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A Study on Various Banking Service Factors Influencing to HNI/Premium Customers Behaviours

Dr. Viral Bhatt[1st]
Ph.D Guide ,Principal
SAL institute of Management
Ahmadabad Gujarat (India)

Dhruvisha Hirpara[2nd]
M.B.A.
SAL institute of Management,
Ahmadabad Gujarat (India)

Khushbu Savaliya[3rd]
M.B.A.
SAL institute of Management,
Ahmadabad Gujarat (India)

Abstract: High Net worth Individuals (HNWIs) the clients prefers priority banking. Priority banking is a process of identifying valued customer and providing such customer the additional benefits of the banks. It is a concept in Indian banking sector, idea behind such type of banking is to provide hassle free services to its valuable customers. This paper focus on various banking service factors influencing to HNWI/premium customers behaviors. To check the premium customer's behaviors regarding the various banking services we are selecting a main five factor like convenience, reliability, responsiveness, assurance and empathy. And then check the satisfaction level of customer. Findings indicate that Impact of Convenience, Reliability, Responsiveness, Assurance, Empathy factor on satisfaction of HNWI clients is 20%. Banking services is influence HNWI clients mostly to open a account in bank. And there is strong correlation between all five factors and .satisfactions of clients is closely related with each other.

Keywords: Priority banking service, HNWI.

I. INTRODUCTION

Indian banking is the lifeline of the nation and its people. Banking has helped in developing the vital sectors of the economy and usher in a new dawn of progress on the Indian horizon. The sector has translated the hopes and aspirations of millions of people into reality. But to do so, it has had to control miles and miles of difficult terrain, suffer the indignities of foreign rule and the pangs of partition. Today, Indian banks can confidently compete with modern banks of the world. Banking is now basically a business of trust. Banks are able to lend a major portion of their deposits and play the role of an intermediary and also constitute the payment system because of the trust of the people that the banks will honor their commitments.

Priority Banking or Privilege Banking is a relatively new term in the Indian banking context. Many banks in India, especially the private banks have followed international banks in providing specialized services to a certain set of customers known as priority customers. These customers are determined usually by the average balance they maintain with the bank or based on the number of years they hold the banking relationship. While in some cases, customers are automatically offered priority banking status, there are many instances when one has to apply for this.

II. LITERATURE REVIEW

Banking and Finance Letters, 2009, Volume 1, Issue 1, 21-28. Elif SENYÜCEL " Evaluation of SERVQUAL Instrument as Bank Selection Criteria in the Banking Industry: Empirical Evidence from Turkish and Greek Speaking Areas in Cyprus" The study was find out that the 350 respondents show that bank selection criteria using the SERVQUAL instrument in overall do not significantly differ between Turkish and Greek Cypriots; however, priorities of bank selection factors are generally different between two communities. The item "assurance" is the most important bank selection criteria for Turkish Cypriots where the item "responsiveness" is the most important bank selection criteria for Greek Cypriots. Tangibles are the least important factor of bank selection for both communities according to the findings of this study.

Aborampah Amoah-Mensah study on "Customer Satisfaction In The Banking Industry: A Comparative Study Of Ghana And Spain" the main objective of research is to compare the perceptions of customers regarding the quality of banks' services in Ghana and Spain. In this research they are used primary data. A sample size of 1400 people from twenty-four communities in both countries was used. After the research they conclude that the analysis produced 4 dimensions namely reliability, convenience, tangibles, empathy, were the determinants of overall customer satisfaction in Ghana, only reliability explained overall satisfaction in Spain.

(IHBMS vol.1) Dr. Mrs. G. Santhiyavalli "Consumer's perception of service quality of State bank of India- A factor analysis" The main objective of the research is to study the consumers perception of service quality of the selected branches of SBI. And to study the major factor responsible for their satisfaction. Convenience sampling method used for this research. SERVQAL model used for data analysis. Analysis of gap score reveals that in SBI Empathy has maximum average score of 3.240 among other four dimension. The factor analysis clearly indicates that among five dimensions Readability Responsiveness empathy and tangibility are the major factors responsible for customer satisfaction which stood at 90 percent regarding the service provided by SBI. According to perception level of consumer satisfaction the SBI has scope to improve the quality of the service rendered to its customers to ensure their loyalty.

(IOSR Journal of Business and Management (IOSR-JBM) Mohamad Sayuti ,Mohamad Rahimi "Bank Selection Criteria in a Customers' Perspective" The conclusion for the research question is all the factors that are Reliability, Convenience, Assurance, Value Added Service, Accessibility, and Responsiveness are influencing the customer selection criteria. Findings from this study reveal that the most significant factor affects the customers in choosing a bank is the Accessibility.

(Journal of Commerce and Social Sciences) Mubbsher Munawar Khan, Mariam Fasih " Impact of Service Quality on Customer Satisfaction and Customer Loyalty: Evidence from Banking Sector" The aim of this research study is to determine the satisfaction level of banking customers regarding quality of different services provided by their bank and their loyalty with the respective bank. Service quality is studied within a spectrum of different dimensions. An effort is also made to find out which service quality dimensions may enhance customer satisfaction and customer loyalty in a better way. Findings indicate that service quality and all its dimensions have significant and positive association with customer satisfaction and customer loyalty. Like Reliability, Assurance, Empathy, Tangibility etc.

III. OBJECTIVE OF THE STUDY

Primary Objective

1. To identify the major various factor of banking services. And also analyzed the influence of this factor on premium customer buying behaviors
2. Secondary Objective
3. To study the banking sector and various services which about to premium customers.
4. To identify the major banking services vital far premium customers.
5. To measure the level of banking services which is directly related with premium customers buying behavior.
6. To analyzed the various factor combined influence on premium customer buying behaviors
7. To derived the impact of each factor.

IV. RESEARCH METHODOLOGY

Research Design
In this research we are using Descriptive research design because this research based on HNWI categories.

Data collection
We use Primary data analysis method and for making this research report we used questioners for data collection. For this research purpose we collect data from Prahlad nagar, South Bpoal, Vastrapur, S.G highway etc. which are generally posh are of Ahmadabad where we get HNWI easily. We also collect data from various members of club.

Sampling Technique
For this research, we used non probability convenience Sampling technique because we cannot invite entire population for this research purpose and also entire population is not part of our research. HNWI who have their bank account in private bank only this category are part of our research. The convenience sampling technique helps us to gathering useful data and information

Sample size
We are taken 200 sample sizes for collecting a data through questioners. According to Uma sekaran when N is 1000000 the sample size will be 384.

Research tools and techniques
Data Analysis Tool : SPSS , Excel

V. DATA ANALYSIS AND INTERPRETATION

Descriptive Analysis

Satisfaction

Statement	Mean	Std -div	Mode	T - Test	Proportion
Employees of bank treat me as a valued customers	3.85	.939	4	57.978	0.67
My bank always inform me about new attractive scheme and always suggest me on the taking corrective action	3.84	1.005	4	54.051	0.6
Free cash pick up / delivery and cheque pick up services at my convenient place	3.73	1.026	4	51.421	0.65
I get a benefit across the bank product like deposits, loan, cards, forex and locker facilities	3.87	1.081	5	50.621	0.6
My request like loan / credit card application will be processed on priority	3.72	.968	4	54.369	0.52
I get transactional alerts which protect me from overdraft, late payments, identity theft, etc	3.65	.971	3	53.178	0.49
I get preferential pricing across a wide range of financial products, such as loans, forex rates, Demat/ HSL transaction cost and locker	3.36	1.032	4	46.029	0.77
I am always updated because of my bank provide a priority updates	4.01	.962	4	58.979	0.51
My bank has a sufficient customer representatives	3.53	1.037	3	48.086	0.37
I get discount in movie ticket, dining, resort, hotels	3.14	1.018	3	43.637	0.3
I get invitation of India's most selected events	2.84	1.234	2	32.556	0.3
I can book online premium meeting rooms and also check availability of premium meeting rooms	2.82	1.244	3	31.992	0.31
I get access to visa travel assist program offers	3.04	.992	3	43.355	0.31
The overall quality of services provided by bank is excellent	3.73	1.079	4	48.802	0.65

Interpretation

Mode of getting invitation of India's most selected events is 2 which describe that HNWI are not more satisfied with this service. Mode of get a benefit across the bank product like deposits, loan, cards, forex and locker facilities is 5 that means HNWI are very satisfied with this service. Mode of the overall quality of services provided by bank is excellent, always updated because of my bank provide a priority updates, get preferential pricing across a wide range of financial products, such as loans, forex rates, Demat/ HSL transaction cost and locker, request like loan / credit card application will be processed on priority, free cash pick up / delivery and cheque pick up services at my convenient place, bank always inform me about new attractive scheme and always suggest on the taking corrective action, employees of bank treat as a valued customers is 4, that means HNWI clients are satisfied with these services.

One way ANNOVA between income group and overall services provided by bank,

Hypothesis

H0: There is no significant difference amongst the different income group regarding overall service provided by bank
H1: There is significant difference amongst the different income group regarding overall service provided by bank.

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	391.950	4	97.988	2.597	.038
Within Groups	7358.405	195	37.735		
Total	7750.355	199			

- **Post hoc test for income group**

Multiple Comparisons

Dependent variable	Income group	Income group	Mean Difference
SATISFACTION	900000-1300000	1700000-2100000	-5.00680*
	1700000-2100000	900000-1300000	5.00680*

- **Post hoc test for occupation**

Multiple Comparisons

Dependent variable	Occupation	occupation	Mean Difference
Convenience	Professional	Service	3.66316*
	Service	Professional	-3.66316*
Reliability	Professional	Service	2.26491*
	Service	Professional	-2.26491*

Interpretation

We have applied one way ANOVA for testing significant difference amongst income group and overall services provided by bank at 5% level of significance.

After analysis the significant value is 0.038 which is less than 0.05. Hence H1 is accepted. . It indicates that there is a significant difference amongst the different income group regarding overall service provided by bank.

To understand a difference between various income group we applied post hoc test. There are no similarity in satisfaction between income group 900000-1300000 and 1700000-2100000. Satisfaction between this both income group is totally opposite.

To understand a difference between various occupations and we applied post hoc test. After test we found that there is no similarity between occupation service and profession in convenience and Reliability factor.

Regression Analysis

Descriptive Statistics			
	Mean	Std. Deviation	N
Satisfaction	49.1150	6.24071	200
Convenience	42.2250	5.73838	200
Reliability	26.8950	3.55770	200
Responsiveness	30.9950	4.64358	200
Assurance	30.4700	4.30602	200
Empathy	31.0900	4.46223	200

Interpretation of descriptive statistics

Correlation co efficient shows simply interrelation among the factor but if we want to derive impact of all independent factor then we need to understand an d implement the regression tool we apply multiple regression model to evaluate and major individual impact of the factors and what will be the influence of all factors on dependent variable first table indicate descriptive statistic of all factor which is part of capital structure in the descriptive statistic we have to apply tools like mean and standers deviation mean is a average value of data and while standard deviation shows the fluctuation among the value

Descriptive statistic there are mean of satisfaction is 49.1150 and standard deviation is 6.24071 ,convenience mean is 42.2250 and standard deviation mean is 5.73838 , reliability mean is 26.8950 and standard deviation 3.55770, responsiveness mean is

30.9950 and standard deviation 4.64358, assurance mean is 30.4700 and standard deviation 4.30602 , empathy mean is 31.0900 and standard deviation 4.46223

Ho: There is no significant impact of convenience, Reliability, Responsiveness, Assurance and Empathy with respect to various services provided to HNWI on their satisfaction level .

H1: There is significant impact of convenience, Reliability, Responsiveness, Assurance and Empathy with respect to various services provided to HNWI on their satisfaction level .

Model Summary								
Model	R	R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
1	.852a	0.7259	5.63816	.204	9.962	5	194	.000

Interpretation of model summary

Second table indicate the model summary weather selected model is significant or not the value of model summary is the value of correlation coefficient of determination hear the value of correlation is 0.852 which shows which is more than 0.50 high level of correlation coefficient among the dependent and independent factor.

Value of coefficient determinate is 0.7259 it shows that impact of independent factor on dependent factor is 72.59% while 21.41% changes in the satisfaction level occurs because of remaining factor is explain because of table indicates F value is 9.962 while significant value is 0.000 which is 0.05 it indicates that the design model is significant and valuable .

Coefficientsa					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(constant)	26.207	3.525		7.435	.000
convenience	.105	.114	.097	.922	.358
reliability	.214	.149	.122	1.443	.150
responsiveness	.139	.142	.103	.980	.328
assurance	.288	.138	.199	2.080	.039
empathy	.273	.140	.195	1.949	.053
a. Dependent Variable: satisfaction					

$Y = a + \beta_{01}x_1 + \beta_{02}x_2 + \beta_{03}x_3 + \beta_{04}x_4 + \beta_{05}x_5 + e$
$26.207 + 0.105x_1 + 0.214x_2 + 0.139x_3 + 0.288x_4 + 0.273x_5$
$a = 26.207$

Interpretation

Above model suggest individual as well as the combine influence of all independent variable like convenience, reliability, responsiveness, assurance and empathy with respect to services provided to HNWI on the dependent factors overall satisfaction level of HNWI.

Impact of independent variable on dependent variable when overall convenience increase 0 .105 then 1 unit of overall satisfaction positively increase in HNWI .

Impact of independent variable on dependent variable when overall reliability increase 0 .214 then 1 unit of overall satisfaction positively increase in HNWI .

Impact of independent variable on dependent variable when overall responsiveness 0 .139 increase 0 .105 then 1 unit of overall satisfaction positively increase in HNWI .

Impact of independent variable on dependent variable when overall assurance increase 0.288 then 1 unit of overall satisfaction positively increase in HNWI .

Impact of independent variable on dependent variable when overall empathy increase 0.273 then 1 unit of overall satisfaction positively increase in HNWI .

VI. CONCLUSION

Most important criteria for choosing a bank are Maintaining privacy and confidentiality, Convenient branch location, Willingness to answer of queries while problems occurs , Connectivity to other bank's ATMs Ability to understand consumers needs, and Protect personal information.

The model summary weather selected model is significant or not the value of correlation coefficient of determination hear the value of correlation is 0.852 which shows which is more than 0.50 high level of correlation coefficient among the dependent and independent factor.

Value of coefficient determinate is 0.7259 it shows that impact of independent factor on dependent factor is 72.59% while 21.41% changes in the satisfaction level occurs because of remaining factor is explain because of table indicates because of F value is 9.962 while significant value is 0.000 which is 0.05 it indicates that the design model is significant and valuable .

There is strong correlation between all five factors and satisfaction of clients are closely related with each other. There is Similarity between occupation service and profession in convenience and Reliability factor. Bank CRM activity and parking facility is the lowest important criteria for choosing a bank. There is similarity in satisfaction between income group 900000-1300000 and 1700000-2100000. HNWI clients are mostly influence by banking services and friends and relatives for open account in bank.

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