

Preference of Personalized Banking Services among Generations: A Study with reference to UT of Dadra and Nagar Haveli

Dr. Shruti Jha

Assistant professor in Commerce

Dr. APJ Abdul Kalam Govt. College

Silvassa (UT of Dadra and Nagar Haveli)

ABSTRACT

The research paper aimsto understand the choice of personalized services by bank customers with reference to various age groups of bank customers. In the competitive landscape of banking services in India,a unique set of services provided to individual customer delights them and motivates them to entrust the bank with their finances.Tailor-made services for each customer connect them to the banking sector and increase their loyalty towards their banks. Banks also derive more business from loyal customers. For this purpose, latest technology in the form of internet banking, mobile banking etc., is of great help.

The results of the study reveal that there is scope for enhancing the choice as well as awareness regarding the personalized services provided by the banks.

Key words:age, bank customers, finance, personalized services.

1. INTRODUCTION

Indian Financial System has a combination of public sector banks, private sector banks along with presence of foreign bank branches. It presents a picture of tough competition among them.Also, with the onset of globalization, customers have become more quality conscious and expect world class services from banks. Banks need to focus on increasing their customer base by strategically focusing on customer satisfaction. Personalized service is a major determinant of customer satisfaction, which involves catering to the customers' needs as per their preferences and desires. It focuses on individual customers' requirements and provides them tailor-made bouquet of services.Also, tailor made bouquetshelp in giving a personal touch to the banking services. Personalized banking services result in improved communication between banks and their customers and increase customers' trust and loyalty towards banks. Satisfied customers also carry the bank's good reputation in the back of their minds and give word-of-mouth publicity to their banks. Moreover, for banks these customers provide regular business and steady source of income.

For this purpose, technology can help immensely in reaching out to the customers at a personal level. Internet banking, mobile banking, e-banking, all provide an opportunity to banks to provide customized services to their customers and also, a chance to customers to avail specialized banking services specially designed for them. The customer is the very reason for the existence of business and thus, excellent service should be bestowed upon them in their each and every dealing with the bank.

This paper, empirical in nature, is an effort to understand the choice of personalized services by bank customers, with reference to their age, residing within the Union Territory of Dadra and Nagar Haveli.

2. LITERATURE REVIEW

A study conducted by Manal Mansour Alharth et. al.(2017) identified the impact and characteristic of the total quality management in banking services, also highlighted the significance and role of quality banking services to enhance the competitiveness of banks.

Keshav Raj Bhatta and Bhanu Pratap Durgapal, (2016) conducted a study in Kathmandu wherein sample size of the study was 300 bank customers. The aim of their study is to identify bank customers' perception about quality of service and customer satisfaction. It also aimed to find out the relationship between quality of service and customer satisfaction. It found correlation between service quality dimensions and customer satisfaction.

Agbemabiese George Cudjoe (2015), conducted a study in Ghana, wherein its aim was to find the effects of service quality on customer satisfaction in the Ghanaian banking industry using Ghana Commercial Bank as a research area. Sample size of the study was 120 respondents. The expectations and perceptions of GCB customers were evaluated under five dimensions of SERVQUAL. It found that all the five dimensions impacted the quality of service. It suggested that banks should provide excellent quality services to consumers for better customer satisfaction.

A study was conducted in Algeria by HallouzWafaa And BenhabibAbderrezak (2014), to find the variables affecting customer satisfaction in banking sector. They had chosen a sample of 650 respondents of Algerian public sector banks. The results found the existence of positive relationship between banking services and customer satisfaction

Amudha Ramachandran and Vijayabanu Chidambaram, (2012), conducted a study to identify degree of customer satisfaction. The results reveal that customer satisfaction depends mainly on the services of a bank provided on five scales of service encounters, waiting time of the customer to get the service, role of intermediaries, quality of service provided and customer complaints towards the bank. Their study insisted upon maintaining good customer relationships.

A study conducted by Canon Tong (2012) in Hong Kong, on 306 respondents, identified the relationship between personalised banking services and customer satisfaction and loyalty. It found that there is significant relationship between personalized services and consumer satisfaction. It also found that consumer satisfaction has direct impact on loyalty.

3. OBJECTIVES OF THE STUDY

The main objective of the present research paper is to find out the preference for personalized banking services by bank customers of different age groups.

4. RESEARCH AREA

UT of Dadra and Nagar Haveli is the selected geographical area for the present research study. This UT consists of Tribal and non-tribal population. Non-tribal population consists of people from all over the country. Thus, research conducted in this area has wider representation and is significant at national level.

5. HYPOTHESIS

The hypothesis tested based on the empirical data collected from the respondents is

H_0 = There is no significant difference in the preference for personalized banking services by bank customers belonging to different age groups.

6. METHODOLOGY

The data for the present study is sourced from primary sources. For this purpose, structured questionnaires were distributed in 11 village panchayats and 6 urban areas of UT of Dadra and Nagar Haveli and duly filled and completed 382 questionnaires were accepted.

7. DATA ANALYSIS AND INTERPRETATION

The goal of the present study is to understand the preference for personalized banking services provided by the banks to their bank customers of various age groups. Diverse statistical tools and techniques are used on data sourced from respondents to examine and draw interpretation. In the present research paper, percent analysis and one-way ANOVA are used for examination of data with the help of SPSS software.

7.1 Demographic Variable: Age

The demographic factor selected for this study is age. Out of the total sample size, youngest respondents below the age of 18 years are 3 percent, middle age group of 18 to 40 years old consists of 54 percent respondents and eldest group above the age of 40 years are having 43 percent respondents. This shows highest number of respondents belong to adult and energetic group of 18 to 40 years old.

7.2 Age and Choice of Personalized Services

The empirical study reveals that younger generation is more inclined towards personalized services as compare to elder and older generation. In age group of below 18 years, 67 percent respondents out of total respondents in this age group prefer personalized services. In age group of 18 to 40 years, this percentage decreased to 58 percent as 58 percent of respondents in this age group prefer personalized services. In older age group of above 40 years, this percentage further reduces to 48 percent as only 48 percent respondents in this age group prefer personalized banking services. This picture clearly shows that as age increases, choice for personalized serves decreases. This may be due to less awareness levels among elder population. It has been depicted in Table No. 1

Table No. 1
Age and Choice of Personalized Services
(Figures are in percent)

Age (in years)	Yes	No
Below 18	67	33
18 to 40	58	42
Above 40	48	52

Source: Primary Data

To understand existence of probable differences in preference of personalized service of banks by bank customers of different age groups, it is assessed through testing of hypothesis. For this purpose, one-way ANOVA is used on the data collected from UT of Dadra and Nagar Haveli, resulting into Table No.2.

TableNo. 2
Age and Personalised Services - ANOVA

Age and Personalised Services	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.256	2	.128	.513	.009
Within Groups	94.801	379	.350		
Total	95.058	381			

As per above table, sign. value is 0.009 which is less than 0.05 (at 95 percent confidence interval). It signifies that there exists significant difference in preference of personalized services of banks by bank customers of different age groups. Thus, H_0 is rejected.

8. SUGGESTIONS

Banks are putting a lot of effort for providing their customers with personalized services but due to the low awareness levels of bank customers, they are not able to use it and thus, they don't have much preference for personalized services. There is a need for creating awareness and emphasizing the importance of personalised services especially among the senior citizens. Creating awareness and spreading this awareness in native language of customers is essential for increased utilization of personalised services offered by the banks.

Long term relationship with customers are essential to maintain happy and loyal customers, who provides foundation for the sustainable competitive position of the bank. Thus, relationship marketing strategy of banks should be attuned towards the goal of reaching out to the customers at a personal level.

Banks should work on providing reliability, receptiveness, understanding, assurance, and perceptibility of banking services for better customer satisfaction. Enhanced customer satisfaction will benefit the banks also. It helps in increasing customer base of banks and getting them more business. More business means more profits for banks along with enhancement of their goodwill. Also, through online banking, customers can use banking services as per their requirements and contribute towards the growth of financial sector. It will benefit the banking sector and the economy as a whole.

9. CONCLUSION

The results of the research reveal that emphasizing on personalized services will help bank customers in operation of their bank accounts, while also saving their time and money. It will motivate them to avail more and more banking services. It will connect them to the financial sector and will make them active participants in the development of banking sector and thus, in the economic development of the country.

REFERENCES

1. Alharth Manal Mansour et. al. (2017) "The Total Quality Management in Banking", *International Advanced Research Journal in Science, Engineering and Technology*, ISSN (Online) 2393-8021 ISSN (Print) 2394-1588, Vol. 4, Issue 5, May 2017, pp 159-163.
2. Bhatta Keshav Raj and Durgapal Bhanu Pratap, (2016) "Service Quality Perceptions and Customer Satisfaction in Nepalese Banking Sector" *Indian Journal of Commerce & Management Studies* ISSN: 2249-0310 EISSN: 2229-5674, Volume VII Issue 1, Jan. 2016, pp 17 to 2.
3. Cudjoe Agbemabiese George et. al. (2015), "Service Quality and Customer Satisfaction in the Ghanaian Banking Industry (A Case of Ghana Commercial Bank)", *European Journal of Business and Management*, ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.7, No.3, 2015, pp 123 to 140.

4. Ramachandran Amudha and Chidambaram Vijayabanu, (2012), “A review of customer satisfaction towards service quality of banking sector”, *Periodicapolytechnica Social and Management Sciences*, 20/2 (2012) 71–79.
5. Tong Canon, et. al. (2012), “The Influences of Service Personalization, Customer Satisfaction and Switching Costs on E-Loyalty”, *International Journal of Economics and Finance*, Vol. 4, No. 3; March 2012, pp 105-117.
6. WafaaHallouz and AbderrezzakBenhabib (2014), “A Study of the Relationship between Banking Service Quality and Customer Satisfaction in Algerian Public Banks” *International Journal of Science and Research (IJSR)*, ISSN (Online): 2319-7064, Volume 3 Issue 1, January 2014, pp 272-278.