International Journal of Advance and Applied Research
www.ijaar.co.in
ISSN – 2347-7075 Impact Factor – 8.141
Peer Reviewed Bi-Monthly
Vol. 6 No. 22 March - April - 2025

Effects of New Trends in Banking Sector on Customer Satisfaction

Dr. Geeta Rashinkar[1] & Smita Dhumal[2]
[1]*Research Guide, Saraswati Mandir Night College of Commerce & Arts, Pune 02*
[2]*Research Scholar, Shri Shahu Mandir Mahavidyalya Parvati, Pune-09*
Corresponding Author – Dr. Geeta Rashinkar
DOI - 10.5281/zenodo.15543340

Abstract:
World is globalised now. So competition in banking business increased day by day. Customer satisfaction has been considered the core aspect of success in today's highly competitive banking industry. With the economic growth of country is on accelerating mode, role of banking industry is like blood in body. With the development of banking services to peoples excluded from banking services to large corporate searching fund for their activities, makes the significant of banking services. New technologies are being introduced and there is always a fear of economic uncertainties. In cut throat competition, more demanding customers and the changing climate have presented an unparalleled set of challenges for banks in the country. Therefore, customer satisfaction is the key for many banks to survive in competition. The purpose of this paper is to identify the new trends in Banking sector and their effects on the customer satisfaction.

Keyword: Customer Satisfaction, Service Quality, Banking Industry etc.

Introduction:

In countries economy banking sector plays important role. More recently, liberalization, the opening up of the economy in the 1990s and the government's decision to privatize banks by reduction in state ownership culminated in the banking reforms based on their commendations of the Narasimham committee. This has led the Indian banking industry to experience difficult times. In such testing times of mature and acute competitive pressures, it is very urgent and important that banks are able to retain a loyal base of clients. To attain this and to improve their market and profit positions, banks in India have to formulate their strategies and policies towards increasing customer satisfaction levels.

Today it is essential to corporate profitability and survival. The link between service quality and customer satisfaction has been submitted to intense scrutiny by leading service quality researchers as well as the links between quality, customer satisfaction, customer retention and profitability.

Conceptual Background:

The biggest management challenges in the new millennium of liberalization and globalization for a business is to serve and maintain good relations with the customer. In the past, producers took their customers for granted because at that customers were not demanding nor had many alternative sources of supply or suppliers. Since he was a passive customer, the producer dictated terms and had little customer commitment. But today there is a radical transformation. The changing business environment is characterized by economic liberalization, increasing competition, high consumer choice, enlightened and demanding

customer, more emphasis on quality and value of purchase. All these changes have made today's producer shift from traditional marketing to modern marketing. Modern marketing calls for more than developing a product, pricing it, promoting it and making it accessible to target customers. It demands building trust, a binding force and value added relationship with the customers to win their hearts.

Objectives of The Research Paper:

The present research study is for following objectives:

1. To study the Technological Trends in Banking Sector their effect on Customer satisfaction.
2. To study the New Technology in Banking Sector.

Hypothesis of the Research Paper:

The said research study is carried out with the following main hypothesis.

1. Customer satisfaction has been considered the core aspect of success in today's competitive banking sector.
2. In the today's new technology put into action in banking sector is most important part of growth of banking sector.

Research Methodology:

The present research study uses the most recent available published secondary data. To achieve the above stated objectives, the secondary data was used and Desk Research Method was basically adopted.

The secondary data that are mainly used are published in leading business magazines. The secondary data was also used from various reference books related to Banking Sector, Customer Satisfaction, Customer Relationship Management, Marketing, Banking, Finance, Commerce, Management and Economics.

For the said research study the data pertaining to the above objectives was collected and reviewed the literature on the topic concerned. The literature was thus collected by visiting various libraries. The Secondary data is also collected from various websites.

Banking Sector & Customer Satisfaction:

The service qualities of private and public banks were measured by using various methods. The result of this study provides proof that the dimensions are useful tool to predictover all service performance of banks. In this paper we have found that a customer gives highest impotence to reliability dimension. From Analysis it was found that a customer gives second importance to responsiveness of bank employees. It includes various criteria like, promptness in giving service, willingness to help customers etc. Customergives third preference to assurance factor, it include criteria like safety of transaction,consistency in service etc.So, banks whether they are private sector bank or public sector bank they should give more focuson increasing reliability, responsiveness and assurance.

New Technology in Banking Sector:

Phone banking:

Phone banking is the provision of banking services using a classic telephone line. Bank client can obtain the necessary information on dialing a telephone number specified in advance. Before the requested banking service information is provided, the client's identity is determined using contractually agreed terms. Using this banking service enables bank clients to obtain information concerning active and passive banking products, but a client can also actively use the bank payment system and request.

Electronic Banking Using a Telephone Connection:

These services grew very rapidly and at the close of the 20th century mobile phones also started to be used in banking with the development of information and communication technologies. In this period banks quickly responded to the dawning of a new era in using mobile telephones world-wide and began communicating with their clients by SMS messages, with GSM banking later becoming a natural component of electronic banking.

Automated Telephone System:

The technical means necessary to use this system are the same as for communication with a client advisor. A telephone is required, which must have tone dialing1or be equipped with an accessory adaptor (tone dialer).An automated telephone system works on the basis of a menu through which clients can move around using buttons on the telephone. The service menu tree is usually designed to be simple so that a choice does not take too long. More extensive information is sent to the client by fax either to a telephone number agreed in advance or to a number requested by the client.

SMS Banking:

SMS banking uses short text messages sent through the client's mobile phone. SMS text messages can be used for both passive and active operations similarly as with classic telephone banking. A client can automatically receive information about his account balance: an SMS is sent to the client immediately after a certain operation is performed, or on request: a client sends the bank a correctly formatted message which processes it and answers the client's request by SMS. Information sent on request mostly concerns current interest rates or currency exchange rates. Providing these is simple for the bank because this is publicly accessible information that needs no protection.

Internet Banking:

Internet banking can be used from the home or the office, as well as an internet café, although the latter is not recommended for security reasons. In order to handle his account a user just needs an internet browser (such as MS Explorer or Netscape Navigator).A client cannot avoid visiting the bank though, because he must first ask for an identification code. After opening the bank's web site the client simply selects internet banking and, further to proper identification, can perform passive or active operations. Good internet banking should provide a maximum of services.

Mail Banking:

Mail banking is another electronic banking service that makes it possible to communicate with the bank by electronic mail or e-mail. The most frequently used service is sending account statements at agreed periodicity to the client's mailbox. E-mail is not used for more complex operations. Payment Instruments and Self-Service Zones Apart from those already mentioned, there are other more or less widely known forms of electronic banking, including a payment card, an electronic wallet and a self-service zone. A payment card is currently one of the most widely used payment instruments designated for authorized holders through which they can perform non-cash payments or cash withdrawals from an extensive network of automated teller machines.

Conclusion:

Customer is king of market. Customer satisfaction has been considered the core aspect of success in today's highly competitive banking industry. With the economic growth of country is on accelerating mode, role of banking industry is also important in this growth. With the expansion of banking services to peoples excluded from banking services to large

corporate searching fund for their activities, makes the importance of banking services.

References:

1. Jamal, A. and Naser, K. (2003), "Factors influencing customer satisfaction in the retail banking sector in Pakistan", International Journal of Commerce & Management, Vol. 13No. 2, p. 29.
2. Dr. Snehalkumar H Mistry, Measuring Customer Satisfaction In Banking Sector: With Special Reference To Banks Of Surat City, Asia Pacific Journal of Marketing & Management Review, ISSN 2319-2836, Vol.2 (7), July (2013).
3. Lovelock, C. (2001), "Loyalty in private retail banking: an empirical study", IUP Journal of Management Research, Vol. 9 No. 4, pp. 21-38.
4. Mishra, A.A. (2009), "A study on customer satisfaction in Indian retail banking", IUP Journal of Management Research, Vol. 8 No. 11, pp. 45-61.
5. Naeem, H. and Saif, I. (2009), "Service quality and its impact on customer satisfaction: an empirical evidence from the Pakistani banking sector", The International Business and Economics Research Journal, Vol. 8 No. 12, p. 99.
6. www.webopedia.com
7. www.wikipedia.com
8. www.destinationcrm.com
9. www.banky.sk