



OPINION OF THE CUSTOMERS ON THE VARIOUS DELIVERY CHANNELS OPERATED BY THE SELECTED BANKS IN COIMBATORE CITY

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ABSTRACT

KEYWORDS:

Customer satisfaction, profitability, market environment, banking industry

Customer satisfaction is the key for any business as it leads to profitability and ultimately it is for customers 'retention. Today, banks are connecting the customers through enhanced services with quality as major parameter. Such revolutionized change and dynamic market environment raises the question about the customers' satisfaction or dissatisfaction and also the related elements of retail banking becoming reason for customers' satisfaction and dissatisfaction. This research article concentrates on the customer's satisfaction on the various delivery channels operated by the bank. The opinion of the respondents were collected from 600 respondents from the various banks (Public, Private and Foreign Banks) operating in Coimbatore City.

INTRODUCTION

Today, banks are connecting the customers through enhanced services with quality as major parameter. Such revolutionized change and dynamic market environment raises the question about the customers' satisfaction or dissatisfaction and also the related elements of retail banking becoming reason for customers' satisfaction and dissatisfaction. This research article concentrates on the customer's satisfaction on the various delivery channels operated by the bank. The opinion of the respondents were collected from 600 respondents from the various banks (Public, Private and Foreign Banks) operating in Coimbatore City.

FACTOR ANALYSIS - VARIOUS DELIVERY CHANNELS OPERATED BY THE BANK

The key concept of factor analysis is that multiple observed variables have similar patterns of responses because they are all associated with a latent (i.e. not directly measured) variable. The below table indicates that KMO Measure of Sampling Adequacy test is significant (because the test value is greater than 0.700 at 0.790) and Bartlett's Test of Sphericity is also found to be significant (approx. Chi-square = 2629.564, df = 120, Significance 0.000). This indicates that the dataset is fit to perform factor analysis. Varimax Rotation Technique is used to examine the obtained factors, and all item loadings above 0.40 are considered for the scale in factor analysis.

Table 1 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.790
Bartlett's Test of Sphericity	Approx. Chi-Square	2629.564
	df	120
	Sig.	.000

Initial communalities are the estimates of the variance in each variable accounted for by all the components or factors. For Principal components extraction, this is always equal to

1 for correlation analysis. Extraction communalities are the estimates of the variance in each variable accounted for by the component.

Table 2 Communalities		
Various Delivery channels operated by the bank	Initial	Extraction
Bank's technology is personalized	1.000	.697
Bank's technology recognizes customers' by name	1.000	.756
Bank's technology provides the precise information that needed	1.000	.721
Bank's technology provides the needed reports / statements	1.000	.727
Bank's technology is safe to use	1.000	.604
The risk associated with the bank's technology is low	1.000	.726
Personal information exchanged while using technology is not misused by the bank	1.000	.756
Bank's technology provides on-line support through Frequently Asked Questions (FAQs).	1.000	.558
Bank's help desk provides 24 X 7 supports with updated information.	1.000	.626
Bank delivery channels are customized / developed to complete queries / transactions quickly	1.000	.701
Bank's technology is user friendly	1.000	.733
Bank's technology is reliable	1.000	.721
Bank's technology never fails	1.000	.729
Bank's technology is accessible beyond regular business hours	1.000	.684
Bank's technology gives more freedom of mobility i.e. using the banking services while on move	1.000	.683
It is more convenient to use delivery channels than interacting with Bank's employees.	1.000	.634

Extraction Method: Principal Component Analysis.

Only those components are considered as principal components which have an eigen value greater than 1. Here, the first five components with eigen value of more than 1 is considered for the study, which explains 69.095% of total variance, and the remaining components explain 30.905% of

total variance. The below table presents the total variance of the observed variables explained by each of the principal components / factors. For arriving at possible factors from total 17 variables, rotation was converged in 12 iterations through Varimax.

Table 3 Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.207	32.543	32.543	5.207	32.543	32.543	2.749	17.179	17.179
2	1.911	11.947	44.490	1.911	11.947	44.490	2.274	14.211	31.390
3	1.470	9.184	53.675	1.470	9.184	53.675	2.192	13.698	45.087
4	1.316	8.222	61.897	1.316	8.222	61.897	2.142	13.389	58.477
5	1.152	7.198	69.095	1.152	7.198	69.095	1.699	10.618	69.095
6	.833	5.205	74.299						
7	.703	4.392	78.692						
8	.589	3.679	82.371						
9	.542	3.385	85.756						
10	.495	3.094	88.850						
11	.402	2.510	91.361						
12	.344	2.152	93.512						
13	.297	1.856	95.368						
14	.289	1.807	97.175						
15	.236	1.478	98.653						
16	.216	1.347	100.000						

Extraction Method: Principal Component Analysis.

Table 4 Rotated Component Matrix ^a						
	Component					Labeled as
	1	2	3	4	5	
Bank delivery channels are customized / developed to complete queries / transactions quickly	.806					Availability (17.179)
Bank's help desk provides 24 X 7 supports with updated information.	.755					
Bank's technology is user friendly	.698					
Bank's technology provides on-line support through Frequently Asked Questions (FAQs).	.609					
Bank's technology recognizes customers' by name		.815				User Friendliness (31.390)
Bank's technology provides the precise information that needed		.772				
Bank's technology provides the needed reports / statements		.654				
The risk associated with the bank's technology is low			.813			Safety (45.087)
Personal information exchanged while using technology is not misused by the bank			.681			
Bank's technology is safe to use			.642			
Bank's technology never fails				.789		Accessibil ity (58.477)
Bank's technology is accessible beyond regular business hours				.736		
Bank's technology is reliable				.668		
Bank's technology gives more freedom of mobility i.e. using the banking services while on move					.762	Acceptabilit y (69.095)
It is more convenient to use delivery channels than interacting with Bank's employees.					.753	
Bank's technology is personalized					.583	
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.a. Rotation converged in 12 iterations.						

CONCLUSION

Measuring customer attitude has become a buzzword in the contemporary business world. In recent days consumer's attitude has become an important area for the commercial banks. The banking industry is a service industry. It provides its customers with variety of financial services. Therefore a banking organization must prioritize the provision of high quality service to its customers. This will help to gain positive attitude from customers.

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