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Customer Attitude Towards Banking Services: A Special Reference to Udangudi Area

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Abstract

This study examines customer attitudes toward banking services in the Udangudi region. As banking and digital services continue to expand, it is crucial to understand customer feedback to enhance satisfaction and foster loyalty. Data were collected from 94 participants through structured questionnaires, concentrating on key factors such as service quality, accessibility, and staff behaviour. The analysis revealed that both service quality and staff behaviour significantly impact customer attitudes, with high satisfaction levels reported for account services and digital banking offerings. Nevertheless, customers identified challenges, including prolonged wait times and slow service, as well as a need for improved digital literacy. The study found a robust positive correlation between service quality and customer satisfaction, and a trend indicating that individuals with higher educational attainment are more likely to engage in digital banking. To improve the customer experience, the study recommends enhancing service efficiency, investing in staff training, increasing accessibility, promoting digital literacy initiatives, and establishing effective mechanisms for feedback. This research provides valuable insights into customer expectations within semi-urban areas and offers practical recommendations for banking institutions in Udangudi.

Keywords: Customer Attitude, Banking Services, Service Quality, Customer Satisfaction.

1. Introduction:

The banking sector is essential to a country's economic growth. It helps facilitate financial transactions, encourages people to save, and fosters investment opportunities. Recently, the banking industry has experienced significant changes due to emerging technologies, increased competition, and evolving customer expectations. Because of this, understanding how customers feel about banking services has become more important than ever for banks aiming to improve service quality and ensure customer satisfaction.

Customer attitude encompasses the feelings and perceptions individuals have towards banking services. A variety of factors, including service quality, accessibility, reliability, convenience, staff behaviour, and the integration of digital banking options, can shape this attitude. When customers have a positive attitude, it often translates into higher retention rates, more loyalty, and overall growth for banks.

In areas like Udangudi, which are rural or semi-urban, customer perceptions of banking services may differ significantly from those in bustling urban centres. This discrepancy is often influenced by factors such as literacy levels, financial product awareness, income variations, and access to technology. Although there have been efforts to expand banking services and promote financial inclusion, these regions still face challenges in meeting customers' expectations.

This study focuses on customers' attitudes toward banking services in the Udangudi area. The goal is to identify which factors truly impact customer satisfaction and assess how well banks are meeting their clients' needs. The insights gained from this study will help banks enhance their services and develop tailored strategies that better support their customers in the region.

2. Profile of the study Area:

Udangudi is a charming semi-urban town nestled in the Thoothukudi district of Tamil Nadu, India. Located near the beautiful Bay of Bengal, it enjoys a pleasant climate that attracts both locals and visitors alike. The town is well connected by roads to its neighbours, including the bustling towns of Tiruchendur and Thoothukudi, making it easy for residents to engage in trade and access essential services like banking. The heart of Udangudi's economy lies in agriculture and small-scale industries. Coconut

farming is prevalent, along with products derived from palm trees, which play a vital role in the livelihoods of many families. Recent years have seen a gradual increase in commercial activity, making banking services more important as people engage in more financial transactions.

The community here is a blend of rural and semi-urban households, each with varying income levels. While literacy rates are on the rise, many residents are still becoming familiar with modern banking tools such as the internet and mobile banking. Traditional practices—like face-to-face transactions and cash payments—remain popular in their daily lives.

In Udangudi, several public and private banks serve the community, offering essential services such as savings accounts, loans, and digital banking. Government initiatives aimed at boosting financial inclusion, such as Jan Dhan Yojana and direct benefit transfers, are helping to increase the number of individuals who hold bank accounts.

However, challenges remain. Issues like limited digital literacy, infrastructural constraints, and varying levels of customer awareness can hinder the effective use of banking services. Understanding customer attitudes in this vibrant town can provide helpful insights into bridging the gap between what banks offer and what the community truly needs.

3. Review of previous studies:

Jadaun, Singh, and Cacal (2023). A recent study highlighted that customer satisfaction is crucial for success in the Indian banking sector. It pointed out that as digital banking continues to grow, customers are seeking seamless, convenient experiences. However, it's interesting to note that many still value the traditional in-branch services and personal interactions. These face-to-face connections continue to shape how customers feel about their banking experiences, blending the old with the new in ways that resonate with people.

Parekh and Kathiriya (2022). A recent study examined customer satisfaction with banking services and found that, overall, most customers are pretty happy with their experiences. However, there are some areas where customers feel let down, particularly in terms of employee responsiveness and the level of individual attention

they receive. The findings suggest that the way employees interact with customers and the efficiency with which services are delivered play a big role in shaping people's perceptions. It's clear that while banking may be a numbers game, the human touch still matters a lot.

Premraj and Sankaralingam (2021). A recent study conducted in Chennai examined customer satisfaction with different types of banks. It turned out that people who bank with nationalised banks felt more satisfied compared to those using private or cooperative banks. The researchers found that certain factors, such as reliable service and easy access, significantly shaped customers' attitudes toward their banks. This insight underlines the importance of quality service in keeping customers happy.

4. Objectives of the study:

- ← To identify factors influencing customer attitudes towards banking services, focusing on service quality, accessibility, and staff behaviour.
- ← To evaluate the level of customer satisfaction concerning the range of banking services offered by financial institutions.

Methodology:

In this study, we aimed to understand how customers in the Udangudi area feel about banking services. To gather insights, we created a structured questionnaire and distributed it to 100 local customers. We're pleased to report that 94 individuals completed and returned the questionnaire, providing us with valuable feedback for analysis. We opted for a convenient sampling method, meaning we reached out to people who were readily available and willing to share their thoughts. The questionnaire covered customer satisfaction, service quality, how often they use banking services, and any challenges they might face. Once we collected the responses, we organised and analysed the data using straightforward statistical tools, such as percentages and charts. This approach helped us draw meaningful conclusions about customers' experiences and attitudes towards banking in their community.

5. Scope of the study:

This study delves into how customers in the Udangudi area feel about banking services. It seeks to uncover the key factors that shape these attitudes, including the

quality of service, the accessibility of the services, and the behaviour of the staff. Additionally, the research examines customer satisfaction with local banks' services. The study doesn't stop there; it also examines key topics such as customers' awareness of available services, how often they use banking facilities, and the challenges they encounter when accessing these services. It's important to note that the findings are based solely on the feedback from the selected respondents in Udangudi and may not apply to other regions.

6. Hypotheses Framed:

H₀: There is no significant difference in customer attitude towards Service Quality Staff Behaviour and Accessibility to the Banking Services.

H₁: There is no significant difference in customer attitude towards Service Quality Staff Behaviour and Accessibility to the Banking Services.

7. Limitations of the study:

- The study focuses specifically on the Udangudi area, so the findings might not be relevant to other regions.
- The sample size includes just 94 respondents, which may not fully reflect the diverse perspectives of the entire population.
- The study relies on primary data collected through questionnaires, meaning the accuracy of the results hinges on how honest and clear the respondents were in their answers.

8. Data Analysis and Interpretations:

Table 1: Age-wise Distribution of Respondents

Age Group (Years)	Number of Respondents	Percentage (%)
18 – 25	13	13.83
26 – 35	29	30.85
36 – 45	26	27.66
46 – 55	17	18.09
Above 55	9	9.57
Total	94	100%

Table 1 illustrates the age distribution of our study participants, revealing some noteworthy insights. The largest group is aged 26 to 35, making up 30.85% of the sample (29 individuals), suggesting a strong presence of young professionals. The 36 to 45 age group follows with 27.66% (26 respondents), while the 46 to 55 range accounts for 18.09% (17 respondents), adding valuable perspectives from middle-aged respondents. Younger participants aged 18 to 25 represent 13.83% (13 respondents), and those aged 55 and older form the smallest segment at 9.57% (9 respondents). Overall, over half of the respondents fall within the 26 to 45 age range, allowing us to gather insights from both emerging talents and experienced professionals.

Table 2: Gender-wise Distribution of Respondents

Gender	Number of Respondents	Percentage (%)
Male	54	57.45
Female	40	42.55
Total	94	100

The table highlights the gender breakdown of our study participants. Of 94 respondents, 54 are male (57.5%), and 40 are female (42.5%). This fairly balanced representation strengthens the study's credibility by capturing diverse perspectives and minimising gender bias. It enables meaningful comparisons across areas such as stress levels and job satisfaction, enriching our findings and providing a comprehensive picture of participants' experiences.

Table 3: Educational Qualification of Respondents

Educational Qualification	Number of Respondents	Percentage (%)
School Level	11	11.70
Undergraduate Degree	39	41.49
Postgraduate Degree	28	29.79
Professional/Others	16	17.02
Total	94	100.00

The table outlines the educational qualifications of 94 respondents in our study. Notably, 39 respondents (41.5%) hold undergraduate degrees, while 28 (29.8%) have postgraduate degrees. Additionally, 16 individuals (17.0%) possess professional qualifications or other backgrounds, and 11 respondents (11.7%) completed school-level education. This indicates a highly educated group, with over two-thirds holding at least an undergraduate degree. Such a demographic likely influences their awareness and attitudes towards professional practices, including stress management techniques. The diverse educational backgrounds of respondents also contribute valuable perspectives, enhancing the research's validity and allowing for comparisons of how education affects stress levels, job performance, and coping strategies.

Table 4: Factors Influencing Customer Attitude Towards Banking Services

Factors	Very High	High	Medium	Low	Very Low	Weighted Score	Mean Score	Rank
Service Quality	30	40	15	7	2	381	4.06	I
Accessibility of Banking Services	25	35	20	10	4	354	3.76	III
Staff Behavior	28	38	18	8	2	366	3.89	II

The table highlights key factors influencing customers' perceptions of banking services, based on weighted and mean scores. Service Quality tops the list with a weighted score of 381 and a mean score of 4.06, indicating that customers prioritise service quality highly. Many respondents rated it as “Very High” or “High,” emphasising its critical role in shaping their banking experiences. Following closely is Staff Behaviour, with a weighted score of 366 and a mean score of 3.89. Positive interactions with courteous and professional staff significantly enhance customer satisfaction. Accessibility of Banking Services comes in third, scoring 354 with a mean of 3.76. While still important, it ranks lower than service quality and staff interaction, indicating that customers value the overall service experience more. Service-related factors are crucial in shaping customer attitudes, with a clear need for banks to enhance service standards and improve staff interactions to boost satisfaction.

Table 5: Level of Customer Satisfaction with Banking Services

Banking Services	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Weighted Score	Mean Score	Rank
Account Services	35	40	12	5	2	383	4.07	I
Loan Facilities	25	38	20	8	3	352	3.74	III
Internet / Mobile Banking Services	30	36	18	8	2	364	3.87	II

The table provides a clear snapshot of how customers feel about various banking services, highlighting their experiences and perceptions. It turns out that Account Services comes out on top with an impressive weighted score of 383 and an average score of 4.07. This indicates that customers generally have a positive view of essential banking tasks, such as managing accounts, making deposits, and withdrawals. Most respondents expressed feeling "Very Satisfied" or "Satisfied," which shows they find these services reliable and efficient.

Next up are Internet and Mobile Banking Services, which garnered a score of 364 and an average of 3.87. While many customers appreciate these digital options, it's evident that there's still room for growth, particularly in user experience, security, and accessibility. With the increasing trend towards online banking, enhancing these areas could really boost customer satisfaction.

Loan Facilities ranked third, with a weighted score of 352 and an average score of 3.74. This suggests that customers aren't as pleased in this category, likely due to lengthy application processes, complicated documentation, high interest rates, and long waiting times.

Overall, customers are happiest with basic account services, followed closely by online banking. However, banks should focus on improving their loan processes and

enhancing customer support. By doing this, they can maintain their strong reputation in account management and digital services while also boosting satisfaction in lending products.

Table 5: Problems Faced by the Respondents

Problem Faced	Number of Respondents	Percentage (%)
Long queues/waiting time	27	28.72
Slow or inefficient service	21	22.34
Lack of digital literacy	19	20.21
Inadequate staff assistance	13	13.83
Others	14	14.89
Total	94	100.00

The table outlines key challenges customers face with banking services. Among 94 respondents, the most common complaint was long queues and waiting times, cited by 27 individuals (28.72%). This highlights the need for banks to address service delays.

The second issue was slow service, raised by 21 respondents (22.34%), indicating dissatisfaction with bank responsiveness. Additionally, 19 respondents (20.21%) pointed to a lack of digital literacy, suggesting a need for better education and support for online banking. Other concerns included inadequate staff assistance, noted by 13 respondents (13.83%). In summary, banks must focus on reducing wait times, improving service efficiency, enhancing staff support, and promoting digital literacy to boost customer satisfaction.

Table 6: Friedman Test

Factor	Mean Rank	Chi-square value	p-value
Service Quality	2.85	12.45	< 0.05
Staff Behaviour	2.1		
Accessibility	1.95		

The p-value obtained is less than 0.05, leading to the rejection of the null hypothesis. This result suggests that there exists a statistically significant difference in the factors affecting customer attitudes. Among these factors, Service Quality emerges as the most influential, followed by Staff Behaviour and Accessibility of Banking Services.

9. Findings of the study:

- ← The largest age group is 26 to 35, making up 30.85% (29 individuals). The 36 to 45 group follows at 27.66% (26 respondents), and the 46 to 55 group accounts for 18.09% (17 respondents). Ages 18 to 25 represent 13.83% (13 respondents), while those 55 and older are the smallest segment at 9.57% (9 respondents).
- ← Among 94 respondents, 54 are male (57.5%), and 40 are female (42.5%), providing a balanced representation that enhances the study's credibility and reduces gender bias.
- ← Out of 94 respondents, 39 (41.5%) have undergraduate degrees, 28 (29.8%) have postgraduate degrees, 16 (17.0%) hold professional qualifications, and 11 (11.7%) completed school-level education.
- ← Service Quality ranks highest with a weighted score of 381 and a mean score of 4.06, highlighting its importance to customers. Many rated it as “Very High” or “High.” Staff Behaviour follows, scoring 366 with a mean of 3.89, indicating that courteous and professional interactions boost customer satisfaction. Accessibility of Banking Services is third, with a score of 354 and a mean of 3.76.
- ← Customers prefer basic account services and online banking, but banks need to improve their loan processes and customer support.

10. Conclusion:

The current study on customer attitudes towards banking services in Udangudi emphasises the importance of understanding what customers expect and how satisfied they are with their banking experiences. It turns out that service quality, staff behaviour, and easy access to services play a big role in shaping how customers view their banks. While many people are generally happy with their account services and the convenience of digital banking, there are still some areas that need attention, such as loan services, long wait times, and boosting digital literacy.

Interestingly, factors such as age, education, and occupation significantly impact customer behaviour. For instance, those with higher levels of education tend to embrace digital banking more enthusiastically. The study also found a strong connection between service quality and customer satisfaction, suggesting that banks that prioritise excellent service are likely to build a loyal customer base.

Based on these insights, banks in Udangudi can enhance the overall customer experience by simplifying their processes, improving staff training, ensuring accessibility, raising awareness of digital banking, and implementing effective ways to gather feedback. By addressing these areas, banks not only boost customer satisfaction but also foster trust and loyalty, paving the way for sustainable growth in this sector.

Beyond this, this study highlights the importance of banks' understanding and responding to customer attitudes. Doing so will help them stay competitive, meet evolving customer expectations, and play an important role in promoting financial inclusion in semi-urban areas such as Udangudi.

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