Customers Perception towards Services Provided by Scheduled Commercial Banks in Nagaland.

¹ Chiithuni chiiphokhomai

Research scholar, Nagaland University, chuthunichiiphokhomai@gmail.com

² Dr. PK Deka

Professor, Nagaland University.

ARTICLE DETAILS	ABSTRACT
Research Paper **Accepted:** 25-07-2025 **Published:** 10-08-2025 **Keywords:** *Banking, customer, economy, Scheduled Commercial Banks, services.*	Banking industry holds a key role in the development of economy. The growth and development of banking sector are directly influence by quality of service provided. As the banks provides identical services, the quality of service they offer plays a significant role in the growth. It is also important for banks to provide a good customer service to retain the customers and encourage them to inspire the unbanked individuals. It is important for customers to have adequate information about the various banking services, as it will motivate them to use the services efficiently. The study aims to analyse the customers perception towards services provided by Scheduled commercial banks in Nagaland. It also aims to understand how well they are informed about the services provided by the Scheduled Commercial Banks in Nagaland. A sample of 200 respondents were taken from family, friends and other known people residing in Nagaland who has active account and frequently uses the services of Scheduled Commercial Banks. Online questionnaire was sent through mails and other social media platforms.

Introduction

In India the modern banking originated in the mid of 18th century. The bank of Hindustan, was one among the first bank, established in 1770. It was later liquidated in 1829-32. The general bank of India was established in 1786 but failed in 1791.

The scheduled commercial banks are referred to the banks included in the second schedule of RBI Act 1934. They carry out the normal banking business like providing loans and advances, accepting deposits and various other banking services. The banks paid -up capital and raised fund must be at least rupees five lakhs to quantify as scheduled bank. They are liable for low interest loans from the Central Bank.

Scheduled commercial banking sector, as a service sector, and as one of the components of financial system plays an important role in the performance of any economy. Earlier, there were only few banks and hence there was very less competition. The banking institutions need not pay much attention on the 'customers expectation'. But now, since many new banking institutions have come up, the competition among them is very 'stiff'. These Banking institutes in our country have been assigned a crucial role in financing the process of planned economic growth and development. The efficiency and competitiveness of scheduled commercial banking system defines the strength of any economy.

The scheduled commercial banking sector is the life line of any economy. It is one of the important financial pillars of the financial system which plays an importanr role in the success/failure of an economy. Research confirms that country with well- developed Scheduled Commercial banking system grow faster than those with weaker ones. All the Scheduled Commercial Banks provides similar services; therefore, the success of any banks depends on the innovative strategies adopted by them to provide better services to the customers and fulfil their expectations. It is also important for banks to provide a good customer service to retain the customers and encourage them to inspire the unbanked individuals. The customer also has to be aware about the benefits various services provided by the banks which will motivate them to use the services efficiently. To keep a pace with the changing environment, the scheduled Commercial banks have not only been adopting new technologies and strategies but have also been offering many new services.

Review of literature.

The following literature have been reviewed to gain more knowledge on the topic and also to identify the research gap and conflicts in the previous studies. The method of study was mostly relied on electronic mode like Google Scholar, Shodhganga and Elsevier.

Devasena (2009) did a study on "Evaluation of customer service on State Bank of India". The study found out that better service is rank first for selection of bank and followed by proximity' helpful staff and convenient business Hours. It was also found that gender does not influence the attitude of the customer to avail the service of the Bank, while educational Qualification, age and occupation influence the attitude of the customers to use the service.

Singh , kaur (2011), in their study, "customers satisfaction and universal banking, an empirical study." Found out that there was relationship between the quality of service and customers satisfaction. It was also found out that customers satisfaction was a significant matter for most marketers.

Amruth Raj(2013) in his study on, "Customers Satisfaction on Commercial Banks : A case study of SBI" found out that there was a need to create more awareness on online banking, interest rates on loan, ATM facilities and other banking services in rural areas. It is also found that 58% of the respondent are satisfied with the employers of SBI with regard to solving their problems. Majority of the respondent preferred saving account as compared to others.

Dilip S Chavan (2017) in his study on , "comparative study on the customers satisfaction in selected Scheduled and commercial Banks of Aurangabad district" found out that the overall satisfaction of bank deposit scheme was resulted positive. In Value Added Service, ATM was given the first rank. The expectation of Married group of people was higher as compared to the single respondent.

Pinniti(2018) " customer and employees perception on quality service in public sector banks . a case study of State Bank of India and bank of Baroda in Andra Pradesh" found out that 13.20% of the respondent are not aware of the recurring account service an 6.20% are not aware of the locker facility. The results on employee's perception were highest on responsiveness followed by reliability and quality of tangible asset.

Narayana. N & Veena K.P (2018) in their study titled "a case study on employees' perception towards e banking" investigated about the perception of bank employees about e banking service offered by banks in Bangalore city. The study found that internet banking reduces inventory holdings and increase paperless transaction and fast recovery. The study also found out the benefits of bank employees such as increase in productivity, increased employees' productivity and innovation of banking products are possible with online banking.

Anil kumar (2020) did a study on "customers perception towards online banking services. A comparative study with reference to selected public sector and private sector banks in Visakhapatnam city" found out that online banking services are mostly used between the age group 26 – 30. It is also found that the level of earning does not have any relation with the usage of online banking.

Significance of the study.

Before the policy of liberalisation in the country, the public sector banks in India were enjoying the status of monopoly. But in 1990's, India implemented the liberalisation, privatisation and globalisation and hence many private and foreign banks providing similar services were born. The entry of these banks had made banking sector very competitive, hence, the quality of service rendered and the level of customers satisfaction plays a major role in sustainability and profitability of the banks. It is very important for these financial institutions to provide quality service to the customers. This will not only help them to retain the existing customers but will also help them attract new customers. On contrary inefficient service or dissatisfaction of the quality of service may lead the customers to switch their bank to other competitors. Therefore, it is important for them to know their expectation and perception towards the quality of service provided by them.

Objective of the study.

The objective of the study is to know the customers perception towards the services provided by the banks in Nagaland.

Research Methodology

Research Design

The research design employees in this study are descriptive and mixed research approach.

sources of data.

The research data is based on primary source. The information was based on primary data that includes first-hand information collected through Questionnaire.

Sample size.

The size of the sample is 200 respondents.

Geographical coverage

Samples for the present study were gathered from two districts of Nagaland, viz. Dimapur and Kohima because these districts have high density of bank branches. There are 22 Scheduled commercial banks in the state (12 public sector Scheduled commercial banks and 10 private sectors scheduled commercial Banks). Dimapur is the key business hub with highest number of bank branches followed by Kohima and these two districts have the largest number of populations availing banking services.

Data analysis and interpretation.

Table 1

Age of the respondent			
Years	**Frequency**	**Percentage (%)**	**Cumulative percentage (%)**
Below 18	15	7.5	**7.5**
18 - 25	60	30	**37.5**
26-32	80	40	**77.5**
32-39	28	14	**91.5**
40 and above	17	8.5	**100**
Total	**200**	**100%**	

Interpretation : From the above table we can interpret that 40% of the respondent belongs to the age group of 26 – 32. Whereas the number of respondents below 18 were the lowest (7.5%).

Table 2.

Occupation of the respondent.			
Occupation	**Frequency**	**Percentage (%)**	**Cumulative percentage (%)**
Salaried	87	43.5	**43.5**
Businessman	55	27.5	**71**
Professional	23	11.5	**82.5**

others	35	17.5	**100**
Total	**200**	**100**	

Interpretation: From the above table we can interpret that 43.5% of the respondent are salaried   .
27.5% are businessman while 17.5 % belongs to the other group and only 11.5% of the total respondent
are professionals.

Table 3

Reason for choosing the bank			
Reason	**frequency**	**Percentage (%)**	**Cumulative Percentage (%)**
Better service	110	55	**55**
Proximity	85	42.5	**97.5**
Cheap service fee	5	2.5	**100**
Total	**200**	**100**	

Interpretation: The above table has indicated that, more than half (55%) of the respondent prefer banks
with better service. 42.5 % choose the bank because of its proximity and a very few respondents prefer
banks with cheaper service fee.

Table 4

Type of facilities used by the respondent			
Facilities	**Frequency**	**Percentage (%)**	**Cumulative Percentage (%)**
Current account	98	49	49
Saving Account	62	31	80

Loan Account	30	15	95
Credit card	10	5	100
Others	0	0	
Total	**200**	**100**	

Interpretation: From the above table we can interpret that, 49% of the respondent have current account while 31% of the respondent have saving account. 15% have loan account and only 5% of the respondent are using credit card facility.

Table 5

The scheduled commercial banks provide proper customer service.			
Response	**Frequency**	**Percentage (%)**	**Cumulative Percentage (%)**
Strongly Agree (5)	80	40	40
Agree (4)	63	31.5	71.5
Neutral (3)	30	15	86.5
Disagree (2)	20	10	96.5
Strongly Disagree (1)	7	3.5	**100**
Total	**200**	**100**	

Interpretation: From the above table we can interpret that 40% of the respondent strongly agree that the scheduled commercial banks provide proper customer service. 31.5% Agreed to it. 15% of the respondent were neutral to the statement while 10% and 3.5% of the respondent disagreed and strongly disagreed respectively.

Table 6

I am using all the modern banking facilities provided by Scheduled commercial banks like ATM, online bill payments, online shopping, online fund transfer, etc			
Response	**Frequency**	**Percentage (%)**	**Cumulative frequency (%)**
Strongly Agree (5)	70	35	35
Agree (4)	78	39	74
Neutral (3)	12	6	80

Disagree (2)	30	15	95
Strongly Disagree (1)	10	5	100
Total	**200**	**100**	

Interpretation: From the above table we can interpret that 35% of the respondent strongly agree to the statement. 39% of the respondent agreed to it, 6% of the respondent were neutral ,15% disagreed to the statement and 5% strongly disagreed to the statement.

Descriptive statistic of table 5 and table 6.

Table 7 Descriptive statistics.

Descriptive Statistics

	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic
The scheduled commercial banks provide proper customer service	200	3.95	.080	1.126	1.268
Valid N (listwise)	200				

Table 8 descriptive statistic

Descriptive Statistics

	N	Mean		Std. Deviation	Variance
	Statistic	Statistic	Std. Error	Statistic	Statistic

I am using all the modern banking facilities provided by Scheduled commercial banks like ATM, online bill payments, online shopping, online fund transfer, etc	200	3.84	.085	1.201	1.442
Valid N (listwise)	200				

Findings of the study.

- From the study it can be observed that of the respondent between the age group of 26 – 32 was 40% which was the highest group. Whereas the number of respondents below 18 were the lowest (7.5%).

- It can be observed that 43.5% of the respondent are salaried. 27.5% are businessman while 17.5 % belongs to the other group and only 11.5% of the total respondent are professionals.

- The study also reveals that more than half (55%) of the respondent prefer banks with better service. 42.5 % choose the bank because of its proximity and a very few respondents prefer banks because of cheaper service fee.

- 49% of the respondent have current account while 31% of the respondent have saving account. 15% have loan account and only 5% of the respondent are using credit card facility.

- 40% of the respondent strongly agree that the scheduled commercial banks provide proper customer service. 31.5% Agreed to it. 15% of the respondent were neutral to the statement while 10% and 3.5% of the respondent disagreed and strongly disagreed respectively

Suggestion / recommendations.

- Since the people in the rural areas are still not very clear about the modern banking. workshops, seminars and others programs must be organised to help them use the modern banking services.
- The employees of the banks must ask for feedback of service from the customers to know where they are lacking.
- The number of branches should be extended in backward areas of the state.

- Banks should motivate the employees by rewarding and appreciating their service.

Conclusion

Banks plays a very important role in development of the economy. Banking sector, as a service sector, holds an important role in retaining its customers and also attracting new customers. From the above study it is clear that the banking service in the state have come a long way in modern banking but it still needs to improve its quality of service. Banks are very innovative in handling and dealing with its customers. These industries can be improved by educating the people about the benefits of their service.

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