



## **A COMPARATIVE ANALYSIS FOR CUSTOMER SATISFACTION IN THE SPECIFIC KERALA COMMERCIAL AND CO-OPERATIVE BANKS**

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### **Abstract**

This research paper compares and contrasts the customer satisfaction levels in chosen commercial and cooperative banks in Kerala in terms of service quality dimension, use of technologies, and behavior of employees. The customer satisfaction has become a decisive factor of the institutional performance and retention of customers in the banking industry due to the growing competition and standardization of services provided. The research was based on the descriptive and comparative research design and the gathering of primary data involving 300 bank customers (150 of commercial banks and 150 of cooperative banks) through the means of a structured questionnaire. The statistical methods that were used to test differences in customer perceptions were descriptive analysis and independent sample t-tests. The results indicate that the commercial banks are more successful in tangibles, reliability, responsiveness, assurance, and digital banking services, whereas cooperative banks are more successful in empathy and employee behavior because of the personalized and community-based approach. Even though the overall satisfaction rates in both banking systems were high, statistically significant difference was also found with commercial banks being slightly higher with regard to overall satisfaction. The paper concludes that an ideal equilibrium between service technology efficiency and human-oriented service is important in increasing customer satisfaction and maintaining competition within the banking sector in Kerala.

**Keywords:** Customer Satisfaction, Service Quality, Commercial Banks, Cooperative Banks



## 1. INTRODUCTION

The banking industry is a key component in economic growth as it encourages savings and allows credit to circulate, as well as financial inclusion. Financial sector reforms in India and technology have revolutionized banking industry to a very competitive, customer-focused industry. Since banking services have become highly standardized, customer satisfaction and quality of service offered have become one of the determinants of customer retention and the success of the institution. Customer satisfaction is no more a mere transaction today, but a service efficiency, technological convenience, employee behavior combined with personal attention.

Kerala offers a perfect environment to research customer satisfaction as the state is highly literate, has a well-coordinated movement and has an extensive banking coverage. The combination of commercial and cooperative banks is also quite original in the state which varies in delivering their services in the form of commercial banks which are more concentrated on technology and standardization and cooperative banks which are more concentrated on accessibility and personal relationships. In spite of their significance, there are few studies that have compared directly based customer satisfaction in these two banking systems in Kerala. The study, therefore, aims at performing a comparative analysis to assess the quality of service and customer satisfaction in chosen commercial and cooperative banks to provide information that can be used to implement more customer-oriented banking practices.

## 2. REVIEW OF LITREATURE

**Agrawalla and Nayak (2022)** investigated the customer attitude in the District Central Cooperative Banks of Cuttak, Odisha, in terms of service delivery mechanisms, employee behavioral attitude, and the entire banking performance. Through a structured questionnaire and statistical analysis, the research discovered that the dimensions of service quality, including reliability, responsiveness, and cooperation of the staff, were found to be highly important to customer attitudes and customer satisfaction. The authors concluded that cooperative banks are vital in facilitating financial inclusion in the region, and facilitating economic growth of the locality. Nevertheless, the research highlighted that handling of technical integration, professional

management practices, and efficiency of services needed to be improved to garner customer satisfaction and competitiveness.

**Anil (2019)** explored human resource management, training systems, and operational efficiency of human resources within the performance of cooperative spinning mills in Kerala. Though the study did not specifically address the banking industry, it established the fact that employee performance and institutional performance played a significant role in influencing the quality of service delivery and satisfaction by the stakeholders. The analysis has noted that improved service delivery might be achieved through the enhancement of internal operations, motivation of employees and enhancement of their skills. The results were applicable in the banking sector, especially cooperative banks, whereby employee engagement is core in determining customer experiences.

**Antoney and Vazhacharickal (2019)** compared the quality of services and customer satisfaction in the public and the private sector banks of Kerala. The research was also used in measuring customer perceptions on relevant service quality dimensions, which include tangibility, reliability, responsiveness, assurance, and empathy. It was found that there were large variations between the public and the private sector banks, with the former having the upper hand in terms of technological services and responsiveness and operational efficiency, whilst the former exhibited a strong performance in terms of trust, accessibility, and network of branches. The research came up with the conclusion that one of the major determinants of customer satisfaction was the quality of service and a major determinant of remaining competitive in the banking industry.

**Ashraf and Bhandari (2023)** compared financial and operational indicators. The researchers discovered that cooperative banks that have professionally administered and effectively controlled activities portray greater financial strength, risk management and there is enhanced operation efficiency. These aspects had led to an increase in the level of public confidence and customer satisfaction. The study noted that customer trust, long-term satisfaction were not possible without the sound governance structures and financial strength to maintain the institutional credibility in the cooperative banking sector.



### **3. RESEARCH METHODOLOGY**

The methods section describes the systematic structure that will be used in the comparison of the customer satisfaction level between commercial and cooperative banks within Kerala. It was developed so as to be objective, reliable, and comparatively meaningful across the two categories of banks.

#### **3.1 Research Design**

The research design applied in the study is a descriptive and a comparative research design, which would help to evaluate the current level of customer satisfaction, as well as determine the difference between commercial and cooperative banks. This was a suitable design because it allowed analyzing customer perception and service experience without controlling any variables.

#### **3.2 Population and Sampling**

The target population was the account holders of the chosen commercial and cooperative banks in Kerala who have a one-year tenure with the bank. A total of 300 respondents were sampled with 150 of the sample being customers of commercial banks and 150 customers of cooperative banks. To enhance the reliability of the findings, stratified random sampling technique was adopted so as to have equal representatives of both types of banks as well as locations.

#### **3.3 Data Collection**

A structured questionnaire in terms of a five-point Likert scale was used to collect primary data on customer perceptions of the quality of the services, technological facilities, the behavior of the employees, and their satisfaction, in general. The questionnaire was pre-tested and valid and clear. The secondary data were collected using RBI reports, bank publications, academic journals, books and previous research studies.

#### **3.4 Variables of the Study**

Customer satisfaction was taken as the dependent variable whereas service quality, use of technologies, and behavior of employees were taken as independent variables. Service quality

comprised of tangibles, reliability, responsiveness, assurance, and empathy. The usage of technology was targeted at internet and mobile banking services and the behavior of the employee's involved courtesy, competence, communication and problem-solving skill.

### 3.5 Data Analysis Techniques

The acquired data were coded and analyzed with the help of the relevant statistical tools. The demographic characteristics and perception patterns were summarized using descriptive statistics. To test the difference between commercial and cooperative banks in terms of service quality dimension and general customer satisfaction, independent sample t-tests and comparative analysis were used.

## 4. DATA ANALYSIS AND RESULT

The section includes analysis and interpretation of the data obtained after surveying 300 respondents, 150 customers of commercial and cooperative banks in Kerala. Descriptive statistics and comparison techniques were employed in the analysis of the data to know how customers perceive and how satisfied they are. The results are provided using tables and graphic representations, which are easy to understand and interpret.

### 4.1 Demographic Profile of Respondents

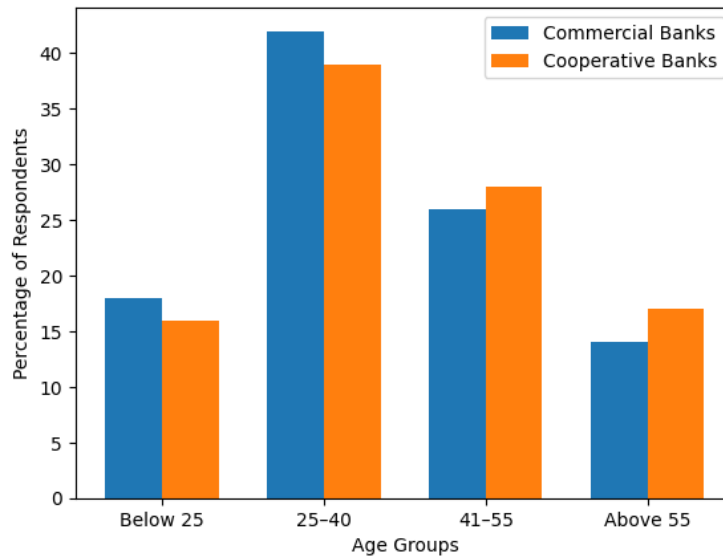
The demographic analysis was done as an attempt to know the background attributes of the respondents, and as a way of guaranteeing proper representation.

**Table 1:** Demographic Distribution of Respondents

Category	Particulars	Commercial Banks (%)	Cooperative Banks (%)
Gender	Male	56	54
	Female	44	46



Age Group	Below 25	18	16
	25-40	42	39
	41-55	26	28
	Above 55	14	17
Education	Up to Higher Secondary	22	29
	Graduate	48	44
	Postgraduate & above	30	27
Account Holding Period	1-3 years	34	31
	4-7 years	41	43
	Above 7 years	25	26



**Figure 1:** Demographic Profile of Respondents (Bar Graph)

There was a broad representation of the respondents as they were of different age, gender, and educational backgrounds. Most of the customers were in the category of the economically active age (2555 years) implying informed and experience-based responses.

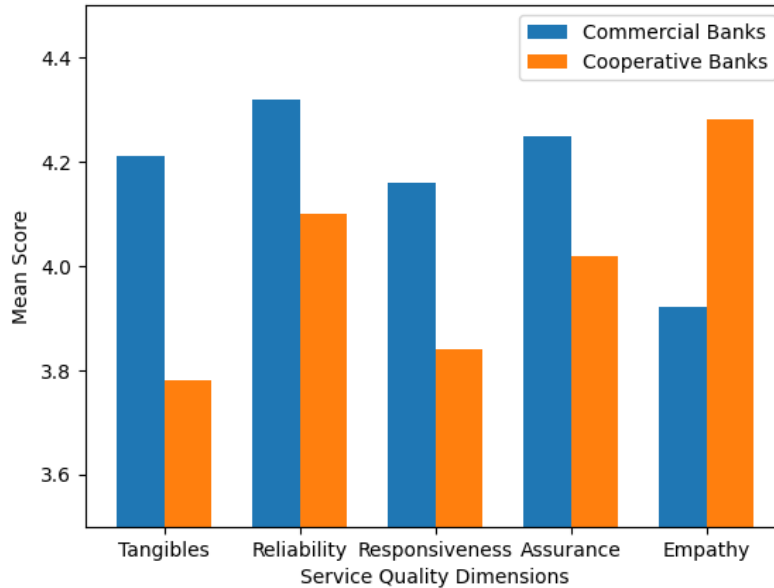
#### 4.2 Comparative Analysis of Service Quality Dimensions

Five dimensions were used to measure service quality, which included tangibles, reliability, responsiveness, assurance, and empathy.

**Table 2:** Mean Scores of Service Quality Dimensions

Dimension	Commercial Banks (Mean)	Cooperative Banks (Mean)
Tangibles	4.21	3.78
Reliability	4.32	4.10
Responsiveness	4.16	3.84

Assurance	4.25	4.02
Empathy	3.92	4.28



**Figure 2:** Service Quality Comparison (Clustered Bar Chart)

The commercial banks ranked better on tangibles, reliability, responsiveness, and assurance which implies better infrastructure, quicker service delivery, and standard procedures. The banks that were cooperative ranked higher on empathy which is characterized by personalized service, emotional bonding and community orientation. This shows that customers placed efficiency in commercial banks and personal attention in cooperative banks.

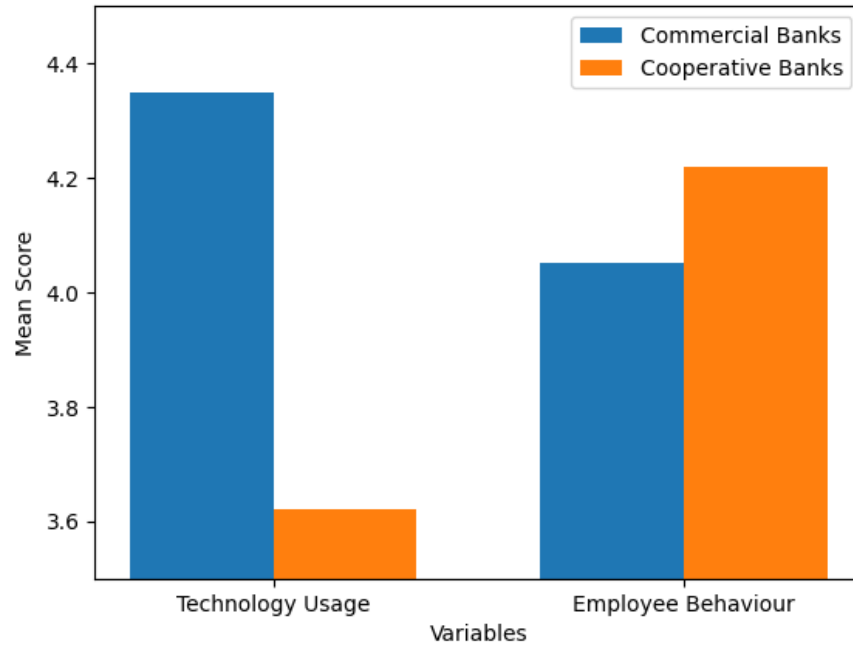
### 4.3 Technology Usage and Employee Behaviour

This part will assess how customers rate the digital banking services and staff-related attributes..

**Table 3:** Mean Scores of Technology Usage and Employee Behaviour

Variable	Commercial Banks (Mean)	Cooperative Banks (Mean)

Technology Usage	4.35	3.62
Employee Behaviour	4.05	4.22



**Figure 3:** Technology and Employee Behaviour Comparison (Column Chart)

Commercial banks scored much higher with respect to internet and mobile banking services, which are manifestations of excellent online integration. However, those banks that are cooperative got higher scores in employee behaviour which means that they have better interpersonal relations, accessibility, and customer handling. This gives a difference in the strong points of the two banking systems.

#### 4.4 Overall Customer Satisfaction and t-Test Results

The total scores of satisfactions were calculated and subjected to test to establish the existence of significant differences between the two groups of banks.

**Table 4:** Overall Satisfaction and t-Test Results

Bank Type	Mean Score	Standard Deviation	t-value	Significance (p)
Commercial Banks	4.18	0.46	2.87	< 0.05
Cooperative Banks	4.05	0.51		

The average customer satisfaction of commercial bank customers was more than, cooperative bank customers. The t-value calculated revealed that there was a statistically significant difference at the 5% level which broke the null hypothesis and proved that there is a significant difference between customer satisfaction between the two banking systems. This implies that despite the fact that the level of satisfaction was good in both types of banks, commercial banks were rated as slightly better as a whole.

#### **4.5 Summary of Analytical Findings**

The comparison showed that commercial banks scored more on efficiency of services, technological convenience and operational reliability whereas cooperative banks scored more with personalized service and approachability of the employees. The general satisfaction was slightly better with commercial bank customers. These findings also substantiated the perception that these structural variations, technological usage and service delivery strategies played a significant role in determining customers satisfaction level within the banking industry in Kerala.

#### **5.CONCLUSION**

This paper reflects that both business and cooperative banks in Kerala have been effective in terms of sustaining adequate customer satisfaction levels, even though each has a variation in terms of services strengths. The commercial banks scored higher on overall satisfaction because they performed better in service efficiency, technological facilities as well as operational reliability. Conversely, cooperative banks were characterized by their understanding attitude and good customer conduct of employees, attributes of their high community orientation. The high

discrepancy between the level of satisfaction implies that the adoption of technology and quality of services are critical in determining the perception of a customer. The research concludes that as much as commercial banks need to enhance intimate customer interaction, cooperative banks need to concentrate on digital progress to be competitive and receptive to the evolving customer demands.

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