International Journal of Social Science & Interdisciplinary Research____________ISSN 2277-3630
IJSSIR, Vol. 9 (12), December (2020), Impact Factor: 6.067
Online available at indianresearchjournals.com

Customer Satisfaction- Pre and post Covid19: An Analysis of Financial Service Providers

Authors:

Dr.Durgesh Batra[1]
Associate Professor
Amity Business School
Amity University Rajasthan

Ms. Asha Mamraj Sharma[2]
Assistant Professor
Amity Business School
Amity University Rajasthan

Abstract

The financial sector plays an important role in the functioning of the Indian economy and contributes to economic growth and stability. Due to COVID-19, a growing number of developing countries and emerging economies have implemented very strict lock-down steps to prevent the virus from spreading uncontrollably. It is anticipated that Covid-19 pandemic would reduce financial sector activity, and may reduce its resilience to any further disruption. The major hurdle in front of financial service providers is to sustain their business in spite of lack of this face-to-face consumer confidence building sessions. Business continuity and its effective management is the need of hour. Financial institutions will need to reconfigure their business and operating models in an environment of higher numbers of non-performing loans and defaults, low interest rates, tightening of credit and capital constraints. The objective of this paper is to understand the satisfaction level of customer in investment pre and during the covid-19 period. The paper employed descriptive research design. Convenience/non probabilistic sampling are used to select the sample units. Although the papers conclude that there is minimal dissatisfaction amongst the customers during this pandemic situation. But if this pandemic continues to exist for a year or more the results would vary significantly. To reinvest customers lost confidence, financial companies should introduce new innovative schemes and pay special attention to the customer's perspective by time to time assessing their needs.

Key Words: ***Pandemic, Financial services, Financial Institutions, Customer satisfaction***

Introduction:

The COVID-19 pandemic is having global effects. A growing number of developing countries and emerging economies have implemented very strict lock-down steps to prevent the virus from spreading uncontrollably and transforming the COVID-19 crisis into a humanitarian crisis. Due to this the social and economic life has slowed down and almost came to a virtual halt. The world of financial marketing post-COVID-19 will be characterized by those banks and credit unions that look ahead and implement their marketing strategies before they are needed and not merely just an response to an event. To become such a brand means that companies will need to have several plans ready to go, and they have to be able to move on to what seems like the right one or the right ones. It implies that they need to invest time, energy, and money now in building marketing and advertisement campaigns post COVID-19. Firms who do so will be even more willing to serve their markets in coming months. The financial sector plays an important role in the functioning of the Indian economy and contributes to economic growth and stability. The Covid-19 pandemic would reduce financial sector activity, and may reduce its resilience to any further disruption.

Financial service is part of a financial system that provides various types of finance through different credit instruments, financial products, and services. The various types of financial services include banking, advisory, wealth management, mutual funds, insurance etc. Financial services as the name suggests exist in the services industry, meaning their end products are relatively intangible, and rely mainly on consumer confidence and word-of-mouth for success. The major hurdle in front of financial service providers is to sustain their business in spite of lack of this face-to-face consumer confidence building sessions. Business continuity and its effective management is the need of hour. Business Continuity Management (BCM) is an emerging strategy for disaster preparedness and recovery which aims to protect vital business operations from disruption. The world post-COVID-19 will be very different. Over an extended time many economies are expected to be recessionary. Financial institutions will need to reconfigure their business and operating models in an environment of higher numbers of non-performing loans and defaults, low interest rates, tightening of credit and capital constraints. On many fronts, the financial services industry is also currently facing challenges: shelter-in-place and social distance criteria mean that few consumers can be served in a physical location, putting additional pressure on networks such as telephone assistance, internet and social media.

Review of literature:

Financial Services-Financial services form the lifeline of economic development and growth. They facilitate the establishment of large and small businesses, and business expansion. They promote the development and growth of large and small businesses. It comprises such organizations as commercial and investment banks, insurance companies, hedge funds, credit-card companies, consumer finance firms, accounting agencies, and brokerage firms. The services provided by the industry relate primarily to banking and insurance services, asset management, investment, foreign exchange, and accounting. Financial services are the processes by which customers or companies obtain financial products, according to the International Monetary Fund's (IMF) department of finance and development.

Marketing of Financial Services-It refers to the collective use of marketing tactics employed by financial services marketers to attract new or retain existing customers. The skills needed for this are sound knowledge about finance and analytical skills, so investors can benefit from the following benefits –

1. Proper risk - return trade-off (i.e. minimum risk and maximum return)

2. Positive impact of taxation.

3. Financial service sector investors consider their portfolio manager to be more than fulfilling any other role, who will provide them with systematic, continuous services and who will be dynamic and flexible.

4. Create strategies by choosing the best combinations of financial and real assets on the market and executing the strategies.

5. Monitor the market conditions, the relative asset values and the circumstances of the investor.

6. Making portfolio adjustments to reflect significant variations in one or more relevant variables

Tiwari, R., Buse, S., & Herstatt, C. (2006) explored banks' in their research that banks have chances of generating revenue by offering value-added, creative mobile financial services while maintaining and even expanding their technology-savvy customer base.

Nihalani (2011) concluded that the financial markets' future is solid, and product quality should be improved to better form business and life. Banks are expected to ratchet up their spending on Internet banking technology to meet the increased demand. Solutions from external vendors will experience the fastest growth instead of internal development

Bapat, D. (2012) attempted to address the extent to which Indian banking was affected by the global crisis, and advocated using the DEA approach to assess the relative efficiency of Indian commercial banks. They identified that initially there was a dip in the performance of Banks but they were able to revive their business and as such globak crisis didn't left heavy impact on performance of Indian banks.

Gupta & Shaeem (2012) identified that insurance companies instead of concentrating solely on expanding the product selection, businesses need to concentrate on targeting new markets and adopting creative approaches to achieve sustainable growth and ensure market profitability.

Popli, Gurmukh Singh and Vadgama, Chintan,(2012) examined the quality of services provided by commercial banks in India and recommended that innovation and customized software were the need of hour to satisfy customers.

Gautam & Matta (2013) explored the relationship between various financial products and consumer behavior in choosing a specific type of product. They concluded that investors should be educated about the asset allocation. For this twin efforts of regulatory bodies and stakeholders is an absolute requirement

Lawal Babatunde Akeem (2014) Revealed that there is a substantial positive relationship between First Bank of Nigeria 's financial marketing services and profitability. It was recommended that banks remove the currently existing communication gap between banks and their customers as most customers are unaware of the services their banks render. Knowledge can be received by brouchres, circular pamphlets, ads, etc. The banks should find ways to make details simpler for customers.

Mohideen & Arun (2014) stated that it was a high time that the Indian financial industry included a strong information marketing arm, capable of making this industry globally competitive by using sophisticated tools through its creative skills.

Mahajan & Patil (2016) conducted a study in rural Maharashtra to understand the impact of marketing of financial services via advertisement and financial literacy. They concluded that with tailor made products and strategies of financial products and services these rural people can start investing in financial markets.

Sharma & Sharma (2016) revealed that marketing mix strategies have a major impact on the sales growth. It indicates that the public sector banks offer all the modern things in equal measure Banking services but can only create more users by providing successful customer problem responses through direct point-of - sale contact that helps better inform and educate customers.

Singh & Singh (2016) Studied that Indian banks have heavily focused on market penetration thus they attempted to find the motives and motivators of the same. Their study showed that concerns about profit and development, regulatory compulsions, competitive constraints, cost considerations, social agendas, and demand-side shifts are market penetration motivators / agendas.

Ishola ,Adedoyin, Adeoye & Dangana (2017) concluded that banks should focus their innovative efforts on broadening the market size in which they participate by introducing new products and services, promoting new uses of existing products and seeking new customer classes.

Laghate &Wankhede (2017) suggeste that banks should conduct a detailed customer base segmentation and understand the profile and characteristics and behaviour of early adopters and laggards. Banks can customize its plan and communication strategy and design various campaigns to raise awareness and educate the customer to use the channel Internet Banking. It is important if the Banks intend to leverage the advantages of Internet Banking and aim to take giant steps to expand their scope in a cost-effective way.

Reddy & D Sucharitha (2017) summarized that market-oriented banking would require a new culture: a focused, skilled, and dedicated workforce; staff trained for specialized services; specialized branches; strong marketing organization in various banks; aggressive selling; meeting new customer expectations; and cost-effective and efficient operation.

Cajetan (2018) Examined the perceptions of customers in UK banks regarding digital banking, customer experience, satisfaction, loyalty and financial performance. Service quality, functional quality, perceived value, employee-customer engagement, perceived usability and perceived risk were the main factors that determine customer experience in digital Banking. Customer experience, satisfaction and loyalty have a significant relationship, which is linked to financial performance

Shanker (2018) conducted a study in context of Indian banks and foreign banks through Marketing Culture Index (IMC) and reinforced that a must for the Indian banking sector is the value of a strong marketing culture. The empirical findings in his study on the seven dimensions of marketing culture indicated moderate perception of the overall employees' sales culture in the Indian banks surveyed. However, the Non-Indian banks' selling culture was higher.

Need for the study:

Long before Covid-19, conventional brands of financial services struggled to compete with fintech (Financial Technology) specialists. But the pandemic has intensified the pressure on the brands to change drastically. The environment post-COVID-19 will be very different. For an extended period many economies are likely to be recessionary. Financial institutions will need to reconfigure their business and operating models in an environment of higher numbers of non-performing loans and defaults, low interest rates, tightening of credit and capital constraints. A world hit by economic uncertainty requires financial services providers to be able to innovate and to adapt continuously to changes. This paper attempts to identify how these financial service providers are planning to face this pandemic challenge? How will the build a business continuity model?

Research Methodology

The paper employed descriptive research design. The sample size is 112 customers. Convenience/non probabilistic sampling are used to select the sample units. A self developed administered questionnaire is developed to collect the primary data from these sample units. Google forms and emails are used as collection techniques.

The objective of this paper is to understand the satisfaction level of customer in investment pre and during the covid-19 period. Further the paper also tries to find the behavior of service providers and have they employed any new ways or technology

Objective of the paper is to study the consumer behavior pre and during covid19 and further to find their preferences abut technology and to stay with the existing agency.

Hypothesis Ho: There is no significant difference in the consumer behavior pre and during covid 19.

Research Analysis

Customers:

The demographic distribution of all the customers surveyed is as follows:

Gender	Number
Female	32
Male	80
Total	112
Age	Number
25-35	16
35-50	96
Total	112
Occupation	Number
Business	16
Private Job	96
Total	112
Education Qualification	Number
Post Graduate	16
Professional	96
Total	112

The demographic data indicates that most of the candidate are males and are in private jobs. It is also depicted that most of the respondent are in age group of 35-50 and are professional.

	Parameters Pre COVID-19								
	Customer Support from organization	Polite behavior of employee	Customer Grievances handling	Accuracy of service	Speed of service	Safety of Investment	Range Service provided	Technology enabled services	Role of agents to discuss technology enabled service
Dissatisfied	16	0.0	0.0	16	16	0	16	16	16
Neither Satisfied nor Dissatisfied	0.0	16	16	16	0	32	16	0	0
Satisfied	32	32	32	32	32	32	32	48	48
Very Satisfied	64	64	64	48	64	48	48	48	48
Total	112	112	112	112	112	112	112	112	112

International Journal of Social Science & Interdisciplinary Research____________ISSN 2277-3630

IJSSIR, Vol. 9 (12), December (2020), Impact Factor: 6.067

Online available at indianresearchjournals.com

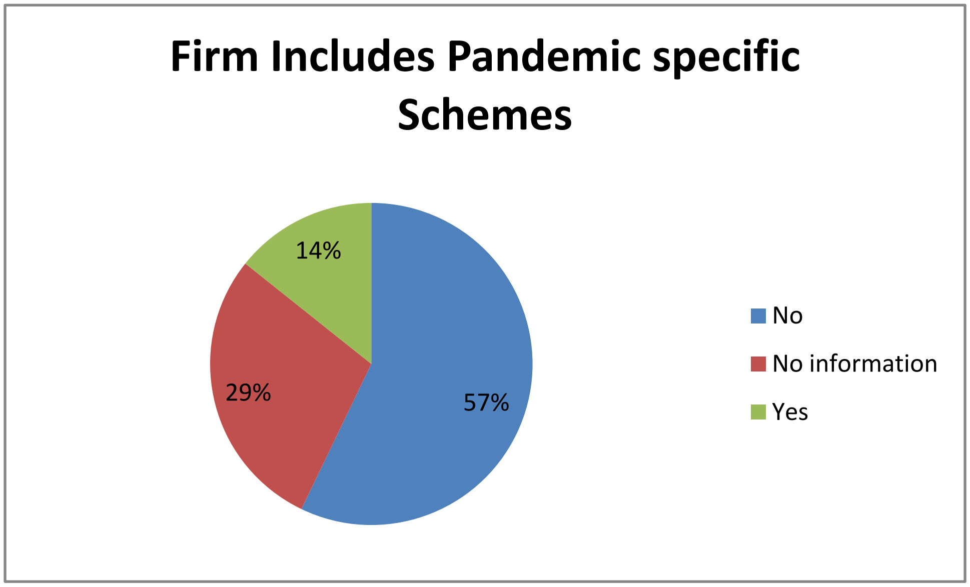
Parameters During COVID-19									
	Customer Support from organization	Polite behavior of employee	Customer Grievances handling	Accuracy of service	Speed of service	Safety of Investment	Range Service provided	Technology enabled services	Role of agents to discuss technology enabled service
Dissatisfied	32	32	32	32	16	0	16	32	16
Neither Satisfied nor Dissatisfied	48	32	80	80	48	16	16	0	0
Satisfied	32	32	0	0	48	80	80	64	16
Very Satisfied	0	16	0	0	0	16	0	16	80
Total	112	112	112	112	112	112	112	112	112

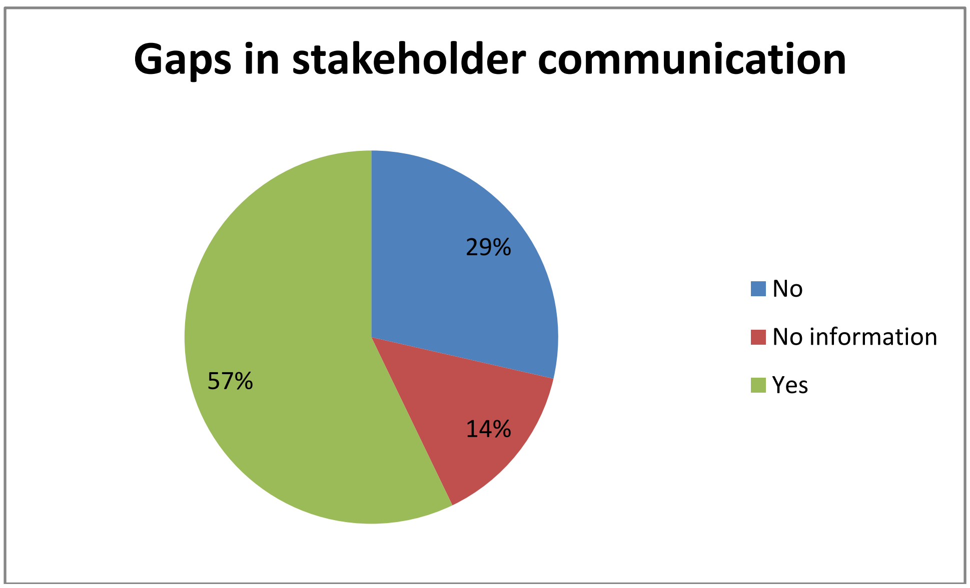
The above tables indicated that in most of the parameters the respondents have shifted from very satisfied to various other options specially to satisfied during covid -19 period from pre- covid-19 period. This is an indication that customers feel that there is depletion in customer support and grievance handling. It is also indicated that customers are losing their satisfaction in safety of investment and range of service provided. At the same time it is also indicating that customers are increasing in satisfaction zone in Technology enabled services and Role of agents to discuss technology enabled service. Overall it can be seen that customers are moving from very satisfied to satisfied or from neutral opinion to satisfied zone. Thus there is no much difference pre-covid19 and during covid19.

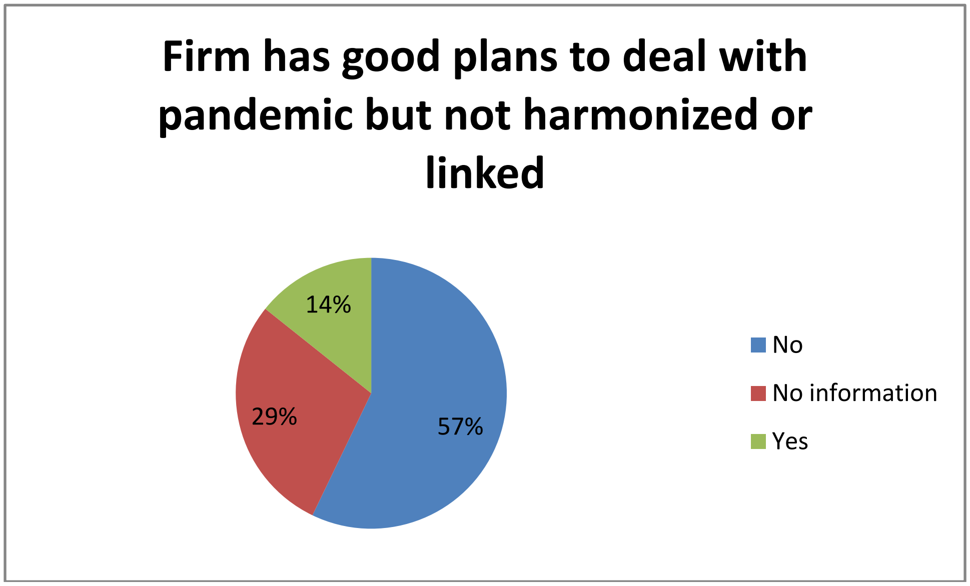
To test further t-test have been applied

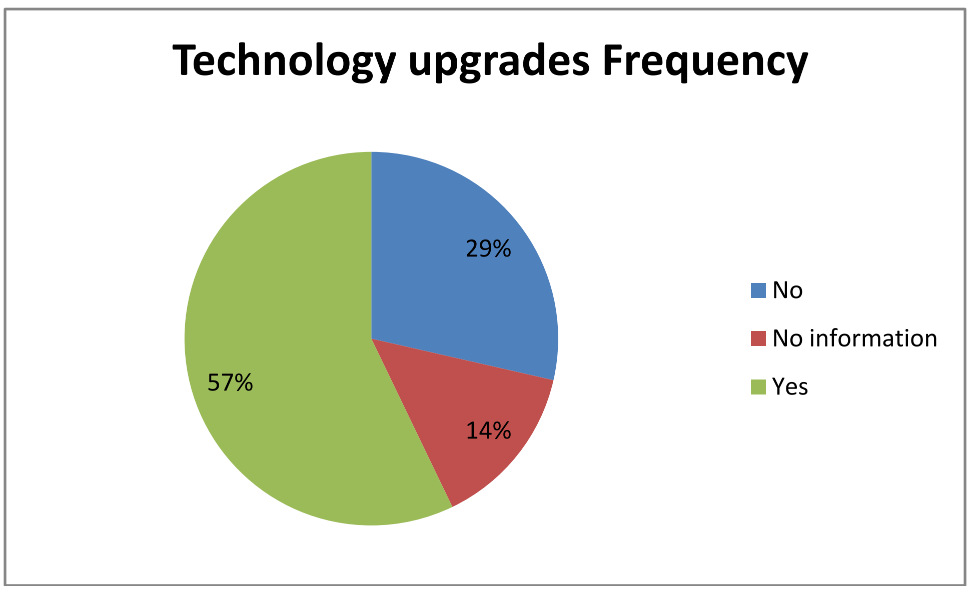
t-Test: Paired Two Sample for Means		
	Pre Covid 19	*During Covid 19*
Mean	28	28
Variance	464.3292181	131.4238683
Observations	4	4
Pearson Correlation	-0.453119238	
Hypothesized Mean Difference	0	
df	3	
t Stat	0	
P(T<=t) one-tail	0.5	
t Critical one-tail	2.353363435	
P(T<=t) two-tail	1	
t Critical two-tail	3.182446305	

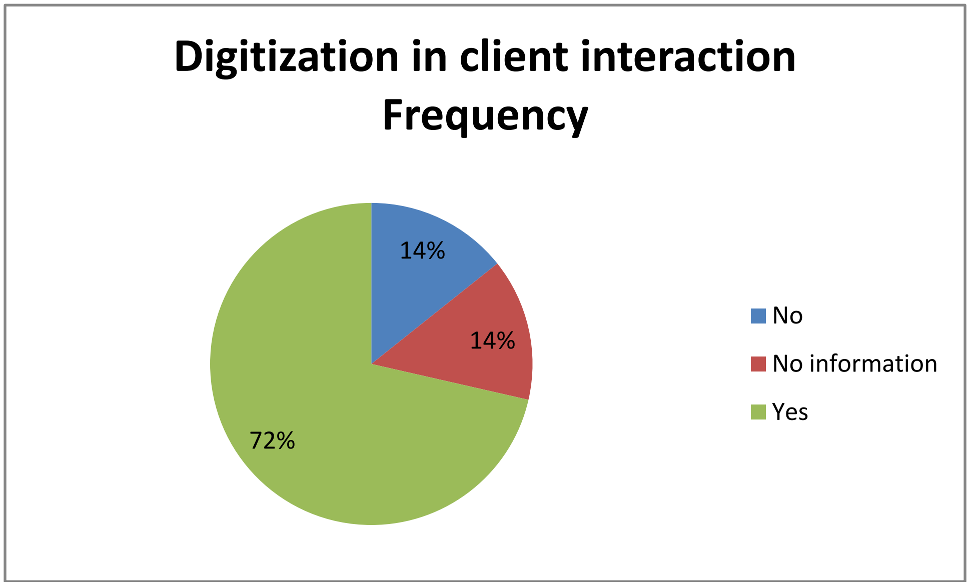
The test statics also indicate that since p values are greater than 0.5 there is no significant difference in the opinion of customers. Though all the customers feel that firms does not have any pandemic plans or schemes and gaps in the communications.

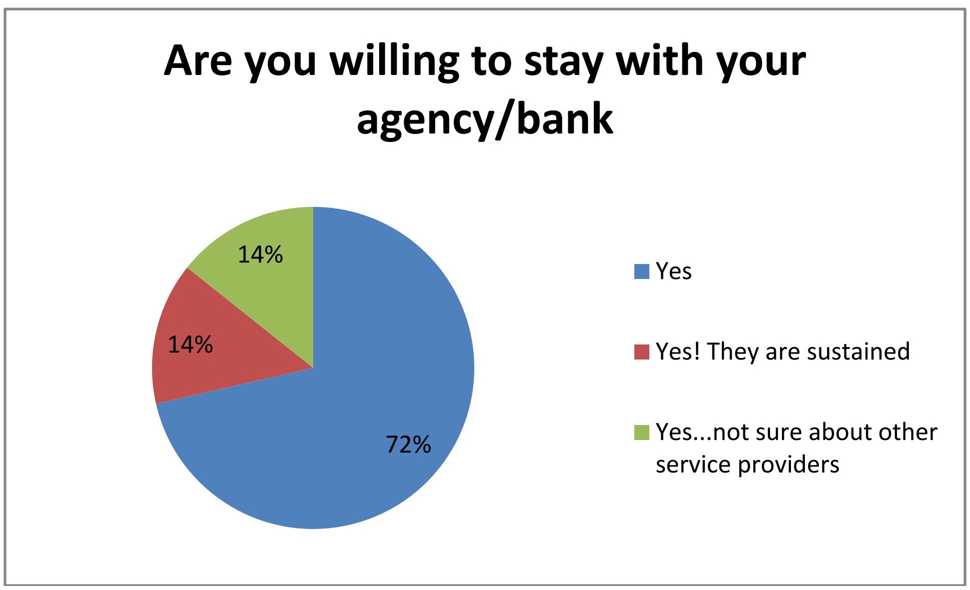

Firm Includes Pandemic specific Schemes
14%
29%
57%
No
No information
Yes


Gaps in stakeholder communication
29%
57%
14%
No
No information
Yes


Firm has good plans to deal with pandemic but not harmonized or linked
14%
29%
57%
No
No information
Yes


Technology upgrades Frequency
29%
57%
14%
No
No information
Yes





The responses also indicate that customers are happy with the technology upgradtaions by companies and also with the digitaization of client interaction. This all makes the customers to stay with their existing agency or banks during and even after Covid-19.

Conclusions:

To conclude during these testing times financial service providers need to take decisive action to ensure smooth provision of services to customers with minimum disruption. Although above findings indicate that there is minimal dissatisfaction amongst the customers during this pandemic situation. But then, prevention is better than cure. Since the duration of study was March to June not much investment decisions are taken by individuals during this tenure. But if this pandemic continues to exist for a year or more the results would vary significantly. To reinvest customers lost confidence, financial companies should introduce new innovative schemes and pay special attention to the customer's perspective by time to time assessing their needs. Navigating the COVID-19 landscape will pose tough challenges for financial service providers, and the way forward might be to timely take actions to handle customer grievances and provide services that are good for customers.

References:

1. Cajetan (2018) 'Efficiency for Indian public sector and private sector banks in India: assessment of impact of global financial crisis', Int. J. Business Performance Management, Vol. 13, Nos. 3/4, pp.330–340
2. Gautam & Matta (2013) "INDIAN CONSUMER BUYING BEHAVIOUR IN FINANCIAL SERVICES", Conference: World Congress on "Business, Finance, Marketing and Industrial Management for Sustainable Development" (BFMIMSD - 2013) at Jawaharlal Nehru University, New Delhi Volume: 5
3. Gupta & Shaeem (2012), "Marketing strategies in life insurance services", International Journal of Marketing, Financial Services & Management Research Vol.1 Issue 11, November 2012, ISSN 2277 3622 Online available at www.indianresearchjournals.com
4. Ishola ,Adedoyin, Adeoye & Dangana (2017) "Impact Of Marketing Strategies And Performance Of Banks And Its Ffects On Nigeria Economy", International Journal of Engineering and Applied Sciences (IJEAS) ISSN: 2394-3661, Volume-4, Issue-6,

5. Lawal Babatunde Akeem (2014) "Effect of strategic marketing of financial services on organization performance", European Journal of Accounting Auditing and Finance Research Vol.2,No.9, pp.66-83.
6. Mahajan & Patil (2016) "A Study of "Marketing of Financial Services in Rural Area With Special Reference To Districts in The State of Maharashtra" PARIPEX - INDIAN JOURNAL OF RESEARCH pp234-236
7. Kothari, C.R. (2014). Research methodology: Methods and techniques (3rd ed.) New Delhi: New Age International Publishers Ltd.
8. Laghate &Wankhede (2017) "A study of Customers utilization of Internet banking channel in Mumbai", IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 19, Issue 12. Ver. VI (December. 2017), PP 72-80
9. MBAMA, Cajetan (2018). Digital banking, customer experience and bank financial performance : UK customers' perceptions. International Journal of Bank Marketing, 36 (2), 230-255.
10. Mohideen & Arun (2014) MARKETING STRATEGIES OF FINANCIAL PRODUCTS IN INDIA", International multidisciplinary research journal golden thoughts, vol 3 issue 10, pp 1-5
11. Nihalani (2011) "The impact of technology on the marketing of Financial services", Annals of Management Research, Volume 1, Number 1.
12. Popli, Gurmukh Singh and Vadgama, Chintan, Role of Service Marketing in the Growth of Banking Sector in India (May 9, 2012). Available at SSRN: https://ssrn.com/abstract=2055075 or http://dx.doi.org/10.2139/ssrn.2055075
13. Reddy & D Sucharitha (2017) " MARKETING STRATEGIES IN BANKING SECTOR - A REVIEW", ANVESHANA'S INTERNATIONAL journal OF RESEARCH IN REGIONAL STUDIES, LAW, SOCIAL SCIENCES, JOURNALISM AND MANAGEMENT PRACTICES VOLUME 2, ISSUE 4

14. Shanker Ravi (2018) "Marketing Culture in Financial Services with specific reference to retail bank in India", Economics and Organization Vol. 15, No 4, 2018, pp. 331 - 348 https://doi.org/10.22190/FUEO1804331S
15. Sharma & Sharma (2016) "A Study on the Impact of Marketing Strategies on Customer‟s Preferences of Investments with the Banks in Indore City", International Journal of Latest Technology in Engineering, Management & Applied Science (IJLTEMAS) Volume V, Issue XII, December 2016
16. Singh & Singh (2016) "Market penetration by Indian Banks: Motives and Motivators", Indian Journal of Finance, Vol. 10 Issue 3
17. Tiwari, R., Buse, S., & Herstatt, C "Mobile banking as business strategy: Impact of mobile technologies on customer behavior and its implications for banks", Working Paper No. 37, Institute of Technology and Innovation Management, Hamburg University of Technology
18. https://www.verdict.co.uk/retail-banker-international/news/coronavirus-timeline-financial-services/
19. https://econsultancy.com/how-coronavirus-impacting-financial-sector-payments-banking-fintech-brand-response/
20. http://www.careerizma.com/industries/financial-services/
21. https://www.academia.edu/11367629/MARKETING_STRATEGIES_OF_FINANCIAL_PRODUCTS_IN_INDIA
22. file:///C:/Users/HP/Downloads/MARKETING_STRATEGIES_OF_FINANCIAL_PRODUC.pdf
23. https://thefinancialbrand.com/69067/2018-marketing-trends-banking-strategies/
24. https://www.pwc.com/gx/en/financial-services/assets/pdf/technology2020-and-beyond.pdf