

Measuring Customer Experience of Selected Indian Banks in India

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Abstract

The main objective of the study to measure customer experience in selected Indian banks. The digital experience is a valuable resource (especially for younger generations). In the digital arena, banks are beginning to gain and lose consumers. The customer experience includes the digital experience and Customers are more inclined to choose to another bank if they can't conduct business with the bank on their terms. Delivering a digital experience that only meets the bare minimum but fails to go above and beyond in terms of providing an outstanding customer experience is a trap to avoid. The customer experience for banks has shifted to the digital realm (at least on the consumer side). Banks differentiate themselves based on the level of service they provide to their customers. Many consumers (particularly millennials) do not recognize any distinctions between banks. All banks, in the perceptions of these customers, provide the identical things. As a result, the customer experience is the differentiator from the other. Hence current study is focus on examine the influences of customer engrossment and identifies their impact on customer satisfaction towards the banks and banking products.

INTRODUCTION

Customer experience has now emerged as the next battlefield for further businesses operations. The banking sector has placed in twenty-five percent of economic contribution (Pine, 1998). Customers' positive or bad experiences which are affect how the customer experience and customer satisfied (Meyer, 2007). Consumer involvement is the end consequence of numerous customer and business interactions that produce a response. An individual's sensory, intellectual, physical, psychological, and spiritual components are all affected by this totally unique experience. The consumer will grade this experience based on a comparison of his or her expectations and the stimulus provided by the encounter with the employee and the organisation, as well as multiple touch or contact points.

Banking industry, the client experience is crucial. Let's have a look at some of the primary causes for this. Customers who bank with one institution for a long time remain loyal to that institution. Customers frequently stay with a bank for more than a decade. It's far easier to acquire new consumers than it

is to steal clients from competitors. This is why wells fargo and other banks promote themselves to freshmen on college campuses (where the density of new customers is extremely high). If you lose a customer due to a bad customer experience, you will not only lose a client who would have been a long-term customer, but you will also find it difficult to reclaim that consumer.

Banks rely on its consumer division to direct them to more expensive goods. Banks understand that if they can convince clients to create new accounts, they will be more likely to apply for a consumer loan, a mortgage, or a business loan with them in the future. If a consumer has a bad experience with a regular transaction, it may prevent them from applying for higher-margin items, such as a loan. Even if the consumer banking group's activities are only marginally tied to the commercial banking group's operations, clients will nevertheless perceive the bank's commercial business through the eyes of a consumer. And the client experience will be the foundation of that perspective.

The customer experience determines share of wallet. Everyone has a checking or savings account. The majority of consumers also divide their deposits across different banks. This is something that consumers do for a purpose. They split their wallet between rival banks because one bank provides better service (in one area or another) or because of a perceived mismatch. Consumers' wallet share is driven by their customer experience. And this is a fiercely competitive industry.

The digital experience is a valuable resource (especially for younger generations). In the digital arena, banks are beginning to gain and lose consumers. The customer experience includes the digital experience. Customers are more inclined to go to another bank if they can't conduct business with the bank on their terms. Delivering a digital experience that only meets the bare minimum but fails to go above and beyond in terms of providing an outstanding customer experience is a trap to avoid. The customer experience for banks has shifted to the digital realm (at least on the consumer side).

People Memories are formed by experiences. This is not the case with products. All we have are our recollections at the end of the day. I won't spend too much time here because the data that

demonstrates consumers are prepared to pay more for experiences than items is all over Google. However, if banks want to raise prices, improving customer service is an excellent place to start.

Banks differentiate themselves based on the level of service they provide to their customers. Many consumers (particularly millennials) do not recognize any distinctions between banks. All banks, in the perceptions of these customers, provide the identical things. As a result, the customer experience is the differentiator. This has been recognized by community banks and credit unions. They can't compete on branch network or technology with big banks. As a result, they compete on customer service. The experience that community banks and credit unions give is what keeps them in business. The relevance of customer experience in banking has been thoroughly documented by Forrester, McKinsey, Ernst & Young, and others.

Literature Review

In order crafting customer experiences, the concept of ease is just as important in generating a favorable customer experience as the real benefits of time and effort saved. Convenience is critical to the consumer experience and determines how individuals pick what to buy, which services to use, where to travel, and who to contact with. Ari Weissman Yale and Venkatesh proposed a paradigm for understanding convenience in 1986, stating that elements such as attitude and situational context may influence a person's preference for and desire for specific convenience-related attributes. These characteristics include efficient time management, mobility, and the avoidance of discomfort in a service. The best method to understand and execute services that your consumers view as handy is to do research and design depending on their needs.

Servicescape

A servicescape is a term used in business marketing to describe the actual setting where buyers and sellers do business transactions. This idea holds that the environment is especially important to business because it influences consumer reactions that might have an impact on sales. (Servicescape. By: Dziak, Mark, Salem Press Encyclopaedia, 2020) the impact of the service

landscape on patrons' intended behaviour in leisure service environments. Jeffrey G. Blodgett and Kirk L. Wakefield. The term "servicescape" refers to the broad surroundings in which business is conducted and how these environments affect both customers and enterprises. It was developed in the 1980s by marketing strategists Mary Jo Bitner and Bernard H. Booms. The analysts made the claim that the company environment generates important emotions and viewpoints that have a significant influence on customer behaviour.

Online Functional Elements

These components are largely concerned with the website's operation; nevertheless, the usability and interactivity of the website have a considerable influence on the user's web experience.

Presence of Other Customers

Depending on the sector, different consumers may be perceived as being present. A social atmosphere is created by the presence of others in some service environments, such as sporting events, movie theatres, and amusement parks, however in service environments with reservation lines, such banks and registration points, the presence of other customers is viewed as a throng. Zineldin (1996), Alfansi and Sargeant (1999), Naser et al (2000).

Online Aesthetics

Any organization's website should have appealing visuals to quickly draw in visitors and give them a positive impression of its goods and services. Khan and Mahapatra (2009).

Customization

When a product is customized, the way of connotation transmission that occurs normally through merchandise tenure and use is reversed. In contrast to the meaning of the product transferring from the individual to themselves, a person's uniqueness is transferred to the product.

Customization is the user's responsibility. After being asked to specify their choices, users are then shown the things that match their criteria. This was posted in Marketing Personalization by Fahad Muhammad. The four types of customizations that were discovered were transparent, adaptable,

cosmetic, and collaborative. James H. Gilmore and B. Joseph Pine II A client interaction might be viewed as the start of a bank's specialized sales activities. However, at the moment of contact, the customer is already engaged in his own personal process. A customer process is the whole procedure that customers use to fulfil a goal or resolve a problem (Niemeyer, 2003).

Most of the banking operations are frequently product-driven and less customer-focused. Most banks miss out on opportunities to gain a competitive edge by failing to constantly align their business processes with those of their customers. Banks may differentiate themselves from competitors by providing clients with Value-Added Services (VAS). Moormann, Julian Paul Reilly's Banking is a value-added industry. It has always been like way. Banks have long recognized that developing long-term human connections with their clients is the most effective competitive approach, whereas other firms are scrambling to employ technology to establish closer relationships with their customers.

Speed

The responsiveness of any business to customer demands indicates how rapidly it functions. Berry and associates (2002).

Service Process

It consists of a combination of a series of steps and stages, the way these steps flow and interact with one another, and the resources needed to yield and bring the service's as a outcome, Tseng et al. (1999),

Hedonic Elements in Online Platform

These components lure the user online, where he or she experiences an increased level of excitement compared to the real, Sheu et al. (2009), Takatalo et al. (2008), Bridges and Florsheim (2008), and Mathwick and Rigdon (2004)

Customer Interaction:

It serves as a customer-company point of communication. A customer interacts with several aspects of any business, including its service environment, goods and services, other clients, and so on.



Research Questions:

- What are the major identified factors of customer experience involved in Indian Bank?
- How does customer experience affect customer satisfaction or not?

Objectives:

- To analyze the Customer experience management practices in Indian banks.
- To analyze the impact of customer experience at Indian bank towards processing speed of the banking transactions.
- To analyze the impact of customer on public sector and private sector banking strategies.
- To draw out conclusions and offer suggestions for more effective customer experience in Indian banks

Research Methodology

This is a Quantitative Study; The Information will be gathered from the VIT students to be more specific. We will be collecting the data from the VIT students who have the account in the Indian Bank. The data will be gathered via Distributing the Google forms. The sample size of our study is 215 people. And we are specifically Targeting the Customers of the VIT's Indian Bank who ages are between 18 – 31 Years Under this study, a psychometric scale that incorporates the processes of item development and selection is used. A one-way ANOVA test is used in this study to explore the relationship between 14 experience variables and respondent demographics.

Data Analysis

Out of 215 responses, under Age category, between 18-20, 102 Respondents have been participated, between 21-23, 43 Respondents have been participated, between 24-26, 30 Respondents have been participated, between 27-29, 15 Respondents have been participated and between 29-31, 25 Respondents have been participated

Model Summary

Predictors: (Constant), OE, CI, POC, CON , VA, EMP, CTZ, SPC, OFE, OA, MM, SSC (Table 1).

ANOVA

The ANOVA analysis is depicted in Table 2.

Table 1: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.861 ^a	.742	.725	.3879

Predictors: (Constant), OE, CI, POC, CON , VA, EMP, CTZ, SPC, OFE, OA, MM, SSC,

Table 2: ANOVA

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	86.819	13	6.678	44.382	
	Residual	30.246	201	.150		.000 ^b
	Total	117.065	214			

a. Dependent Variable: CS

b. Predictors: (Constant), OE, CI, POC, CON , VA, EMP, CTZ, SPC, OFE, OA, MM, SSC, SPD

Coefficients

The coefficient of manifold determinations is 0.725; therefore, about 72.5% of the variation in the Customer Experience is explained by independent variables (Convenience, Servicescape, Employees, online functional elements, presence of other customers, online aesthetics, customizations, value addition, speed, marketing mix, service process, online hedonic elements.) (Table 3). The regression equation appears to be useful (as the R² = 0.725) for making predictions since the value of R² is between 0 and 1. Using F-statistics from the ANOVA table (see above), we can determine if the model is useful for predicting the response. F = 44.382 & p-value is <.001. At the $\alpha = 0.05$ level of significance, there exists enough to conclude that regression model as a whole is useful in predicting the Customer Experience.

Using t-statistic from Coefficients table, we can test the hypothesis that the individual independent variables (Convenience, Servicescape, Employees, online functional elements, Presence of other customers, Online aesthetics, Customizations, Value Addition, Speed, Marketing mix, Service Process, online hedonic elements) are useful as predictors of Customer Experience or not.

From the coefficient table it is found that Online Aesthetics and Customization are useful in measuring the customer experiences as p-value of t-statistics is < 0.05 for. Online Aesthetics and Customization. Therefore, at the $\alpha = 0.05$ level of

Table 3: Coefficients

Model B		Unstandardized coefficients		Standardized coefficients	t	Sig.
		Std. error	Beta			
1	(Constant)	.326	.175	.135	1.868	.063
	CON	.137	.065		2.104	.037
	SSC	-.135	.068	-.145	-1.969	.050
	EMP	.150	.064	.158	2.344	.020
	OFE	-.018	.061	-.021	-.296	.767
	POC	-.011	.042	-.014	-.268	.789
	CI	.042	.046	.047	.905	.367
	OA	.236	.069	.247	3.438	.001
	CTZ	.279	.067	.302	4.166	.000
	VA	.029	.066	.031	.437	.663
	SPD	-.026	.065	-.031	-.396	.692
	MM	.104	.064	.121	1.635	.104
	SPC	.015	.063	.016	.239	.811
	OE	.125	.055	.135	2.287	.023

a. Dependent Variable: CS

significance, there exists enough to conclude that Online Aesthetics and Customization are useful predictor of Customer Experiences. Again, from the coefficient table it is found that increasing one unit in Online Aesthetics will increase the Customer Experience by 24.7%, increasing one unit in Cust will increase the Purchase Intention by 30.2%. (Std. Coefficients Beta, $\alpha = 0.247, 0.302$).

Findings

The result of study on the customer experience in indian bank demonstrated that the 14 factors in which 10 factors appears as highly significant factors among which the “employees” emerges out as the most important factor for the customer experience in the banking sector, which are followed by other highly significant factors such as online functional elements, speed, service scape, online aesthetics, service scape, convenience, customization, service process and online hedonic elements. While the other four elements such as presence of other customers, value addition, marketing mix and customer interaction came out as the moderately significant factors of customer experience. The order of these variables is so very important that these order reflect some similarities and disparities

among these highly significant factors speed and employees are the factors that are not affected by the demographic differences of the respondents whereas all the other six factors such as convenience, service scape, online aesthetics, online functional elements, service process are not affected by the demographic similarities or differences of the respondents whereæ the other two variables online hedonic elements and the customization is significantly affected by the demographic variables even the moderately significant factors are also effected by the demographic similarities and differences. from the study it can be concluded that along with the highly significant factors moderately significant factors also play an important role in assessing the customer experience in the bank.

Implications

This study systematically countersigns to measure the existing customer experience in Indian bank in today’s context of India transforming into a cash less economy many customers are availing online services other than branch banking, so today the total customer experience of any bank depends on the both online and offline elements so as the overall experience that organizations provide depends on



in terms of together the offline and online setting that banks afford to their customers. Organizational improvement gaps can thus be identified by assessing performance indicators for each item. Second, this scale will now be utilized by financial institutions to assess client happiness in addition to value and quality. This implies that businesses can assess the statistical relationship between these four entities for their clients. Businesses can obtain a complete insight of the customer decision-making process from pre- to post-purchase by doing so. Third, from a strategic standpoint, this scale is critical. Bank managers can forecast customer happiness by determining the relative importance of the 14 customer experience variables.

Future Research Direction

Future researchers should collect customer responses through both qualitative and quantitative research among different age groups and different income levels to learn more about the impact of variables on the customer experience as only vit university was included in this study to provide a larger picture of consumer behaviour future study should include a greater number of samples from different demographic locations and different age groups. a big and diverse sample size should be used in future studies for reliable results.

CONCLUSION

As a result, the current study's findings provide a more comprehensive coverage and a better understanding of the many touchpoints used to measure customer experience in banking sector, both online and offline. To the best of our knowledge, this study is also one of the most significant attempts to develop a scale that can be used to assess bank customer satisfaction in academic contexts. First and foremost, banking organisations can easily rely

on this industry-specific figure to gauge consumer satisfaction. From this study we conclude that customer experience is not only dependent on the bank branching or online elements it depends on the both online and offline elements and services and customer experience and customization and value addition changes according to the type of banking service and customer experience also highly depends on the customer perception of the bank but the most significant variable that effect the customer experience in the bank is bank service speed and online functional elements.

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