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**A COMPARATIVE STUDY OF CUSTOMERS' PERCEPTION  
ON BANKING SERVICES OF SELECTED DISTRICT CO-  
OPERATIVE BANKS OF NORTH GUJARAT**

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## INTRODUCTION:

The banking industry is facing rapid changes in the market, such as: new technologies, economic uncertainties, fierce competition, more demanding customers and the changing climate which lead to an unprecedented set of challenges. The banking sector offers several facilities and opportunities to their customers. The products of the banking industry broadly include deposit products, credit products and customized banking services. Most banks offer the same kind of products with minor variations. The basic differentiation is attained through quality of service and the delivery channels that are adopted. The Banking Sector in India is classified into four categories viz; Commercial Banks, Small Finance Banks, Payments Banks and Co-operative Banks. The Co-operative credit structure for meeting the short-term, medium term and long-term credit needs of cultivators in Gujarat consists of (i) State Co-operative bank at the apex level (ii) Central Co-operative Banks at the district level & (iii) Primary Agriculture Credit. The State Co-operative Agricultural and Rural Development Bank fulfil long-term credit needs through its branches. The customer is the king of market. The existence of the business unit depends on the market-share achieved by it. The customers at the present juncture are well exposed to unstoppable innovations in communication technologies. He / She is aware of the kind of service level available around the world and thus expects the best from his / her bank. Customer service is not only a critical function but plays a vital role for the business. It is next most important business strategy. The improved customer service will definitely increase profitability.

## REVIEW OF LITERATURE:

**Oliver (1989)** As per the study, the Satisfaction is a summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience. Therefore, satisfaction relate to a specific transaction. Comparative studies revealed that regardless of the type of service, customers used basically the same general criteria in arriving at an evaluative judgment about service quality. Measurement of customer satisfaction regarding the service quality of firms is a necessary means by which organizations delve into the minds of its customers for useful feedback that

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could form the basis for effective marketing strategy. Customer satisfaction is one of the important outcomes of marketing activity. In the competitive banking industry, customer satisfaction is considered as the fundamental of success. Businesses recognize that keeping current customers is more profitable than having to win new ones to replace those lost. Good customer satisfaction has an effect on the profitability of nearly every business stated that satisfied customers improve business and dissatisfied customers impair business.

**Heryanto. (2011):** As per the study, there is a significant relation between service quality and the customer satisfaction and it consist of actions like quick response, commitment, staff availability, competency and capability of staff in the bank. has done a comparative performance analysis of District Central Co-operative Banks (DCCBs) of Western India, namely Maharashtra, Gujarat and Rajasthan and found that DCCBs of Rajasthan have performed better in profitability and liquidity as compared to Gujarat and Maharashtra.

**Jain, V., Gupta, S., Jain and Smriti (2012):** The study was conducted to understand the perception of service quality in banking sector and also to evaluate how it helps in enhancing the reputation and attract customer loyalty. The study, analyzed the lending practices of co-operative banks in India, comparison of efficiency of cooperative banks in India, Impact of size on the efficiency of the co-operative banks and different types of loans preferred by different set of customers from these banks.

**Mistry, S.H. (2013):** The study was conducted to identify the factors affecting customer satisfaction in Banks and analyzes their effects on the level of customer satisfaction. It found that sound financial health of a bank is the guarantee not only to its depositors but is equally significant for the shareholders, employees and whole economy as well. In this paper, an effort has been made to evaluate the financial performance of the two major banks in northern India.

## RESEARCH GAP:

It was found from literature review that comparative studies of banks were conducted by number of researchers across India and around the world. There is also some significant work done in the area of cooperative banks in India as well as around the world. But it was found

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that no research study has been conducted in the functional area of Service Marketing specifically for Cooperative banks Gujarat. To fulfill the research gap, the present study has been selected.

## **TITLE OF THE STUDY:**

The title of the present study is as follows:

## **A COMPARATIVE STUDY OF CUSTOMERS' PERCEPTION ON BANKING SERVICES OF SELECTED DISTRICT CO-OPERATIVE BANKS OF NORTH GUJARAT**

## **OBJECTIVES OF STUDY:**

The research study has been undertaken keeping in view the following objectives:

- To study the customers' perception of banking services with regard to Tangibility Dimension of their bank.
- To study the customers' perception of banking services with regard to Responsiveness Dimension of their bank. Satisfaction Dimension
- To study the customers' perception of banking services with regard to Satisfaction Dimension of their bank.
- To make suggestions to improve the quality of Banking Services of selected Co-operative bank.

## **SOURCES OF DATA:**

The research study is purely based on primary data and supported by secondary data. The main source of primary data are the customers of selected tow Co-operative Banks. The sources of secondary data are journals, magazines, subject related books, web-sites, records and documents published by various governmental and non-governmental organizations.

## **DATA COLLECTION:**

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For the purpose of collecting primary data, the researcher has prepared a structured questionnaire. The secondary data has been collected from subject related journals, magazines, subject related books, web-sites, records and documents published by various governmental and non-governmental organizations.

## SCOPE OF STUDY:

The research study is a micro level study. The scope of the study is as under:

**Functional Scope:** - Functional scope of this research study is Service Marketing especially focusing to measure perception level of customers for the service quality of selected Co-operative Banks from the view point of three dimensions – Tangibility, Responsiveness and Satisfaction.

**Geographical Scope:** - The area of Banaskantha and Sabarkantha District of North Gujarat is geographical scope for present research study.

## SAMPLE DESIGN:

**Universe of the Study:** All the Customers of Co-operative Banks of North Gujarat who are having bank account constitutes the universe of this study.

**Population of the Study:** All the Customers of Banaskantha District Central Co-operative Bank and Sabarkantha District Central Co-operative Bank of North Gujarat who are having bank account constitutes the universe of this study.

**Sample Size:** The sample size of this study is in total 100 Customers (50 each of Banaskantha District Central Co-operative Bank and Sabarkantha District Central Co-operative Bank) from the population of the study.

**Sampling Technique:** The researcher has used non-probability sampling technique - Convenient Random Sampling has been used for the selection of sample.

## HYPOTHESIS:

The following null hypothesis were tested during the research study:

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- There no existence of Tangibility Dimension in banking services with regard to their banks.
- The bank is not responsive for services towards its customers for banking services with regard to Responsiveness Dimension.
- There no existence of Satisfaction Dimension in banking services with regard to their banks.

## ANALYSIS OF DATA:

The questionnaire contained 08 demographic profile of the respondents and their opinion from the view point of three dimensions – Tangibility (04 Statements), Responsiveness (05 Statements) and Satisfaction (03 Statements) – based on Linkert’s 5-point scaling techniques. The primary data collected from the respondents has been tabulated, coded and arranged as per the requirements of the study. The computer programme SPSS was used to tabulate the primary data keeping in view various variables to be studied. The qualitative data has been converted into quantitative form with the help of linkers’ five-point scaling technique. For the purpose of analysis of data and to test various hypotheses as per requirement; non-parametric tests and other statistical measures have been used.

## MAJOR FINDINGS OF THE STUDY:

The major findings of the present research study have been narrated from four different aspects. The major findings are as under:

(1). Findings based on Demographic Profile of the Respondents:

Sr. No.	Demographic Factor	Major Findings
1	Age	Maximum (38 %) are in the age group 25 years to 35 years.
2	Gender	Maximum (69 %) are male.
3	Marital Status	Maximum (88.7 %) are married.

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4	Educational Qualification	Maximum (54 %) are graduate qualified
5	Occupation	Maximum (59 %) are Business Person.
6	Family Income	Maximum (32 %) have an income from 20,001 – 50,000
7	Types of Account	Maximum (94 %) have the savings account.
8	Account Holding Period	Maximum (43.5 %) were having account since last 3 – 6 years.

## (2). Findings based on Tangibility Dimension:

(A). For these four different statements based on Empathy were given

1. The first statement was about “Bank has visually appealing facilities.” For which the standard deviation was 0.720 and mean was 1.93. The mean value was near to 2. Hence it can be said that bank customers were agreed that the Co-operative bank where they have account, has visually appealing facilities.
2. The second statement was about “Bank has employees who have a neat, professional appearance.” For which the standard deviation was 0.602 and mean was 2.10. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the Co-operative bank where they have account, has employees who have a neat, professional appearance.
3. The third statement was about “Bank has modern equipments and technology.” For which the standard deviation was 0.79 and mean was 2.18. The mean value was more than 2. Hence it can be said that bank customers were agreed that Co-operative bank where they have account has modern equipments and technology.
4. The fourth statement was about “Bank has visually appealing material associated with the service.” For which the standard deviation was 0.781 and mean was 2.19. The mean value was more than 2. Hence it can be said that bank customers were agreed that Co-

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operative bank where they have account has visually appealing material associated with the service.

### (B). Findings of Comparative Study Analysis:

1. The standard deviation of Banaskantha District Central Co-operative Bank was 0.641 and mean was 2.10. The mean value was more than 2. Hence it can be said that bank customers were agreed that the Banaskantha District Central Co-operative Bank has tangibility in its services.
2. The standard deviation of Sabarkantha District Central Co-operative Bank was 0.433 and mean was 2. The mean value was more than 2. Hence it can be said that bank customers were agreed that the Sabarkantha District Central Co-operative Bank has tangibility in its services.
3. Response for Tangibility dimension of bank services showed that Sabarkantha District Central Co-operative Bank was found better than Banaskantha District Central Co-operative Bank.

### (3). Findings based on Responsiveness Dimension:

(A). For these five different statements based on Responsiveness were given.

1. The first statement was about “The bank employees give the prompt service to customer.” For which the standard deviation was 0.8 and mean was 2.02. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the employees of Co-operative bank where they have account give them the prompt service.
2. The second statement was about “The bank employees instill confidence in customers.” For which the standard deviation was 0.62 and mean was 2.11. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the employees of Co-operative bank where they have account instill confidence in customers.





3. The third statement was about “The bank employees are never too busy to respond to customers’ requests.” For which the standard deviation was 0.810 and mean was 2.5. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the employees of Co-operative bank in which they have account are never too busy to respond to customers’ requests.
4. The fourth statement was about “The bank employees are always willing to help customers.” For which the standard deviation was 0.721 and mean was 2.14. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the employees of Co-operative bank in where they have account are always willing to help them.
5. The fifth statement was about “The bank employees tell to the customers exactly when services will be performed.” For which the standard deviation was 0.791 and mean was 2.28. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the employees of Co-operative bank where they have account tell to the customers exactly when services will be performed.

#### (B). Findings of Comparative Study Analysis:

1. The standard deviation of Banaskantha District Central Co-operative Bank was 0.525 and means was 2.12. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the Banaskantha District Central Co-operative Bank is responsive for services towards its customers.
2. The standard deviation of Sabarkantha District Central Co-operative Bank was 0.368 and means was 2.10. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the Sabarkantha District Central Co-operative Bank is responsive for services towards its customers.
3. Response for Responsiveness dimension of bank services showed that Sabarkantha District Central Co-operative Bank was found better than Banaskantha District Central Co-operative Bank.

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#### (4). Findings based on Satisfaction Dimension:

(A). For these three different statements based on Satisfaction were given.

1. The first statement was “Respondent completely satisfied with the services delivered by co-operative bank.” For which the standard deviation was 0.781 and mean was 2.12. The mean value was more than 2. Hence it can be said that the bank customers were agreed that they were satisfied with the services provided by co-operative bank where they have an account.
2. The second statement was “Respondent feels very pleased with services offered by co-operative bank.” For which the standard deviation was 0.691 and mean was 2.16. The mean value was more than 2. Hence it can be said that the bank customers were agreed that they feel very pleased with services offered by co-operative bank where they have an account.
3. The third statement was “Respondent feels absolutely delighted with services of Co-operative bank in which respondent has an account.” For which the standard deviation was 0.772 and mean was 2.19. The mean value was more than 2. Hence it can be said that the bank customers were agreed that they feel absolutely delighted with services of Co-operative bank.

(B). Findings of Comparative Study Analysis:

1. The standard deviation of Banaskantha District Central Cooperative Bank was 0.681 and means was 2.11. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the Banaskantha District Central Co-operative Bank is providing satisfaction to its customers in terms of services.
2. The standard deviation of Sabarkantha District Central Co-operative Bank was 0.476 and means was 2.01. The mean value was more than 2. Hence it can be said that the bank customers were agreed that the Sabarkantha District Central Co-operative Bank is providing satisfaction to its customers in terms of services.

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3. Response for Satisfaction dimension of bank services showed that Sabarkantha District Central Co-operative Bank was found better than Banaskantha District Central Co-operative Bank.

### **SUGGESTIONS:**

1. From the view point of all three dimensions, Sabarkantha was found better than Banaskantha District Central Co-operative Bank. Hence, Banaskantha District Central Co-operative Bank should try to improve its banking services.
2. The infrastructural facility needs to improve by both the District Central Co-operative Banks.

### **LIMITATIONS OF THE STUDY:**

The limitations of the study are as follow:

1. Present study is limited to 100 Customer Respondents of only 02 District Co-operative Banks of North Gujarat.
2. The personal beliefs, attitude and understanding of customer respondents vary from one to another. This may affect the quality of data. This is called the inverse halo effect.
3. The statistical tools used for the study will have their own limitations which will also apply to the present study.
4. The outcomes of the study cannot be generalized, as the sample size is too small.



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