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A Study on Impact of Influencing Customer Services Provided by HDFC Bank on its Customer Satisfaction

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Abstract

Banking sector is considered as one of the crucial sectors contributing to the economic development of the nation. In addition to meeting the unique and varied financial needs of various clients and borrowers, the banking ecosystem is boosting the nation's economic growth and development. Recent technological advancements have significantly increased the financial services industry's competitiveness, inclusivity, productivity, quality, and efficiency particularly in the field of digital lending. HDFC Bank is one of India's premier banks providing a wide range of financial products and services to over 43 million customers. From a full range of products to the sheer convenience of their delivery, HDFC Bank today has made significant strides in the banking space. For the purpose of study samples were given a customized questionnaire to complete in order to gather data. The samples were the customers of the GDFC bank. The results demonstrate the critical significance of two selected customer services provided by the Bank with the customer satisfaction.

Keywords: Customer Services, Customer Satisfaction, E-mail services, phone call services

1. INTRODUCTION

In the banking sector, high-quality services are a magnet for clients, and technological advancements play a significant role in elevating service quality. Innovations such as ATMs, online banking, mobile banking, and Visa cards contribute to the overall enhancement of services provided by banks. The relationship between customer satisfaction and service quality is pivotal in the banking sector, where clients are drawn to institutions that consistently provide high-quality services. Therefore, every banking institution should prioritize and focus on service quality to not only satisfy customers but also to foster customer loyalty, ultimately leading to higher profitability

HDFC Bank is one of India's premier banks providing a wide range of financial products and services to over 43 million customers. HDFC Bank began operations in 1995 with a simple mission: to be a "World-class Indian Bank". With a single-minded focus on product leadership, customer focus and operational excellence, the bank has accomplished this, emerging as a leading player in all its business segments. From a full range of products to the sheer convenience of their delivery, HDFC Bank today has made significant strides in the banking space. HDFC Bank is also taking its branch network deeper into the hinterland, with 53% of its branches located in rural and semi-urban areas.



1.1 Products and Services offered by HDFC Bank:

Type of Product	Products
Deposit Products	Savings Account
	Current Account
	Fixed Deposit Account
	Demat Account
	Safe Deposit Lockers
Loans	Home loans
	Vehicle Loans
	Loan against Property
	Personal Loan
	Auto Loan
	Educational Loan
Cards	Debit Cards
	Credit Cards
	Prepaid Cards
Payment Services	Net Safe
	E-money electronic funds transfer
	Online payment for direct tax
	Bill Pay
	Insta Pay
Other Banking Services	Mobile Banking
	Net Banking
	ATM Services
	E-mail Statement
	Branch Network



2. LITERATURE REVIEW

In the research paper **Manisha Raj, Shruti Bansal (2019)**, focuses on the critical relationship between service quality, customer satisfaction, and customer loyalty in the context of HDFC Bank in Meerut, Uttar Pradesh. The study aims to identify dimensions ensuring maximum customer satisfaction, examining factors influencing satisfaction, and assessing the mediation role of customer satisfaction in the relationship between service quality, situational factors, and loyalty. With a sample of 300 customers, the research employs multiple regression analysis and the chi-square test to establish the significance of each SERVQUAL dimension, including Tangibility, Reliability, Responsiveness, Assurance, and Empathy, in relation to customer satisfaction. The study also aims to compare satisfaction levels between private and public sector banks. The findings anticipate shedding light on effective strategies for improving service quality and customer loyalty in the banking sector, particularly within HDFC Bank.

In the research conducted, **Dr. K. P. Bholane (2019)** stated that the study was to find out the connection between customer loyalty and customer service at Vaijapur City's HDFC Bank. Customer service and customer loyalty were found to have a strong and positive link with customer service accounting. The study concluded that the bank should enhance customer loyalty and service, including quick response to inquiries, 24-hour services, real-time information delivery, and tailored client interaction.

Mayuri Maheshwarin (2022) their research examined the connection between HDFC Bank's financial products and customer happiness. The study considers customer satisfaction as the dependent variable and financial services as the independent variable using a conceptual framework. The hypotheses were tested using structural equation modelling, and the findings showed that HDFC Bank's financial services and products had a considerable beneficial influence on customer satisfaction.

In the view of **M. Anitha, M. Hemanathan (2022)** the study intends to look at the level of customer satisfaction and service quality in private sector banks. By gauging the expectations and impressions of bank clients, the study aims to comprehend their perspectives of service quality and satisfaction. The major objective of the study is to assess customer satisfaction levels and classify the importance of service quality characteristics by means of quantitative analysis of data obtained from clients of different private banks. According to the research, increasing customer happiness and loyalty may be achieved by enhancing service quality, responsiveness, assurance, and empathy. The study emphasizes how critical it is to comprehend and



satisfy client expectations in order to maintain happiness and loyalty in the cutthroat banking sector.

According to **D. Venkateswarlu, Suresh Babu Nalliboyina etl., (2023)** e-banking services has been considered for the comparison of two banks i.e State Bank of India and HDFC Bank in Bangalore region. The researchers examine a range of criteria, including perceived usefulness, usability, security, and responsiveness, that impact customers interactions with online banking through a comprehensive analysis of the literature. The results of the study indicate that although consumers have differing views on the e-banking services provided by both banks, there is still opportunity for development in areas like service quality, transaction efficiency, and server dependability.

3. RESEARCH METHODOLOGY

Using a descriptive methodology, the researcher collected data from 100 respondents who were customers of HDFC Bank of Nagpur city. The researcher used primary and secondary sources to gather data. Created a questionnaire for primary data that included questions about age, gender, education, which gave the demographics of the sample whereas, the other section includes customer services which customers rated on a range of 1 to 5.

3.1 Objectives of the Study

- To ascertain which services, have the most influence on customers while choosing a bank.
- To ascertain the clients' favoured options among the many items and services provided.
- To determine the degree of customer satisfaction with the bank.
- To determine which bank customers prefer

3.2 Hypothesis

For the purpose of Hypotheses testing, two hypotheses have been formed wherein two specific customer services i.e email services and the phone call services has been considered.

H₀: There is no association between customer satisfaction and email services.

H₁: There is an association between customer satisfaction and email services.



H0: There is no association between customer satisfaction and phone call services.

H2: There is an association between customer satisfaction and phone call services.

4. RESULTS AND DISCUSSION

In this study, researcher wanted to find out more about the customers services provided by HDFC bank that influences the customer satisfaction. For this purpose, two specific services have been considered i. e email services provided by the bank and secondly the phone call services provided by the bank. To do so, we formulated hypotheses to examine the association between customer satisfaction and e-mail services. While the alternate hypotheses (H1) proposed a significant association, the null hypotheses (H0) proposed no significant association.

H0: There is no association between customer satisfaction and email services.

H1: There is an association between customer satisfaction and email services.

ANOVA						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.254001	1	9.254	10.51062	0.002
	Residual	45.78304	52	0.880		
	Total	55.03704	53			

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410	.168	.152	.938

Based on the regression results, it appears that the coefficient for the independent variable (presumably representing email services) is statistically significant at conventional levels ($p\text{-value} = 0.002074 < 0.05$). This suggests that there is evidence to reject the null hypothesis, indicating that there is an association between customer satisfaction and email services.



Since the p-value associated with email services is less than the typical significance level of 0.05, we have evidence to reject the null hypothesis. Therefore, based on the regression analysis, it seems that there is a significant association between customer satisfaction and email services

H0: There is no association between customer satisfaction and phone call services.

H2: There is an association between customer satisfaction and phone call services.

ANOVA						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.39448	1	11.394	8.119295	0.006
	Residual	72.97589	52	1.4033		
	Total	84.37037	53			

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.367	.135	.118	1.184

Based on the regression results, it appears that the coefficient for the independent variable (X Variable 1, presumably representing phone call services) is statistically significant at conventional levels (p-value = 0.006262 < 0.05). This suggests that there is evidence to reject the null hypothesis, indicating that there is an association between customer satisfaction and phone call services.

Since the p-value associated with phone call services is less than the typical significance level of 0.05, we have evidence to reject the null hypothesis. Therefore, based on the regression analysis, it seems that there is a significant association between customer satisfaction and phone call services. Specifically, for each unit increase in the quality of phone call services, customer satisfaction tends to increase by 0.524107 units.



5. CONCLUSIONS AND FINDINGS

- This study aimed to delve into the intricate relationship between customer services provided by HDFC Bank and customer satisfaction, with a specific focus on email and phone call services. Through a meticulous research design and rigorous analysis, several key insights have emerged, shedding light on the dynamics of customer satisfaction in the banking sector.
- Across demographic variables, such as age, gender, occupation, and income, it was observed that HDFC Bank caters to a diverse customer base. However, a notable proportion of respondents fell within the 18-24 age group, suggesting the bank's appeal to younger demographics
- The analysis revealed a substantial association between customer satisfaction and both email and phone call services offered by HDFC Bank
- The study highlights the need for the government to work toward raising the level of education among the populace so that they can utilize the various banking services offered by the bank, such as net banking services, to illustrate accurate and ideal results. This will enable banking services to grow more in line with the needs of the general public.



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