

## Assessing Consumer Gratification in financial services

Dr. Rahul Raj

Associate Professor, Commerce, Graphic Era Hill University, Dehradun Uttarakhand India 248002,  
rahulraj@gehu.ac.in

### Abstract

Establishing and handling relationships with clients is crucial in the new, aggressive marketplace where businesses must compete for existence. Client fulfillment is the cornerstone of any lasting connection. The evaluation is given even more weight in the service sector since the construct of pleasure is linked to the relationship one has with the service provider.

This essay provides a methodology for measuring how satisfied consumers are with banking services, with a particular emphasis on an Indian bank.

**Keywords: Assessment; consumer contentment; banking; India**

### I. Introduction

Companies need to develop more distinctive interactions with customers in the globalized, fiercely competitive environment (Mehta et al., 2012). According to research, organizations believe that implementing CRM, or customer relationship administration, can help them thrive in new market conditions by enhancing their interaction with their clients. (Mendoza, et al., 2007). Successful CRM implementation projects that have already been completed offer evidence for the theory as well as significant competitive advantages. (Kotorov, 2003). As a result, other businesses are pressured to follow suit.

Satisfaction with clients is the cornerstone of any relationship-building effort. It can be used to establish consumer loyalty and create a "stable, mutually beneficial, and long-term connection."

In the previous two decades, measuring consumer happiness has grown in popularity, and as a result, market research firms have seen significant revenue growth. This appeal results from the realization that customer happiness is a reliable indicator of future buying intent, referrals, and

loyalty. Consumer happiness, rather than service quality, is a stronger predictor of intentions to repurchase, as noted by Ravald and Grönroos. Consumers who are happy are more likely to stay in touch with the business, purchase more goods or services, and do so more frequently. Peyton et al. also include the possibility that other items in the line will be accepted as well as the positive(A. Bansal & Bansal, 2012).

The confirmation model is a popular theory for how customers build a sense of contentment (Dash, 2015). The decision to purchase a good or service is made by the customer at a certain point in time. The perceived effectiveness of the product triggers a comparison process in which it is measured against one or more standards, such as expectations. Confirmation, affirmative disconfirmation, and disapproval are the three possible outcomes. When the performance is judged to be up to par, a neutral sense of satisfactory follows. If the performance meets or surpasses the customer's expectations, this is known as a positive disagreement, the customer is also satisfied. Poor performance results in disappointment and, thus, discontent (Khan, 2013).

The confirmation/disconfirmation model is widely accepted in the literature, although the exact definition of satisfaction remains up for debate. Research mostly concentrated on cognition, or the process of comparing something to a standard. Contrarily, the sensation of satisfaction is associated with an emotive state of mind. The perception of being fulfilled is another thing that exists as a result of a process that is both emotional and cognitive. (Clerfeuille, et al., 2008). Happiness is defined as "either an immediate afterwards evaluative judgement or a personal response regarding the firm utilized in the most current transaction" by Garbarino and Johnson (Garbarino, Johnson, 1999). This essay adopts the same viewpoint.

In order to identify the factor among others, such as various service qualities, strategically significant service parameters, and general preference for banks or financial products, Oppewal and Vriens (2000) employed the SERVQUAL model. 117 respondents assisted Chinwuba (2013) in measuring the level of customer satisfaction and their perception of the quality of service using the SERVQUAL methodology. They discovered a positive association between confidence, compassion, and responsiveness characteristics and no significant influence on client happiness, while reliability and customer satisfaction had an adverse connection and no

significant impact. However, there is a strong positive correlation between the characteristic of tangibility and consumer satisfaction.

Siddiq (2011) made an effort to pinpoint the connections and crucial elements between the level of service, customer happiness, and customer loyalty in Bangladesh's retail banking market. In the retail banking industry, he discovered that all service quality characteristics are closely related to client loyalty and satisfaction. The most positive association between customer contentment and empathy is seen, while the weakest positive correlation between customer satisfaction and tangibility is seen. In terms of the various technologies given to consumers and the potential growth of electronic channels in retail banking, Jani (2012) identified relative critical aspects influencing the areas of advantages and disadvantages of banks in the public and private sectors.

## **II. Contentment in the context of financial services**

Customers are not actually able to review services prior to the service manage, unlike with items. The key to assessing the quality of service is the relationship between the service supplier and the client, or the so-called service contact. (Gil, 2008). The client might gain a sense of how the business offers its services throughout these interactions. His or her interactions with the business, its procedures, and its staff helped to shape the way they received service. As a result, service interactions form the foundation of client pleasure.

Providers of services have numerous possibilities to control the interactions that make up the moment. (Wirtz, 1994). They may recruit, train, and manage service staff; create and maintain the service atmosphere; and carefully target, engage, and educate consumers. They may also design and the manufacturing procedure.

In an effort to determine how the type of the service affected the relative relevance of the different service quality dimensions, Sheetal et al. (2004) discovered that in the marketing of banking services, tangibleness and empathy rank last in importance. According to Agarwal (2009), factors such as the type of account a customer has, their age, their occupation, and other factors affect how they use e-banking services. The research unequivocally highlights the necessity for banks to comprehend that the financial services and products provided over the

Internet have to not only be tailored to fulfil customers' wants, tastes, security expectations, and quality standards at the present time but additionally be needed to induce consumers to request and utilize e-banking on a larger scale in the years to come.

Typically, satisfaction in financial services is viewed as a multidimensional construct. (Manrai, L.A., Manrai, A.K., 2007). The list of bank service features used when calculating customer satisfaction includes items like waiting time, interest rate, business hours, personnel attitude and conduct, and facility design. Some of these components may not be as crucial to bank clients as the others.

Every nation's economic progress depends heavily on banking, a significant component of the service sector. In contemporary times of fierce competition, banks pay close attention to their customers' needs and the effectiveness with which those needs can be supplied. They work hard and continually come up with new tactics to set themselves apart from their rivals by offering their clients top-notch banking services and cutting-edge, unique products.

Although over the past 20 years, India's banking system has gradually improved. However, it is also dealing with a number of issues and problems, such as rising customer demand and awareness, escalating competition, an ageing population, etc. Aside from them, technological advancements represent another significant issue for the industry. A number of fresh private financial institutions have risen as a result of the industry's rapid growth. As a result, customers have a wide range of options when choosing a financial service provider. As customers' awareness of banks has grown, they have begun to favour those that can meet their expectations and offer regular amenities. Need-based, effective customer care and service quality can distinguish a bank in the Indian market, where many banks provide nearly identical products and services.

Because the level of service and consumer satisfaction are tied to one another, banks must increase their service quality in order to guarantee client contentment. Meaning that only clients will be satisfied if banks deliver service in line with customer expectations. In order to adapt to this shifting business environment, banks must both keep their existing clientele and draw in new ones by offering higher-quality services.

### **III. Measuring client satisfaction**

The following section of the paper gives the results of a survey that was carried out in the early months of 2009 to gauge client happiness for an Indian bank.

The goal was to ascertain the degree of client satisfaction with a certain Indian bank. The survey, which was founded on a survey, is an example of qualitative research. As a result, primary data was gathered (Ashima, 2016).

50 retail customers of a tiny Indian bank's Mumbai branch office provided responses. On their way out of the bank, clients were randomly chosen for face-to-face interviews on their responses. They are between the ages of 18 and 60. The survey period ran from March 30 through April 10, 2009, duration of two weeks in the spring of that year.

The following qualities were compiled based on the multifaceted satisfaction construct and relevant literature:

- Demeanor and attitude of employees
- The turnaround time,
- The offices' availability,
- And the price/quality ratio.
- A bank's response to complaints
- Service advertising
- Customer contact options
- Office hours.

Clients were also requested to assess their overall happiness with the bank in order to have a basis for comparison. Additionally, they disclosed their typical wait time and frequency of usage of financial services.

### **IV. The outcomes**

According to the demographic information, 25% of respondents are between the ages of 16 and 25; 22% are among the ages of 26 and 40; 27% are between the ages of 36 and 45; and 26% are

older than 55. (Figure 1). The bank's current attempts to draw and keep clients from the young sector are consistent with the significant number of young customers.

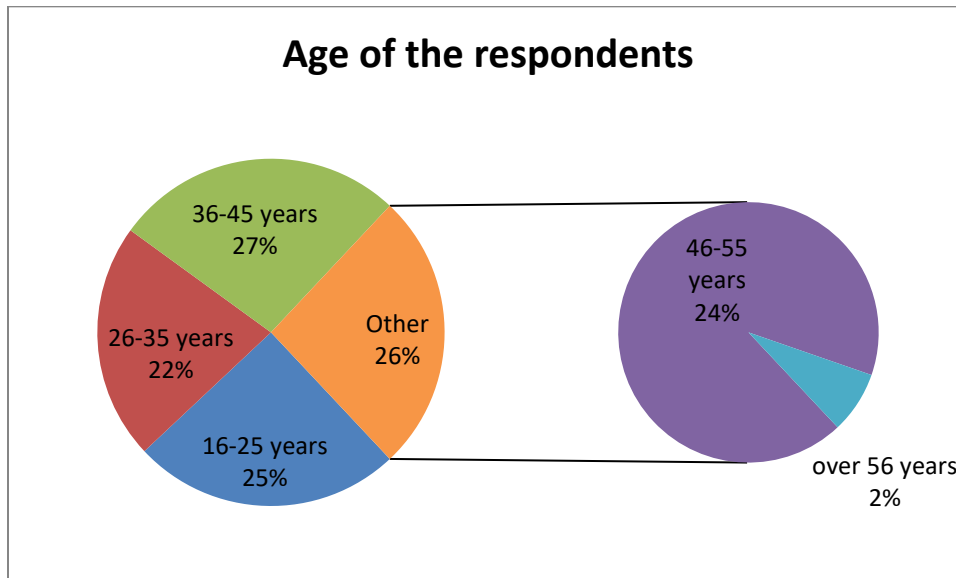


Fig 1: Age of the respondents

Consumers with an income of less than INR 1,00,000 are 28% while those with an income of over INR 1,00,000 to 5,00,000 are 35%. 26% of the clients are in the income group of INR 5,00,00 to 8,00,000, and 11% of the respondents are earning income of more than INR 8,00,000 (Figure 2).

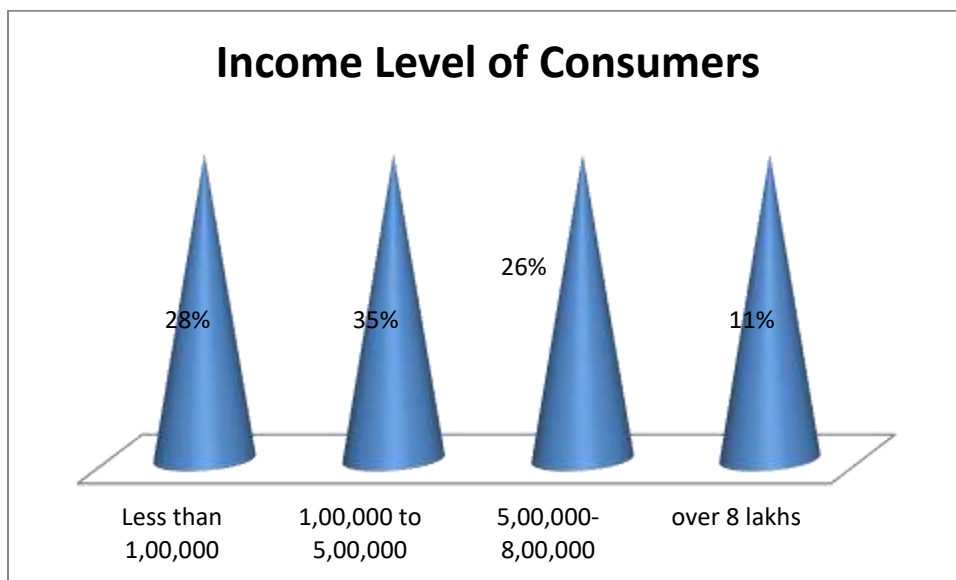


Fig 2: Income of Consumers

In the Fig no 3, frequency of using the banking services has been shown. 32% of the respondents are using services monthly or even less than that. 20% respondents are using the financial services offered by banks fortnightly, 18% clients uses the banking services very rarely.

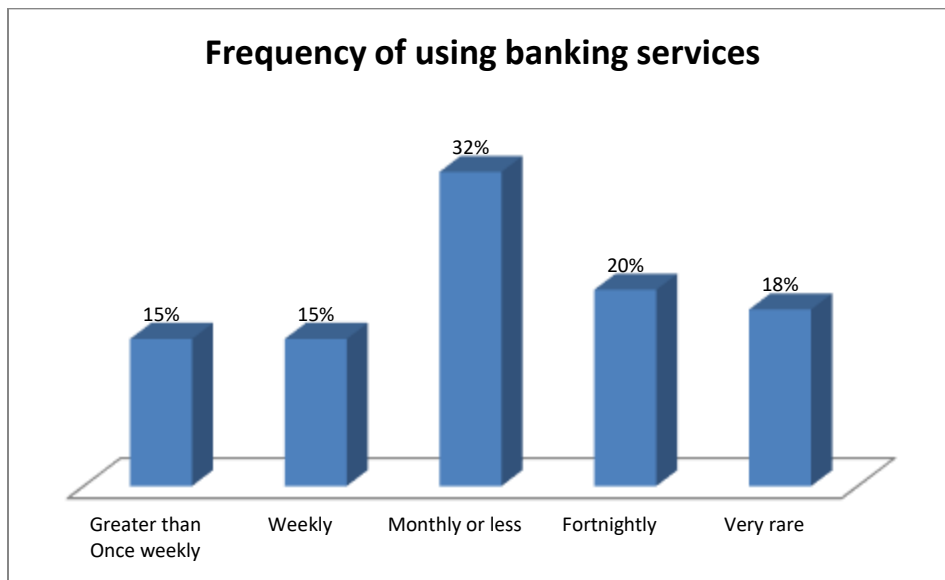


Fig 3: Frequency of using banking services

Fig no 4 shows the level of satisfaction of the clients using the banking services. It shows that 45% of the clients are contended, 2% are evry much satisfied with gthe services offered by the banks. It is clearly evident that 23% of the clients are not satisfied with the services offered by baking institutions.

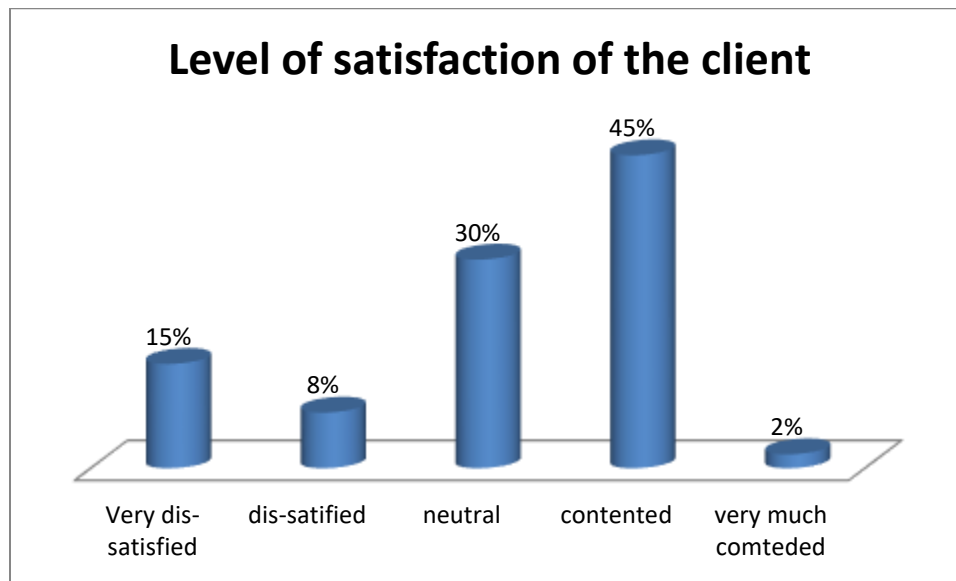


Fig 4: Level of Satisfaction of the client

Four attributes were utilized to measure the satisfaction with the banks' employees. Customers were asked to rate their level of contentment with the staff's focus, professionalism, comprehension of their requirements, and courtesy.

These findings are insufficient to suggest an appropriate course of actions for the bank branch. As a result, it is crucial to attempt to check "under the hood." It is well known that the majority of clients merely state their satisfaction with the service they receive. Additionally, these "satisfied" consumers aren't the ones promoting the bank. They are content and quiet.

Customers that express extreme emotions (extremely pleased or very dissatisfied) are therefore more fascinating. It is important to consider the extreme responses since unsatisfied consumers are more likely to spread negative word of reference than satisfied ones (S. Bansal & Malik, 2015).

Only good extreme responses come from attention, competence, and comprehension of demands; courtesy registers the highest. There are adverse consequences to being courteous.

Only one out of seven clients said they were extremely dissatisfied, but the ratio of both negative and positive extreme is still in the bank employees' favor.



The Chi-Square experiment was used to determine whether there is a relationship between the satisfaction with the competence of the employees and the wait time. The findings (Pearson Chi-Square 0,049) show an indirect dependence between the two variables. The duration of the wait decreases as client satisfaction with the competence increases.

Average levels of fulfillment were also established for the other seven aspects of how satisfied customers are with the banking institution's offerings (execution time, access of the workplaces, price/quality connection, banks responsiveness to complaints, promotion of offerings, interaction with the bank, and operation hours). These numbers are pretty concerning. Only two characteristics—execution time and office accessibility—register average levels above 3,5 that indicate overall satisfaction. The remaining five characteristics reflect unhappiness or hesitation.

## V. Conclusion

According to the study that was completed, there are some issues that come up when trying to gauge client happiness (I. Bansal & Sharma, 2008).

The first step is to define the dimensions of satisfaction in accordance with the nature of the business and the particulars of the organisation. There are disparities even within the banking framework, such as in the range of services or the contact process. Second, customers frequently click the "I'm not sure" box or express satisfaction. Thus, the scale for any future surveys that the bank conducts should remove replies that fall somewhere in the middle, forcing the consumer to take a side (Nerkar, 2016).

In the years to come, direct attention should be paid to the particulars of banking activity, such as credit and deposit; private, retail, and corporate activity, in order to highlight the differences between the different categories of clients and properly solve their problems. The survey's expansion to the bank's other locations may reveal variations in the clients' levels of satisfaction. The issue of whether some issues need to be handled top-down by the bank's central office or whether customer happiness depends on branch activity and procedure management is raised.

The advantages of such surveys include a summary of the areas where the store needs to improve as well as an improved understanding of the clients. In this way, the bank has the potential to

establish a solid rapport with its customers and attain a better level of satisfaction among clients. This might not stop clients from making frantic withdrawals during a major financial crisis, but it might help keep them from switching banks at a time where the bank depends on them for the first time ever (Mishra & Gauba, 2014).

## References

- Ashima, J. (2016). Case Study: A comparative analysis of Customers Preferences and Contentment towards E-Banking Services. *Advances in Management*, 9(6), 9–12.
- Bansal, A., & Bansal, A. (2012). *MICRO FINANCE AND POVERTY REDUCTION IN INDIA*.
- Bansal, I., & Sharma, R. (2008). Indian Banking Services: Achievements and Challenges. *ICFAI Journal of Services Marketing*, 6(2).
- Dash, A. (2015). Quality-Based Perceptual Mapping of Leading Banks in India: An Empirical Study. *IUP Journal of Management Research*, 14(4), 61–71.
- Khan, A. (2013). Business Intelligence Solutions at Selected Branches of Banks in Rajasthan. *International Journal of Advanced Research in Computer Science*, 4(3).  
<https://www.proquest.com/docview/1443744630/abstract/2D1A640617964742PQ/63>
- Mehta, S., Patel, K., & Mehta, K. (n.d.). *DEMONETISATION: SHIFTING GEARS FROM PHYSICAL CASH TO DIGITAL CASH*.
- Mishra, R. C., & Gauba, R. (2014). Customer Service And Satisfaction Analysis: A Comparative Study Of SBI And HDFC. *Abhigyan*, 31(4), 68–78.
- Nerkar, A. D. (2016). Demonetisation: Impact on Indian Economy. *International Journal of Advanced Engineering Research and Science*, 3(12), 236983.