

Research Project Report
**“ANALYSIS OF THE CUSTOMER SATISFACTION
TOWARDS CO-OPERATIVE BANK”**

FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENT

FOR THE AWARD OF
BACHELOR OF COMMERCE

UNDER THE GUIDANCE OF

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DECLARATION

I, SHREY GUPTA Roll No.17GSFC101086 student of School of Finance and Commerce, Galgotias University, Greater Noida, hereby declare that the project report on “**ANALYSIS OF THE CUSTOMER SATISFACTION TOWARDS CO-OPERATIVE BANK**” is an original and authenticated work done by me.

I further declare that it has not been submitted elsewhere by any other person in any of the institutes for the award of any degree or diploma

Name and Signature of the Student :

SHREY GUPTA

CERTIFICATE

This is to certify that the project report "**ANALYSIS OF CUSTOMER SATISFACTION TOWARDS COOPERATIVE BANKS**" has been prepared by SHREY GUPTA under my supervision and guidance. The project report is submitted towards the partial fulfillment of 3 year, Full time BACHALOR OF COMMERCE

Name & Signature of Faculty :

PROF. BHAVNA SHARMA

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ABSTRACT:-

The banking business is one of the oldest businesses in the world in India. Banking has grown with the changing culture of people in India. Its growth was slow under the early private owners. But after nationalization, the growth was tremendous, as Indian banking system could provide its outlets for every 15000 people of the Nation's with the thickest population. This significant growth was under a protected and regulated environment created and supervised by the Reserve Bank of India. The banking system in India occupies an important position in the process of the economic development of India. The change in the economic policy of India, in tune with the global changes has accelerated various activities of Indian banking sector.(Govind Pareek, 1990). The rich tradition of Indian banking business has undergone a major phase of metamorphosis in the perception and outlook. It is no more a walk-in-business of selling the products and serving the customers. The demand and priorities of the customer. are changing every day. The customers have started dictating terms on both deposits and loan products. To adjust themselves to the new era of deregulation, competition and customer domination, banks are forced to adopt innovative measures. Co-operative movement in Indian banking was started with the objective of providing finance to the agriculturists and the rural people in order to relieve them from the clutches of the usurious money lenders and pawn brokers, (Amit Basak, 2011). District Central Co-operative Banks (DCCBs) are operating as people's bank mainly in rural and semi-urban areas, though they also operate in urban and metros to mobilize savings and to lend to the co-operative societies, like industrial cooperatives, employees co-operatives, etc. In other words, while the commercial banks cater mainly to the needs of organized industries, DCCBs provide banking facilities to the unorganized sector like agriculture. Commercial credit is backed by tangible security in general, whereas Co-operative credit is guided by the principles of mutual help and thrift and is accentuated by service rather than profit.

Co-operatives are organized groups of people jointly managed and democratically controlled enterprises. They exist to serve their members and depositors and produce better benefits and services for them. Professionalism in co-operative banks reflects the coexistence of high levels of skills and standards in performing, duties entrusted to an individual. Co-operative bank needs current and future development in information technology. (Nakkiran S, 2002) It is indeed necessary for Co-operative banks to devote adequate attention towards maximizing their returns on every unit of resource through effective services. Co-operative banks have completed 100 years of existence in India. They play a very important role in the financial system. The Co-operative banks in India form an integral part of our money market today. Therefore, a brief resume of their development should be taken into account. The history of Co-operative banks goes back to the year 1904. In 1904, the Co-operative Credit Society Act was enacted to encourage co-operative movement in India. But the development of Co-operative banks from 1904- 1951 was the most disappointing one.

INTRODUCTION OF THE ORGANIZATION:-

A co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. It is often established by people belonging to the same local or professional community having a common interest. It is formed to promote the upliftment of financially weaker sections of the society and to protect them from the clutches of money lenders who provide loans at an unreasonably high-interest rate to the needy. The co-operative structure is designed on the principles of cooperation, mutual help, democratic decision making and open membership. It follows the principle of 'one shareholder, one vote' and 'no profit, no loss'.

Cooperatives Banks are registered under the Cooperative Societies Act , 1912. These are regulated by the Reserve Bank of India and National Bank for Agriculture and Rural Development (NABARD) under the [Banking Regulation Act, 1949](#) and [Banking Laws \(Application to Cooperative Societies\) Act, 1965](#).

Cooperative banks differ from commercial banks on the grounds of organisation, governance, interest rates, the scope of functioning, objectives and values.

Functions of Cooperative Banks

- It provides financial assistance to people with small means and protects them from the latches of money lenders providing loans and other services at a higher rate at the expense of the needy.
- It supervises and guides affiliated societies.
- Rural financing- It provides financing to rural sectors like cattle farming, crop farming, hatching, etc. at comparatively lower rates.
- Urban financing- it provides financing for small scale industries, personal finance, home finance, etc.
- It mobilises funds from its members and provides interest on the invested capital.

Types of Cooperative Banks in India

The co-operative banking structure in India is divided into the following 5 categories:

1. Primary Co-operative Credit Society

- The Primary Co-operative Credit Society is an association of borrowers and non-borrowers residing in a particular locality.
- The funds of the society are derived from the share capital and deposits of members and loans from central co-operative banks.
- Borrowing constitutes the most important element of their working capital.
- The borrowing powers of the members as well as of the society are fixed but may differ from state to state.
- The loans are given to members for the purchase of cattle, fodder, fertilizers and pesticides.

2. Central Co-operative Banks

- These are the federations of primary credit societies in a district and are of two types:
 1. Those having a membership of primary societies only.
 2. Those are having a membership of societies as well as individuals.
- The funds of the bank consist of share capital, deposits, loans and overdrafts from state co-operative banks and joint stocks.
- These banks provide finance to member societies within the limits of the borrowing capacity of societies.
- They also conduct all the business of a joint-stock bank.

3. State Co-operative Banks

- The state co-operative bank is a federation of central co-operative bank and acts as a watchdog of the co-operative banking structure in the state.
- It procures funds from share capital, deposits, loans and overdrafts from the Reserve Bank of India.
- The state co-operative banks lend money to central co-operative banks and primary societies and not directly to the farmers.

4. Land Development Banks

- These are organized in 3 tiers, namely; state, central, and primary level with the objective to meet the long term credit requirements of the farmers for developmental purposes.
- National Bank for Agriculture and Rural Development (NABARD) supervises Land development banks.
- The sources of funds for these banks are the debentures subscribed by both Central and State government as these banks do not accept deposits from the general public.

5. Urban Co-operative Banks

- It refers to primary cooperative banks located in urban and semi-urban areas.
- Earlier the scope of these banks was restricted, which now has been considerably widened.
- They provide funds and services to small borrowers and small business.

#Cooperative banks in India fund rural are as under:

- Agriculture
- Livestock
- Milk
- Nursery
- Personal finance

#Cooperative banks in India finance urban areas by virtue of:

- Self-employment
- Industries
- Small-scale units
- Home finance
- Consumer finance
- Personal finance

Importance of Cooperative Banks

- It has an extensive branch network all over the country, making credit easily available even to rural areas. It accounts for 67 per cent of total rural credit.
- It is an integral source for credit to agriculturalists.
- It conforms to the requirements of democratic planning and economic progress.
- It provides support to small and marginal farmers for buying inputs, storage and marketing assistance.

INTRODUCTION ABOUT PROJECT:-

Customer satisfaction, which refers to a customer's satisfaction of particular services of Co-operative Bank, allows the customer to get the most from what services he consumes. Customers know more about their choices when they have services information and benefit from knowing their rights, hearing about alerts and warnings and finding out about safety issues. Customer satisfaction is about making the customer satisfied of his/her rights. It is a marketing term which means that customers are satisfied of facilities and services of the Co-operative bank. Co-operative bank, in a nutshell, provides financial assistance to the people with small means to protect them from the debt trap of the moneylenders. It is a part of vast and powerful structure of co-operative institutions which are engaged in tasks of production, processing, marketing, distribution, servicing and banking in India. A co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Co-operative banks are often created by persons belonging to the same local or professional community or sharing a common interest. These banks generally provide their members with wide range of banking and financial services (loans, deposits, banking accounts...). Co-operative banks differ from stockholder banks by their organization, their goals, their values and their governance.

The Co-operative Banking System in India is characterized by a relatively comprehensive network to the grass root level. This sector mainly focuses on the local population and micro-banking among middle and low income strata of the society. These banks operate mainly for the benefit of rural areas, particularly the agricultural sector, small businessmen etc

Customers Survey is taken from these two cooperative banks :

1) CITIZEN CO-OPERATIVE BANK : Citizen Co-operative Bank Ltd., Noida, came into existence on 29th March 1997, with RBI License UBD.UP.1358P as Urban Co-operative bank. At present the Bank has 10 branches in Noida, Greater Noida & Ghaziabad which are effectively controlled and managed by efficient & qualified Board of Directors. Experienced & energetic staff supports the management in implementation of policies and procedures. Bank serves all sections of Society and especially the Weaker Section of the Society. Citizen Cooperative Bank Ltd. grants advances to needy persons including Small Scale Industries, Agriculture, Small Businessman, Retail Traders, General Traders, Self employed persons, Education etc for various purposes. Currently Bank provides all kinds of banking facilities including CBS, E-statements, SMS alerts, RTGS/NEFT, ATM's, IMPS, POS, E-com, Lockers, etc.

2) NOBLE CO-OPERATIVE BANK: Noble Bank is one of the leading Urban Co-operative Banks of Uttar Pradesh, India. Noble Bank has won many National as 1st rank in Uttar Pradesh and 8th in All India Ranking. Motive is to "Create Noble Ways of Banking" and "Banking for well as International Awards including Best performing Co-operative Bank Award in the year 2008-09 and 2009-10 with achieving Unbanked". Noble Bank was incorporated in year 2003 and started its business from 17th May, 2003. The Bank was promoted by a group of professionals consisting of Chartered Accountants and Company Secretaries, having the vision to deliver and mainly continuous endeavor to excel in providing the said services for their society. They advance all types of loans and services to their prestigious customer. Bank's Management and Promoters have been awarded & recognized with various prestigious awards for their Banking Excellence.

SCOPE OF THE STUDY

- * The scope of the study is related with customer satisfaction level.
- * Within the co-operative bank specify the factors influencing customer satisfaction level on co-operative bank.
- * Customer who use a co-operative banks for financial purposes.

OBJECTIVE OF STUDY

- *The primary objective of the current study is to understand whether they are satisfied with the services and facilities offered by the Co-operative Banks.
- * To understand the level of satisfaction about the co-operative bank.
- *To study the different attributes for customer satisfaction towards co-operative bank.

LIMITATIONS OF THE STUDY

The study report consists of few limitations:

- * The report has been conducted within a limited time frame.
- * The study is self financed.
- * The study is limited to the customer of Noida and Greater Noida only.
- * Only selected Branches have been considered for the study.
- * Samples were selected conveniently.
- * The sample size does not represent the total population.
- * The sample of size is limited to 100 only and the sample size may not represent whole market.

COLLECTION OF DATA:-

Data collection methods: The success of any project or market survey depends heavily on the data collection and analysis. It is necessary that the data collected is a reliable data in order to achieve the research objectives. The data can be collected from **primary and secondary** sources. The basic premises of my study is primary data .Convenient sample that was representative of the target market was chosen, the respondents were contacted personally and the instrument used for collecting data is questionnaire.

1) Primary Data: Primary data is gathered from direct observation or data personally collected. It *refers* to that data which is collected for a specific purpose from the field of enquiry and are original in nature. For the project primary data were collected mainly through survey method, using the tool questionnaire. (100 individuals)

2) Secondary data: are those which have been already collected by others for a specific purpose and are subsequently used for application in different conditions. It is the second hand information about an event that has not been personally witnessed by the researchers. The use of surveying secondary data saves time and money. The purpose is to increase the accuracy of analysis. Here the secondary data was obtained from-Various text books, registers, magazines, journals, dissertations and Websites of different organizations.

RESEARCH METHODOLOGY:-

Research methodology is a methodology for collecting all sorts of information & data pertaining to the subject in question. The objective is to examine all the issues involved & conduct situational analysis. The methodology includes the overall research design, sampling procedure & fieldwork done & finally the analysis procedure. The methodology used in the study consistent of sample survey using both primary & secondary data. The questions contained in the interview schedule were mainly dichotomous questions and five point Like scale questions. Secondary data have been collected from books, journals, newspapers, periodicals, reports, and internet. Statistics tools used in this study is simple percentage analysis and weighted average analysis.

Research Design: Research design is the blue print for empirical research work that guides the researcher in a scientific way towards the achievement of the objectives. Survey method has supported the researcher to find the level of satisfaction about cooperative bank, satisfaction towards the services offered by the co-operative bank, relationship of employees towards customer and awareness of cooperative banking among the customers.

Sample Technique : Sampling technique is imperative in every scientific study. Hence, decided to collect the data through Simple Random Sampling Technique .

Sample: A Sample of 100 customers both male and female drawn from nearby locality have give back the duly filled up questionnaire .Respondents have been taken as the sample size. Tools for collecting data: A research tool plays a major role in any worthwhile research as it is the sole factor in determining the sound data and in arriving at perfect conclusions about the problem or study on hand, which ultimately, helps in providing suitable remedial measures to the problem concerned.

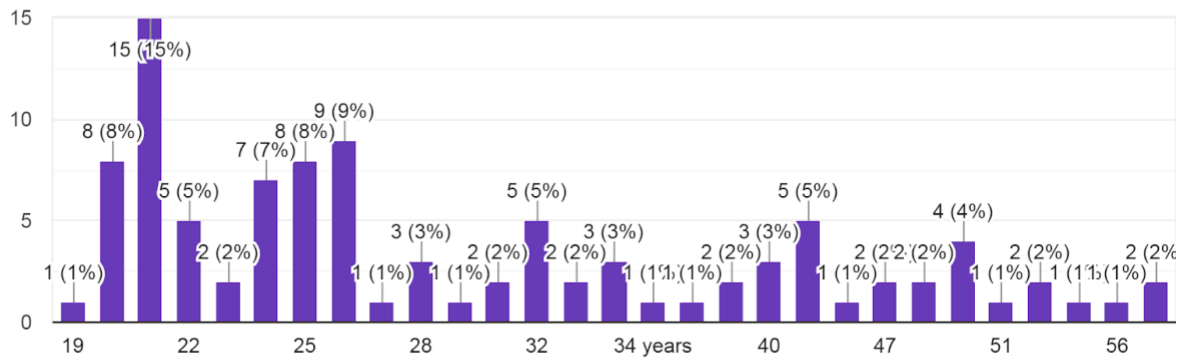
RESULT ANALYSIS :-

The Result Analysis consists of a survey conducted with the help of questionnaires. The questionnaire was filled by 100 individuals of different age groups who are customer of these co-operative banks.

1) Age Group :

Age

100 responses

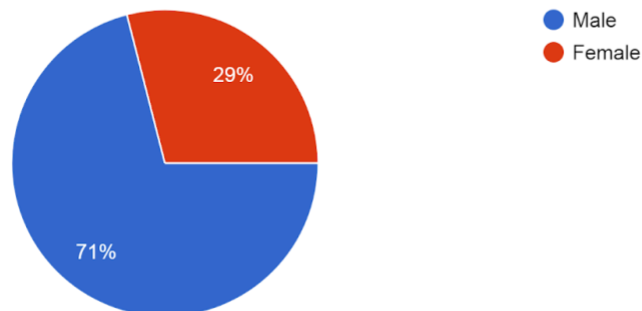


***The questionnaire was filled by people with ages between (15-65). The maximum number of respondents are between the age 20-45.**

2) Gender:

Gender

100 responses

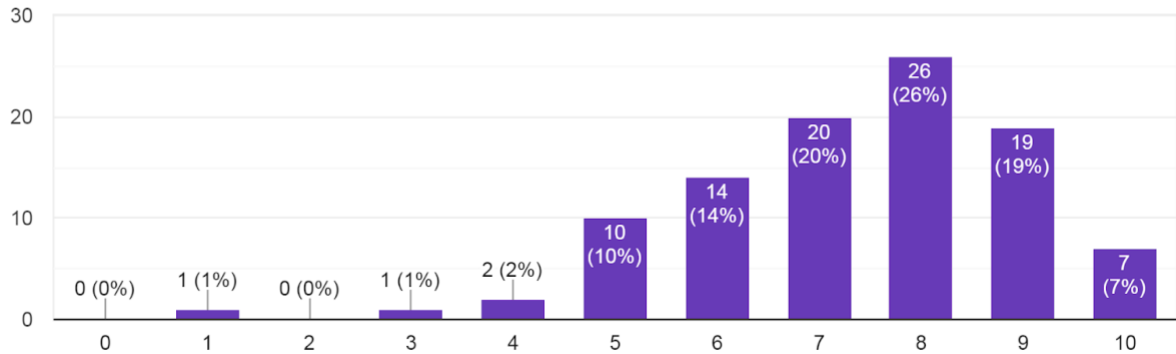


***Hence, there are 71 males out of 100 respondents and 29 females out of 100 respondents.**

3) How likely is it that you would recommend co-operative banks to your friends?

How likely is it that you would recommend co-operative banks to your friends?

100 responses

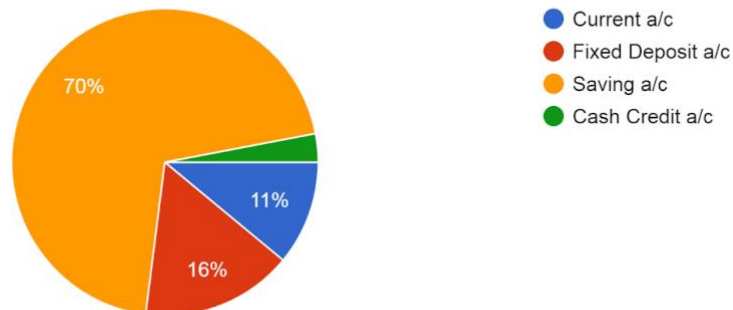


***Most of the respondents are likely to recommend the cooperative to their friends as we can see on the point scale the respondents have rated 6 or more than 6 point.**

4) What kind of account you are holding in the bank?

What kind of account you are holding in the bank?

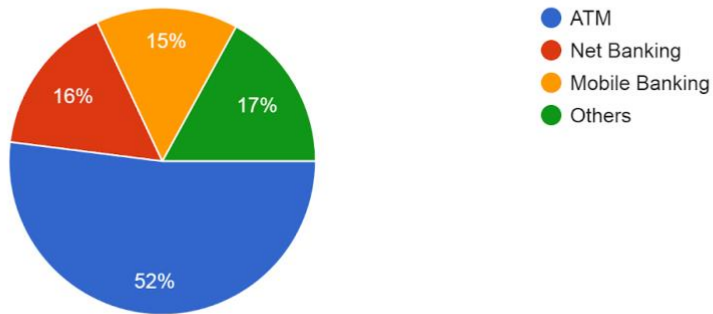
100 responses



***Hence we can say that after seeing pie diagram of type of account holding , 70% are having saving account , 16% having fixed deposit account, 11% having a current account and very less % of respondents having cash credit account.**

5) Have you opted for the below mentioned services?

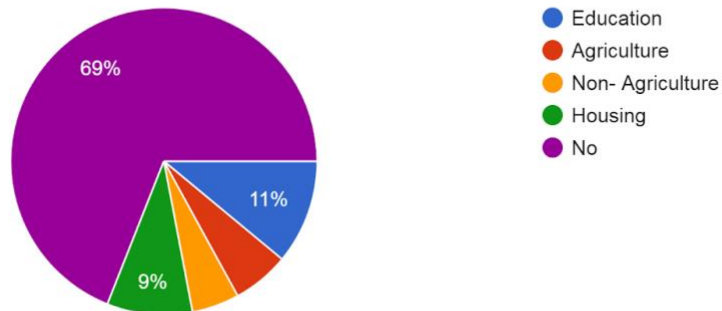
Have you opted for the below mentioned services?
100 responses



***More than half of the respondents have opted the ATM service and rest have opted different services of the bank shown above in the pie diagram.**

6) Have you taken a loan? If yes, which type of loan?

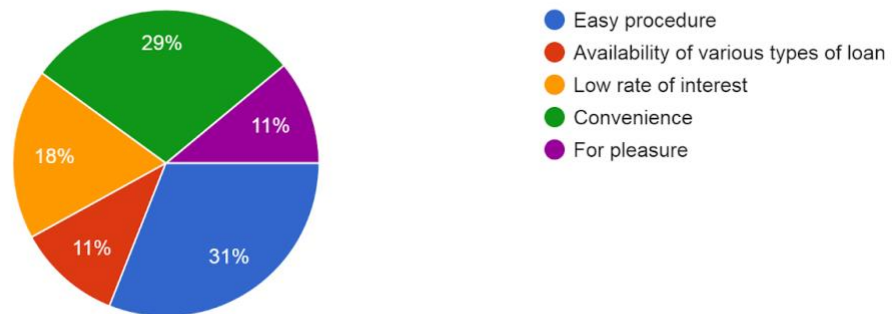
Have you taken a loan ? If yes , which type of loan?
100 responses



***Here 69% of respondents have not taken any loan and 20% of respondents have taken mainly education and housing loan and rest of them have taken agricultural and non agricultural loans.**

7) What are reason for preferring cooperative banks?

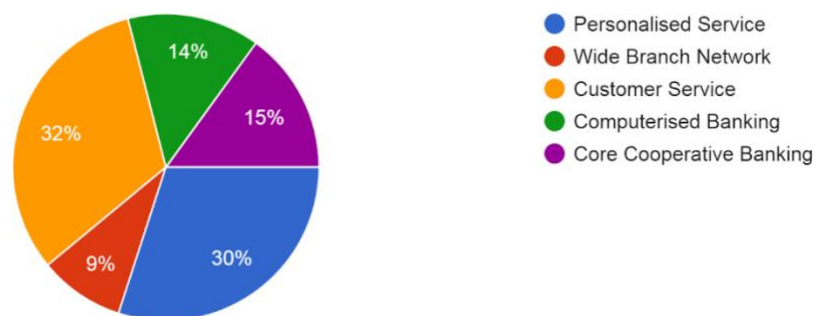
What are reason for preferring cooperative banks?
100 responses



***Most of the respondents prefer co-operative banks due to the easy documentation and procedure and convenience and rest of the respondents prefer due to low rate of interest on loans and also banks provide various types of loans.**

8) When do you think of your cooperative bank what comes first in your mind?

When do you think of your cooperative bank what comes first in your mind?
100 responses

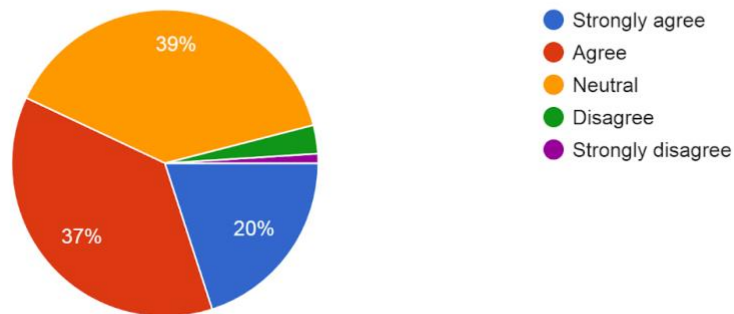


***62% Of the respondents think that their co-operative bank provide good personalized services and customer support services and remaining respondents think that their co-operative bank provide core co-operative banking, computerized banking services and have wide branch network.**

9) Cooperative Banks are best to borrow the loans?

Cooperative Banks are best to borrow the loans?

100 responses

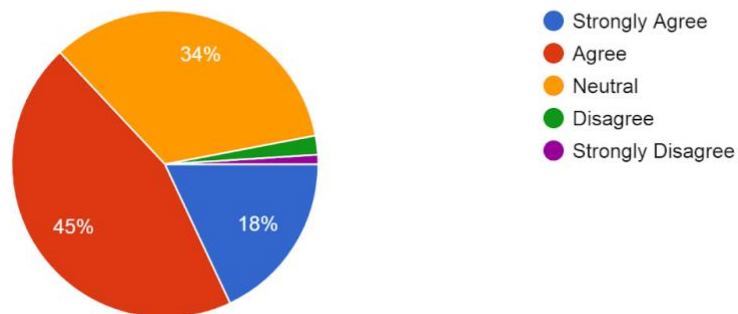


***Most of the respondent are satisfied that co-operative banks are best to borrow loans and there were many respondents who were neutral about the question.**

10) Does your cooperative bank is interested in solving your problems?

Does your cooperative bank is interested in solving your problems?

100 responses

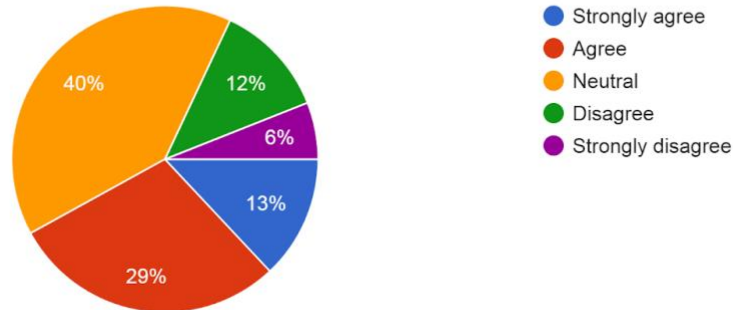


***More than 60% of the respondents are satisfied and agree that their cooperative bank is interested in solving their problem and many of the respondents are neutral about it. Hence, we can say that bank are interested in solving the customer problem.**

11) Overall facilities of cooperative banks are good ?

Overall facilities of cooperative banks are good ?

100 responses

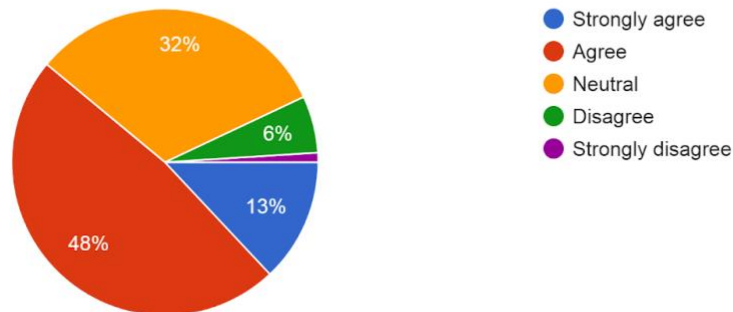


***42% of the respondents are agree about the overall facilities of the bank are good and 40% are neutral and rest of the respondents are not satisfied. Hence, we can say somehow that overall facilities of bank are good.**

12) Does your cooperative banks enhance the value, image and satisfaction?

Does cooperative banks enhance the value , image and satisfaction?

100 responses

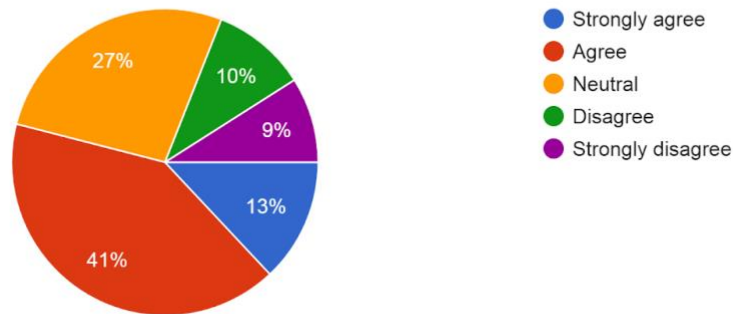


***Most of the respondents are satisfied that co-operative bank enhance the value,image and satisfaction and very less respondents are not agree with the question.**

13) Bank's employees attitude and behavior is satisfied towards you?

Bank's employees attitude and behaviour is satisfied towards you?

100 responses

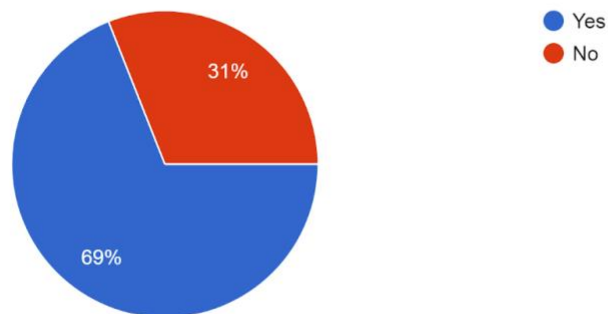


***Most of the respondent are satisfied with the employee attitude and behavior towards them and very less of the respondents are not satisfied with it.**

14) Do you have any other bank a/c in Nationalize/Private Bank?

Do you have any other bank a/c in Nationalize/Private Bank?

100 responses

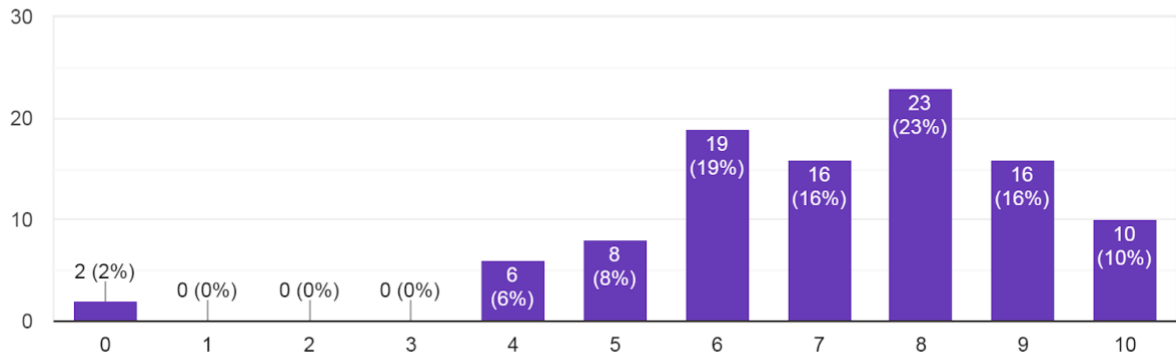


***69% of the respondents are having other bank account in nationalize/private banks and remaining of the respondents have only bank account in co-operative bank.**

15) Rate all the facilities and services offered by the cooperative banks?

Rate all the facilities and services offered by the cooperative banks?

100 responses

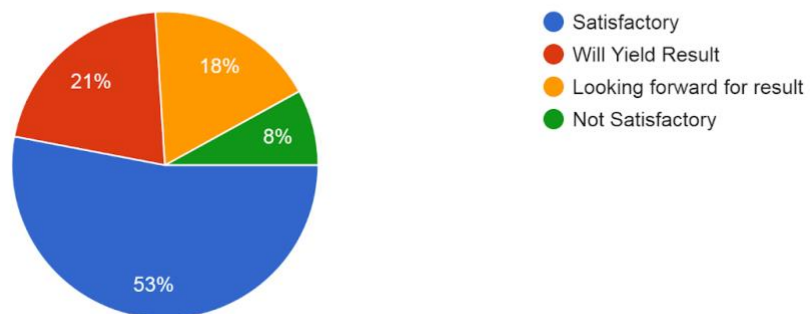


***Most of the respondent have rated 6 or more than 6 point on the point scale. Hence, we can say that the facilities and services offered by co-operative banks are good and satisfied.**

16) Your over all opinion about this survey?

Your over all opinion about this survey?

100 responses



***More than 50% of the respondents are satisfied with the survey.**

FINDINGS

Using the Primary and Secondary data, the following outcome has been derived:

- 1)** It was find that most of the respondents are likely to recommend the cooperative bank to their friends as we have seen on the point scale the respondents have rated 6 or more than 6 point.
- 2) Hence,** we can say that after survey the type of account holding , 70% are having saving account , 16% having fixed deposit account, 11% having a current account and very less % of respondents having cash credit account
- 3)** Among the people, 60% of them prefer co-operative banks due to the easy documentation and procedure and convenience and rest of the respondents prefer due to low rate of interest on loans and also banks provide various types of loans.
- 4)** 62% Of the respondents think that their co-operative bank provide good personalized services and customer support services and remaining respondents think that their co-operative bank provide core co-operative banking, computerized banking services and very less think that they have wide branch network.
- 5)** More than 60% of the respondents are satisfied and agree that their cooperative bank is interested in solving their problem and many of the respondents are neutral about it. Hence, we can say that bank are interested in solving the customer problem.
- 6)** 42% of the respondents are agree about the overall facilities of the bank are good and 40% are neutral and rest of the respondents are not satisfied. Hence, we can say somehow that overall facilities of bank are good.
- 7)** Most of the respondents are satisfied that co-operative bank enhance the value, image and satisfaction and very less respondents are not agree with this point.
- 8)** Most of the respondent are satisfied with the employee attitude and behavior towards them and very less of the respondents are not satisfied with it.
- 9)** 69% of the respondents are having other bank account in nationalize/private banks and remaining of the respondents have only bank account in co-operative bank.
- 10)** Most of the respondent have rated 6 or more than6 point on the point scale. Hence, we can say that the facilities and services offered by co-operative banks are good and satisfied.

SUGGESTION:-

Based on present study, the following suggestion have made to improve the facilities and services of cooperative banks for gaining more satisfaction towards customer. It is found that majority of the respondents are neutral about many services and facilities provided by the co-operative banks. Some of the suggestions are listed below:

- 1)** Co-operative Banks should make aware about the internet banking and net banking to their customer to make easy banking from home and to gain more level of satisfaction.
- 2)** There are very less respondent who use the co-operative bank for financial purposes . Hence, bank need to improve the services related to business and small industries loans and by this customer will start using banks for financial purposes.
- 3)** Overall facilities of bank are less efficient , banks should ensure the efficiency of all facilities.
- 4)** Co-operative banks needs to well train their employees for effective banking and need to learn how to solve all the problems raised by customer.
- 5)** Co-operative banks need to encourage and satisfy their customer in such a way that they don't need to go to any other nationalize banks and private banks.
- 6)** Co-operative banks need to think about how to have wide branch network for the ease of all people to reach banks .

CONCLUSION:-

Co-operative banks are frequently formed by persons belonging to the same local or professional community or sharing a common interest and provide a wide range of banking and financial services like loans, deposits, banking accounts etc to the members. The banks were conducted many studies to understand how their products and services met or exceed customer expectations for the improvements of performance or quality of service. This study showed the positive opinion toward the service of bank and the behavior of employees for rendering services. .But compared to other private and public banks, co-operative banks little bit poorer in the adoption of technology and modern equipment. Gradually the co-operative banks will adopt more and modern technologies for facing competition and make their services more qualitative one.

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