ABSTRACT

The study examines the empirical evaluation of banking services provided by the private and public sector banks in Tamil Nadu. Over the years, banks began adding services to their customers. The Indian banking industry is passing through a phase of customers’ market. There is a tremendous change in the consumption pattern of the public, not only with respect to products, but it has also extended to banking services. The customers have more choices in choosing their banks. A competition has been established within the banks operating in India. With stiff competition and advancement of technology, the services provided by banks have become easier and convenient. In today’s increasingly competitive global market, creating and sustaining loyalty from customers is vital for business survival. One strategic focus that banks can implement to remain competitive would be to retain as many customers as possible.

The proposed study has examined whether the services rendered by the banks have satisfied the customers, what is the perception of the customers towards the banking services, their expectation, how the customers are loyal towards the bank for the services rendered by it, the relationship between banks and the customer, what is the strategy being adopted by the bank to retain the existing customers and attract the new customers. A structured Interview Schedule was prepared with the general profile of the bank customers with regard to services rendered by banks. The Researcher has adopted the descriptive design in this study, with the sample size of 1040
respondents in four zones namely Chennai, Coimbatore, Salem and Trichy, Tamil Nadu, India. Convenience sampling was used to select the bank customers. Statistical tools such as Garrett’s Ranking, Two way tables, Chi square, ANOVA, t- test, regression, inter correlation, Factor analysis, Cluster analysis and Discriminant function analysis were used for the analysis.

The result shows that there is a significant association exist between satisfaction levels of the customers towards Front office services, Deposit oriented services and Infra structure facilities rendered by banks. The data also suggests a significant positive correlation exist between customer perception and other value added services, and a high positive correlation between customer satisfaction and loan oriented services. The data on customer perception towards value added services, it is found that ATM facility was perceived by majority of the customers. On the whole, the findings of this study suggest both similarities and differences between public and private sector banks with respect to the constructs measured. This study also supports the idea that the banks should not levy any demand draft charges. By revealing the key role played by the informal support in all four outcomes of interest for this study (i.e., profit, excellence, sustainable growth and image building), our findings suggest that if the banks have “staff customer relationship” the customer will be loyal towards the banks which facilitate the banks to retain the existing customer and to attract the new ones.