaction. Therefore, customer satisfaction and retention are critical for retail banks. Understanding the antecedents to and outcomes of customer satisfaction is a critical issue for both academicians and bank marketers. In this context, an attempt has been made to study the level of satisfaction of the customers towards retail banking services of the selected commercial banks in Erode district. Chi square and percentage analyses have been applied in this regard.

4.2. Customers’ satisfaction towards retail banking services of the commercial banks
Understanding customers’ perception is of paramount importance for retail bankers. The two factors critical to the understanding of customers’ perception are: firstly, the degree of differentiation that a customer perceives in the services offered by the banks and secondly, the fundamental determinant of customer behaviour in the degree of involvement in availing such services. In this context, this study aims at determining the association between some of the demographic and socio-economic variables of the respondents and their level of satisfaction towards retail banking services of the selected commercial banks in Erode district.

The variables considered are gender, age, educational status, occupation, monthly income, location of the respondents, prime bank to which they belong to, type of account maintained with the bank and type of bank.