

**Behavioural Performance by Customers in Banking Sectors in district Kurukshetra, Haryana (India)**

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**Abstract:** Bank managers observations about the behaviour of bank customers. On overall basis, the managers agree with the statement that most of the customer expectations from the employees of your bank are too much (mean score = 4.10). The managers of HDFC strongly agree with this statement (mean score = 4.80). However, managers of Oriental Bank of Commerce (mean score=3.80), Canara Bank (mean score=4.00), State Bank of India (mean score=3.75) and Axis Bank (mean score = 4.00) agree with this statement. On overall basis, the Managers are neutral about the statement that customers are often impatient (mean score=3.35). The managers of HDFC Bank agree with this statement (mean score=4.00). However, managers of rest of the banks i.e. Canara Bank (mean score=3.00), Axis bank (mean score= 3.00), Oriental Bank of Commerce (mean score=3.20 ) and State Bank of India (mean score=3.25) are neutral with this statement. On overall basis, the managers agree with the statement that the customers are usually trust worthy (mean score=3.75). The managers of the banks viz. HDFC Bank (mean score = 4.20), Canara Bank and Axis Bank (mean score =3.67 each), OBC Bank (mean score=3.60) and State Bank of India (mean score=3.50) agree with this statement. On overall basis, the manager agree with the statement that the customers are indifferent to the problems of bank employees in completing formalities (mean score=4.00). The Managers of all the banks viz. HDFC Bank (mean score=4.40), Canara Bank (mean score = 3.67), Axis Bank (mean score= 4.00), Oriental Bank of Commerce (mean score=3.80 ) and State Bank of India (mean score=4.00) agree with this statement.

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**Introduction:**

The only way to get over these problems is to “Provide better services to the customers”. All the activities of a bank should be focused on its existing and prospective customers.<sup>1</sup> A bank no longer survives in a competitive environment, if it fails to provide the kinds of services that fulfill the needs and satisfy the wants of its customers.<sup>2</sup> Therefore, whether a bank is going to succeed or fail in its trade are is determined to a large extent by how well the needs of its customers have been understood and satisfied.<sup>3</sup> The term Banking or Bank is defined as “accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise, and otherwise, and withdrawable by cheque, draft, order or otherwise” [Section 5(b)].<sup>4</sup>

The phrase “deposit of money from the public” is significant. The banker accepts deposits of money and not of anything else.<sup>5</sup> The word “public” means that a banker accepts deposits from anyone who offers his/her money for such purpose.<sup>6</sup> The banker, however, can refuse to pen an account in the name of a person who is considered as an undesirable person, e.g. thief, robber, etc.<sup>7</sup> The definition also specifies the time and mode of withdrawal of the deposits.<sup>8</sup> The deposited money should be repayable to the depositor on demand made by the latter or according to the

agreement reached between the two parties. The essential feature of banking business is that the banker does not refund the money on his own accord, even if the period for which it was deposited expires.<sup>9</sup> The depositor must make a demand for the same. The Act also specifies that the withdrawal should be effected through an order, cheque, draft or otherwise. It implies that the demand should be made in a proper manner and through an instrument in writing and not merely by verbal order or a telephonic message.<sup>10</sup>

Sir John Paget’s Definition. According to him, “No person or body, corporate or otherwise, can be a banker who does not (i) take deposit accounts, (ii) take current accounts, (iii) issue and pay cheques, and (iv) collect cheques, crossed and uncrossed, for his customers”. This definition points out the four essential functions of the banking business.<sup>11</sup>

An institution which accepts deposits, makes business loans, and offers related services. Commercial banks also allow for a variety of deposit accounts, such as checking, savings, and time deposit. These institutions are run to make a profit and owned by a group of individuals, yet some may be members of the Federal Reserve System. While commercial banks offer services to individuals, they are primarily concerned with receiving deposits and lending to businesses.<sup>12</sup>

Bank that offers a broad range of deposit accounts, including checking, savings and time deposits and extends loans to individuals and business. Commercial banks can be contrasted with investment banking firms, such as brokerage firms, which generally are involved in arranging for the sale of corporate or municipal securities.<sup>13</sup>

### Review of Literature

The growing importance of the customer service in banks can be well recognized from the fact that research findings can help to motivate the bankers and improve customer service. Now, most of the banks are doing customer research to develop ways to retain customers with banks. The review of literature on various aspects of customer relationship management is as follows:

Customer relationship management (CRM) has gained prominence amongst academics and practitioners. However, there is a tremendous amount of confusion regarding its domain and meaning. In this paper, the authors explore the conceptual foundations of CRM by examining the literature on relationship marketing and other disciplines that contribute to the knowledge of CRM. A CRM process framework is proposed that builds on other relationship development process models. CRM implementation challenges as well as CRM's potential to become a distinct discipline of marketing are also discussed in this paper.<sup>14</sup>

A general framework for combining strategic benchmarking with efficiency benchmarking of the services offered by bank branches. In particular, the *service-profit chain* is cast as a cascade of efficiency benchmarking models. Three models—based on Data Envelopment Analysis (DEA)—are developed in order to implement the framework in the practical setting of a bank's branches: an operational efficiency model, a quality efficiency model and a profitability efficiency model. The use of the models is illustrated using data for the branches of a commercial Bank. Empirical results indicate that superior insights can be obtained by analyzing operations, service quality, and profitability simultaneously than the information obtained from benchmarking studies of these three dimensions separately. Some relations between operational efficiency and profitability, and between operational efficiency and service quality are investigated.<sup>15</sup>

Virtual customer communities enable firms to establish distributed innovation models that involve varied customer roles in new product development. In this article he uses a multitheoretic lens to examine the design of such virtual customer environments, focusing on four underlying theoretical themes (interaction pattern, knowledge creation, customer motivation, and virtual customer community new

product development team integration) and deriving their implications for virtual customer environment design. He offers propositions that relate specific virtual customer environment design elements to successful customer value creation, and thereby to new product development success.<sup>16</sup>

Rapid growth of international banking in recent years has been accompanied by the growing problem of how to control the flow of vital management information, both customer and financial. The First of Boston's answer to this problem has been to develop, as a vital part of its international distributed processing network, a worldwide corporate MIS called the Total Customer Relationship system (TCR). TCR provides management with easily accessible, comprehensive information on dealings with multi-national corporate customers around the world. This article describes the background and development of TCR, as well as the consolidated reports produced by the system.<sup>17</sup>

The relationships among levels of involvement between customers and suppliers, customers' evaluations of core and peripheral factors in their transactions, and customers' overall satisfaction. They stated that highly involved customers who were dissatisfied with core factors expressed greater overall dissatisfaction with the relationship than those less involved who also were dissatisfied with core factors. Peripheral aspects, such as supplier responsiveness to customer inquiries, appeared to influence how customers evaluated a core product as well as their overall satisfaction.<sup>18</sup>

A way of aligning the interest of people, service and marketing. According to him customer surveys are increasingly being considered essential tools for growth, conducted both by organisation and independent agencies on periodic basis. The feed back garnered is being used to develop new products and effect modifications in existing models as well as device the increasingly popular customer satisfaction.<sup>19</sup>

Listening to customer and reorienting the organisational strategy is a sure fire way to succeed. According to him, following things should be kept in mind. Develop customer is the boss attitude, keep customer's interest in mind, satisfy customer needs. A business's only sustainable competitive advantage is the ability to learn faster than its competitors. A market orientation implies organisational learning. Thus, for maximum effectiveness in a dynamic world, an organisation must develop a culture that is market oriented learning organisation and instill an all-pervasive attitude of customer orientation before others do.<sup>20</sup>

### District Kurukshetra

The present study was carried out in the district Kurukshetra, Haryana (India). This region, once

regarded as cradle of Indian civilization and culture, has been mentioned in the “Purans” and is also associated with the legendary king Kuru or more logically it to the tribe of Kurus which was born as a result of merger of the various classes of great “Bharatas” as described in the Rigveda. Kurukshetra or Dharamkshetra, is also the birth place of holy “Gita”, the song celestial, the devine message delivered by lord Krishana to Arjuna during the 18 great day battle of Mahabharta fought here in the ancient times between Kauravas and Pandavas for upholding of dharma. Mythologically, the name Kurukshetra is applied to a circuit of about '80 KOS' or about 80 miles (128 Km) which includes a large number of holy places, temples and tanks connected to great Indian traditions, Mahabharata war, Kauravas and Pandavas. At present, Kurukshetra is a great pilgrimage for millions of devotees from all over the country (Fig. 3.1).

The district Kurukshetra, also popularly known as “Rice bowl of India”, has an area of 1530 Km<sup>2</sup>

constituting 3.8% of the total area of the state of Haryana. It is located between 29°52' N to 30°12' N latitude and 76°26' E to 77°04' E longitude in the North-Eastern part of the state of Haryana state (Fig. 3.1). Saraswati, Markanda and Ghaggar are the main rivers of this region. It is surrounded by the districts of Yamuna Nagar in East, Karnal in the South, Kaithal in the South-West and Ambala in the North-West side. It has four tehsils, namely, Pehowa, Thanesar, Shahabad and Ladwa with 419 villages and is one of the agriculturally prosperous districts of the state with wheat and sugarcane being the main crops. The industrial sector of the district is also greatly influenced by agriculture. The climate of district Kurukshetra is characterized by hot summer (mid March to end of June), extremely cold winter (mid November to mid March) and with moderate rainfall (end of June to mid of September). Temperature of the area is high as 48° C in summer and as low as 1° C in winter (Fig. 1).



**Fig. 1 Location of district Kurukshetra Haryana (India).**

### **Determining the Sample Design**

A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sample design may as well lay down the number of items to be included in

the sample i.e. the size of the sample. Sample design is determined before data are collected. While developing a sample design, the researcher must pay attention to know about the term “Universe”. All the items under consideration in any filed of inquiry constitute a “Universe” or “Population”. The Universe

for the present study is banks in Kurukshetra District. The number of customers taken for sample is limited to 165 (both from urban and rural areas) in Kurukshetra District and 20 Managers of different banks in the district. The study is limited to five banks namely State Bank of India, Oriental Bank of Commerce, Canara, HDFC and Axis bank. Out of five banks, two are public sector banks viz. State Bank of India, Oriental Bank of Commerce and three are private sector banks viz. Canara Bank, HDFC Bank and Axis Bank.

#### Data Collection

Primary Sources are these, which provide first hand i.e. original information. Although, there are various methods for collection of primary data but questionnaire method has been found to be the most objective, reliable and valid one. Thus, it was considered advisable to use questionnaire to arrive at fair assessment of variable involved in the study.

An attempt is made to cover the maximum aspects of customers while drafting the questionnaire. Most of the questions were in form of scale.

To collect primary information from respondents, a structured questionnaire was formed. It was finalised after making number of important checks regarding important items of information. The questionnaire has been designed keeping in view both the customers and the managers. The data has been collected by interviewing the respondents through structured questionnaire.

The questionnaire for Customer consists of 10 questions according to objectives of study. All the respondents are individually interviewed at the time of data collection. The questions provide information about services availed by customers through the bank.

#### Results:

Table 1 exhibits bank managers observations about the behaviour of bank customers. On overall basis, the managers agree with the statement that most of the customer expectations from the employees of your bank are too much (mean score = 4.10). The managers of HDFC strongly agree with this statement (mean score = 4.80). However, managers of Oriental Bank of Commerce (mean score=3.80), Canara Bank (mean score=4.00), State Bank of India (mean score=3.75) and Axis Bank (mean score = 4.00) agree with this statement.

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On overall basis, the managers agree with the statement that the customers are usually trust worthy (mean score=3.75). The managers of the banks viz. HDFC Bank (mean score = 4.20), Canara Bank and Axis Bank (mean score =3.67 each), OBC Bank (mean score=3.60) and State Bank of India (mean score=3.50) agree with this statement.

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**Table 1: Behavioural Performance by Customers in Banking Sectors in district Kurukshetra, Haryana (India)**

S. No.	Statements	HDFC		Canara		Axis		OBC		SBI		Overall	
		Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
i	Most of the customer expectations from the employees of your bank are too much.	4.80	0.45	4.00	0.00	4.00	0.00	3.80	0.84	3.75	0.50	4.10	0.64
ii	The customers are often impatient.	4.00	1.00	3.00	0.00	3.00	1.00	3.20	1.30	3.25	0.50	3.35	0.93
iii	The customers are usually trust worthy	4.20	0.45	3.67	0.58	3.67	0.58	3.60	0.89	3.50	0.58	3.75	0.64
iv	The customers are indifferent to the problems of bank employees in completing formalities.	4.40	0.89	3.67	0.58	4.00	0.00	3.80	0.45	4.00	0.82	4.00	0.65

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