

A Study on Customer Satisfaction Level through the Phenomenal of Key Performance Indicators (Kpi) at Kalupur Bank, Ahmedabad



ISBN: 978-1-943295-14-2

Megha Shah
Jhanvi Shah
Kush Mehta

GLS University

(megha.shah@glsuniversity.ac.in)

(sjhanvi714@gmail.com)

(kushmehta778@gmail.com)

The banking sector plays a vital role in the economic development. The increasing competition requires providing better services to the customers. KPIs indicators reflects the organization's goals & way to its success. The main idea of KPI approach is to measure customer satisfaction & define organizational strategy. This study attempts to measure the performance of KCCB based on KPI factors. The objectives of the study is to analyse customer perspective, preference and satisfaction level about banking services as well as to identify the highest and least satisfying factor in terms of Key Performance Indicator parameters. The study also includes action oriented strategy implementation to improve customer satisfaction. The descriptive research design has been used to analyse & obtain problem solution. The analysis focuses on the individual variables as well as significant relation between two variables of the study. The reliability analysis confirms that scale is very good for the study. The factor analysis extracts the variables and the further analysis gave root to those factors accordingly to their characteristics. The rank analysis displays the highest & lowest ranked factors among all the various factors based on weighted average mean method. The analysis results examines that, the customers are more than average satisfied with the various services offered by the bank. The knowledge level & prompt support by the staff as well as automated services and digital banking services of the bank is working really very well. The infrastructure of the bank can be improved including the number of ATM in the city. The action plan mainly focus on the awareness campaign regarding digital banking services through internet & mobile phone. The further explains the whole strategy to make the more efforts towards green banking to make a change not only in the bank culture but also in the society.

Keywords - Banking Industry, Key Performance Indicators, Customer Satisfaction Level

1. Introduction

As an important player in the economy, the banking sector plays a vital role in the economic development of any country. Banks are working to perform a wide range of activities that offer a wide range of financial products and services to their customers. Banks also entered the market and consultancy sector by offering a comprehensive service package to individual and companies. During this period of competition, banks should focus on their customers to survive in a fierce competition by designing new products, updating their infrastructure and technologies to better serve their customers. The Key Performance Indicators (KPI) phenomenal has been used to identify the customer satisfaction towards the bank. The KPI factors has been divided into four major dimensions i.e. productivity & performance management, customer acquisition & retention, customer experience & cross selling and banking operation costs. The KPI metrics provides important insights into the bank and its employee's performance. The understanding about how customers are satisfied or not satisfied with the services provided by the bank.

2. Literature Review

Table 1 Literature Review

Author & Publication Year	Title of the Study	Findings from the Study
1) Twin A. (April, 2019)	Key Performance Indicators	The KPI can also be referred to as key success indicators (KSI) and vary between companies and industries, depending on the pertinent priorities or performance criteria.
2) Denek R. (January, 2018)	KPI for Banks to Benchmark Influenced by the Early History of the Banking Industry	The KPI determines how efficiently and effectively specific banking operational goals and objectives are achieved by the banks.
3) Singla M. (October, 2018)	Top KPLs For Online Banking	The digital banking service KPI is based on 1. Active Clients 2. Applications Launch and Load Time 3. Goal Abandonment Rate 4. Task Completion Rate 5. Application Functionality.

Objectives

1. To understand the concept of Key Performance Indicators from the Banking point of view.
2. To analyse Customer Perspective, Preference and Satisfaction Level about Banking Services.

3. To identify the Highest and least satisfying factor in terms of Key Performance Indicator Parameters.
4. To provide Action oriented Strategy Implementation to improve Customer Satisfaction.

3. Research Methodology

Research Design - Descriptive Design as the basic objective of the study is to analyze and obtain clarity on the problem situation.

(Data Sampling - 1) Population - Customers visiting at Kalupur Bank. **(2)** Sample Size - 105 Customers. **(3)** Sampling Method - Non probability Convenience Sampling Method.

(Data Collection Sources - 1) Primary Sources - Structured Questionnaire. **(2)** Secondary Sources - Literature Reviews.

4. Analysis & Interpretation

One Variable Analysis

Table 2 Demographic Details of Respondents

Age Group	Percentage (%)	Occupation	Percentage (%)
Less than 25	21	Student	3
26 - 35	51	Job	47
36 - 45	19	Business	36
46 - 55	5	Self - Employed	12
More than 55	4	Home Maker	2
Gender	Percentage (%)	Education Level	Percentage (%)
Male	80	Under Graduate	26
Female	20	Graduate	50
Annual Income	Percentage (%)	Post Graduate	17
Less than 2 Lakhs	34	Degree/ Diploma	7
2 - 4 Lakhs	38		
4 - 6 Lakhs	20		
More than 6 Lakhs	8		

Key Performance Indicators (KPI) Analysis

Table 4 Productivity & Performance Management of Banking Staff Perspective

Productivity & Performance Management	Mean	Skewness	Kurtosis
Staff knowledge level	4.54	- 1.781	2.515
Information channels	4.16	0.416	0.663
Response time	4.51	- 1.008	- 0.096
Convenient banking channels	4.10	- 0.673	1.046
Automated services	4.22	- 0.927	0.761
Right mix of services	4.12	- 0.342	0.108
Convey required details	4.35	- 0.963	0.447
Queries solution	4.30	- 0.377	- 0.698
Friendliness of staff	4.40	- 0.785	- 0.707

Table 5 Customer Acquisition & Retention Perspective

Customer Acquisition & Retention	Mean	Skewness	Kurtosis
Customer support	4.44	- 0.967	- 0.764
Safety & accuracy in transactions	4.03	- 1.042	5.176
Confidently of transactions	4.38	- 0.882	0.016
Investment safety	4.14	- 1.038	2.224
Service variety	4.19	- 0.821	0.932
Goodwill & Reputation	4.19	- 0.613	0.071
Service in stipulated time	4.29	- 0.387	- 0.736
Availability of SST	4.19	- 1.118	3.359
Personalized Services	4.36	- 0.673	- 0.804
Brand Identity	4.54	- 1.307	1.644

Table 6 Customer Experience & Cross Selling Perspective

Customer Experience & Cross Selling	Mean	Skewness	Kurtosis
Grievance management	4.25	- 0.986	0.075
ATM services	4.02	- 1.157	3.938
Digital banking	4.29	- 0.486	- 0.928
Interior & Exterior	4.18	- 0.129	- 0.459
Prompt information	4.22	- 0.523	- 0.546
Convenient Operating	4.16	- 0.555	- 0.129
Waiting time for services	4.35	- 0.962	0.581
Fast issues solving	4.28	- 0.740	- 0.010
Processing time	4.26	- 0.613	- 0.090
After transaction services	4.29	- 0.569	0.413
Fulfill lifestyle needs	4.38	- 1.036	0.285
Personalized services	4.53	- 1.296	1.445

Table 7 Banking Operations Coat Perspective

Banking Operations Costs	Mean	Skewness	Kurtosis
Account opening cost	4.32	- 1.130	0.831
Maintenance cost	4.04	- 0.586	2.187
Transaction cost	4.30	- 0.911	- 0.066
Interest rates on deposits	4.23	- 0.693	- 0.801
Interest rates on loans	4.27	- 0.417	- 0.876
Fines & penalties	4.24	- 0.546	- 0.271
Imposing service charges	4.30	- 1.279	2.107
Minimum cash requirements	4.30	- 0.631	0.131
Franking charges	4.50	- 1.041	- 0.145

Hypothesis Analysis

Table 8 Hypothesis Results

Sr. No.	Variables	Pearson's Chi Square	Standard Value	H0 - Status
1	Age & Information channels	0.891	0.05	Accepted
2	Age & Digital banking services	0.020	0.05	Rejected
3	Age & Availability of SST	0.649	0.05	Accepted
4	Age & Convey required details	0.046	0.05	Rejected
5	Gender & Digital banking services	0.013	0.05	Rejected
6	Gender & Customer Grievance management	0.017	0.05	Rejected
7	Gender & Interior - Exterior	0.012	0.05	Rejected
8	Gender & Convey required details	0.525	0.05	Accepted
9	Education & Friendliness of branch staff	0.047	0.05	Rejected
10	Education & Speed - accuracy in transactions	0.435	0.05	Accepted
11	Education & Knowledge level of staff	0.041	0.05	Rejected
12	Education & Queries solution	0.042	0.05	Rejected
13	Occupation & Response time	0.134	0.05	Accepted
14	Occupation & Friendliness of branch staff	0.165	0.05	Accepted
15	Occupation & Speed - accuracy of transactions	0.830	0.05	Accepted
16	Occupation & Availability of SST	0.585	0.05	Accepted
17	Income & Speed - accuracy of transactions	0.028	0.05	Rejected
18	Income & Profile based financial advice	0.757	0.05	Accepted
19	Income & Maintenance cost	0.988	0.05	Accepted
20	Income & Transaction cost	0.441	0.05	Accepted

Reliability Analysis

Table 9 Overall Reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.915	40

Factor Analysis

Table 10 KMO & Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.769
Bartlett's Test of Sphericity	Approx. Chi-Square	1880.868
	Df	780
	Sig.	.000

Table 11 Communities

Communalities		
	Initial	Extraction
Knowledge_Level_of_Staff	1.000	.699
Information_Channels	1.000	.798
Response_Time_of_Staff	1.000	.603
Convenience_of_Banking_Channels	1.000	.664
Automated_Services	1.000	.723
Right_Mix_of_Portfolio	1.000	.676
Convey_Required_Details	1.000	.634
Queries_Solution	1.000	.677
Friendliness_of_Branch_Staff	1.000	.752
Customer_Support	1.000	.773
Speed_Promptness_Accuracy_in_Transaction	1.000	.633
Confidentiality_of_Account_Transaction	1.000	.708
Safety_of_Investment	1.000	.522
Variety_of_Services	1.000	.722
Reputation_of_Bank	1.000	.675
Services_In_Stipulated_Time	1.000	.713
Availability_of_SST	1.000	.707
Personalized_Services	1.000	.690
Brand_Identity	1.000	.654
Customer_Grievances	1.000	.622
ATM_Services	1.000	.484
Digital_Banking_Services	1.000	.622
Interior_Exterior	1.000	.694
Prompt_Information	1.000	.539
Operating_Account	1.000	.619
Waiting_Services	1.000	.708
Processing_Time	1.000	.560
Fast_Issue_Solving	1.000	.604
Transaction_Services	1.000	.553
Lifestyle_Needs	1.000	.623
Financial_Advice	1.000	.744
Account_Opening_Cost	1.000	.724
Account_Maintenance_Cost	1.000	.599
Account_Transaction_Cost	1.000	.591
Deposits_Interest_Rate	1.000	.646
Deposits_Interest_Loan	1.000	.665
Account_Fine_Penalties	1.000	.649
Imposing_Service_Charging	1.000	.707
Cash_Balance_Requirements	1.000	.593
Franking_Charges	1.000	.733

Extraction Method: Principal Component Analysis.

Table 12 Eigen Value

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.044	25.110	25.110	10.044	25.110	25.110
2	3.119	7.797	32.907	3.119	7.797	32.907
3	2.195	5.488	38.395	2.195	5.488	38.395
4	1.867	4.668	43.064	1.867	4.668	43.064

5	1.662	4.155	47.219			
6	1.403	3.507	50.726			
7	1.313	3.283	54.009			
8	1.271	3.179	57.188			
9	1.216	3.040	60.228			
10	1.174	2.935	63.163			
11	1.035	2.588	65.751			
12	.980	2.449	68.200			
13	.958	2.396	70.0595			
14	.878	2.196	72.791			
15	.823	2.057	74.848			
16	.786	1.965	76.813			
17	.747	1.868	78.681			
18	.693	1.732	80.414			
19	.670	1.674	82.088			
20	.647	1.618	83.706			
21	.625	1.563	85.269			
22	.589	1.472	86.741			
23	.571	1.427	88.168			
24	.531	1.328	89.497			
25	.490	1.225	90.721			
26	.438	1.095	91.817			
27	.388	.971	92.788			
28	.378	.945	93.732			
29	.337	.842	94.575			
30	.314	.786	95.361			
31	.282	.706	96.067			
32	.268	.670	96.737			
33	.229	.572	97.309			
34	.212	.531	97.840			
35	.198	.495	98.334			
36	.189	.473	98.808			
37	.159	.398	99.206			
38	.133	.334	99.539			
39	.103	.258	99.797			
40	.081	.203	100.000			

Extraction Method: Principal Component Analysis.

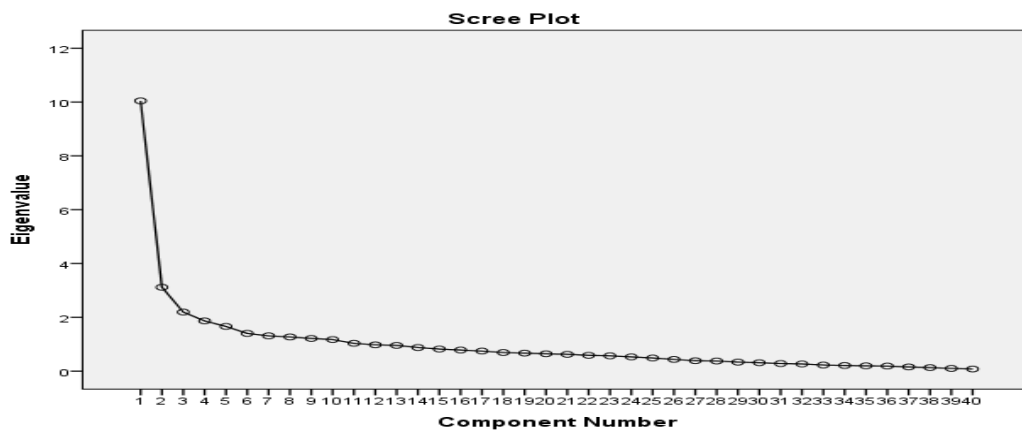


Table 13 Rotated Component Matrix

Component Matrix ^a				
Component				
	1	2	3	4
Knowledge_Level_of_Staff	.741			
Information_Channels	.742			
Response_Time_of_Staff	.193			
Convenience_of_Banking_Channels	.283			
Automated_Services	.782			
Right_Mix_of_Portfolio	.733			
Convey_Required_Details	.596			
Queries_Solution	.296			
Friendliness_of_Branch_Staff	.489			
Customer_Support		.625		
Speed_Promptness_Accuracy_In_Transaction		.675		
Confidentiality_of_Account_Transaction		.684		
Safety_of_Investment		.724		
Variety_of_Services		.288		
Reputation_of_Bank		.254		
Services_In_Stipulated_Time		.192		
Availability_of_SST		.196		
Personalized_Services		.231		
Brand_Identity			.650	
Customer_Grievances			.691	
ATM_Services			.344	
Digital_Banking_Services			.121	
Interior_Exterior			.167	
Prompt_Information			.163	
Operating_Account			.366	
Waiting_Services			.249	
Processing_Time			.344	
Fast_Issue_Solving			.677	
Transaction_Services			.543	
Lifestyle_Needs			.921	
Financial_Advice				.245
Account_Opening_Cost				.654
Account_Maintenance_Cost				.633
Account_Transaction_Cost				.342
Deposits_Interest_Rate				.533
Deposits_Interest_Loan				.655
Account_Fine_Penalties				.325
Imposing_Service_Charging				.875
Cash_Balance_Requirements				.344
Franking_Charges				.669
Extraction Method: Principal Component Analysis.				
a. 4 components extracted				

Table 14 Factors Extracted

Factors	Variables	Factor Name
Factor 1	Staff knowledge level	Internal Business Process Perspective
	Information channels	
	Response time	
	Convenient banking channels	
	Automated services	
	Right mix of services	
	Convey required details	
	Queries solution	
	Friendliness of staff	
Factor 2	Customer support	Customer Service Perspective
	Safety & accuracy in transactions	
	Confidently of transactions	
	Investment safety	
	Service variety	
	Goodwill & reputation	
	Service in stipulated time	
	Availability of SST	
	Personalized services	
Brand identity		
Factor 3	Customer grievance management	Learning & Growth Perspective
	ATM services	
	Digital banking	
	Interior & exterior	
	Prompt information	
	Convenient in operating account	
	Waiting time for services	
	Fast issue solving	
	Processing time for services	
	After transaction services	
	Fulfil lifestyle needs	
	Personalized services	
	Factor 4	
Maintenance cost		
Transaction cost		
Interest rates on deposits		
Interest rates on loans		
Fines & penalties		
Imposing service charges		
Minimum cash requirements		
Franking charges		

Rank Analysis

Table 15 Overall Ranking

Statements	Weighted Avg. Mean	Rank
Staff knowledge level	11.35	1
Information channels	10.40	31
Response time	11.275	5
Convenient banking channels	10.25	35
Automated services	10.055	27
Right mix of services	10.30	34
Convey required details	10.875	11
Queries solution	10.75	20
Friendliness of staff	11.00	7
Customer support	11.10	6
Safety & accuracy in transactions	10.075	37

Confidently of transactions	10.95	8
Investment safety	10.35	33
Service variety	10.475	28
Goodwill & reputation	10.0525	29
Service in stipulated time	10.725	16
Availability of SST	10.0550	30
Personalized services	10.91	10
Brand identity	11.35	2
Customer grievance management	10.625	24
ATM services	10.05	39
Digital banking	10.725	17
Interior & exterior	10.45	38
Prompt information	10.055	26
Convenient in operating account	10.40	32
Waiting time for services	10.875	12
Fast issue solving	10.70	21
Processing time for services	10.65	23
After transaction services	10.725	18
Fulfil lifestyle needs	10.95	9
Personalized services	11.325	3
Account opening cost	10.80	13
Maintenance cost	10.10	40
Transaction cost	10.75	19
Interest rates on deposits	10.0575	25
Interest rates on loans	10.60	36
Fines & penalties	10.775	14
Imposing service charges	10.725	15
Minimum cash requirements	11.25	4
Franking charges	10.675	22

5. Key Findings

1. The highest respondents are from the age group of 26 - 35 & very few with more than 55 age group. The males are more likely to be a part of regular banking operations. The highest education level of majority of respondents was graduate and minimal with degree & diploma.
2. The various special services offered by the bank motivate more professionals & businessmen class people to visit the bank. The annual income of the bank customers are relatively around less than 2 lakhs to between 2 - 4 lakhs.
3. The factor analysis results diversified the 40 statements in to 4 major factors according to the characteristics of the statements. The 4 factors are as follows - (1) Internal Business Process Perspective (2) Customer Service Perspective (3) Learning & Growth Prospective (4) Financial Perspective.
4. The overall Cronbach's Alpha results 0.915, which is more than 0.90. This indicates data is reliable for the study. The rank analysis indicates that, the knowledge level of staff & brand identity ranked highest as well as ATM services & maintenance cost ranked lowest among all variables.

6. Suggestions

1. The bank has to work on increasing the number & functionality of ATM.
2. The bank should improve the interior & exterior of the bank based on the new parameters.
3. The customer support & guidance by the front desk employees is much required.
4. The automated & innovative system could be better to prioritize the use of technology.
5. The awareness campaigns by the bank to influence their customers to use the internet banking.

Green Banking Strategy

1. Green Banking Financial Products - The financial products which can improve the standard of living of the society like Green Loans or low interest rates loans for the purpose of housing or car etc.

2. Paperless Banking - The banking operations with completely automated systems. The transactions are based on digital mediums as well as less use of paper in the branches.
3. Energy Consciousness - The use of equipment's which are energy savvy and do not pollute the environment. This can be done through hardware used by the bank, waste management & energy efficient technology products.
4. Mass Transportation System - The common transport for the employees posted at one office branch and coming from almost single life localities.
5. Social Responsibility Services - The bank should initiate various social activities, which can be beneficial for the society. This will create a major impact in the minds of citizens as well as be a great part of publicity for the bank.

7. Conclusion

The Kalupur Cooperative Commercial Bank is one of the most well known & high reach cooperative banks of Gujarat with more than 50 branches across the Gujarat district. The present study focused on the customer satisfaction at the Kalupur Bank with the help of phenomenal of Key Performance Indicators (KPI) by understanding the ratings on various parameters by the customers of the bank. The overall satisfaction level analysis resulted as, customers are average satisfied with the services of the bank. The bank staff support related to services & operations was appreciable and automated & digital banking services are convenient for the customers. The ATM services can be extended as well as appealing materials could be better. There is a good opportunity available for Kalupur Cooperative Commercial Bank in Gujarat state but the high competition with other public & private banks, demands them to provide extra ordinary services with more customer satisfaction. The action plan has been implemented to ensure the process, which includes infrastructure development, awareness campaigns for digital banking services and green banking strategies.

8. Bibliography

1. Twin A. (April, 2019) "Key Performance Indicators". Retrieved From, <https://www.investopedia.com/terms/k/kpi.asp>
2. Denek R. (January, 2018) "5 Key Performance Indicators for Banks to Benchmark Influenced by the Early History of the Indian Banking Industry". Retrieved from, <https://opsdog.com/resources/5-key-performance-indicators-for-banks-to-benchmark/>
3. Singla M. (October, 2018)"Top KPLs for Online Banking". Retrieved From, <https://cultytics.com/blogs/top-kpis-for-online-banking>