

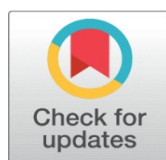
# A STUDY ON CUSTOMER FEEDBACK AND TRADITIONAL BANKING SERVICES

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## ABSTRACT

This research paper investigates customer feedback regarding traditional (non-digital) banking services, focusing on staff behavior, waiting time, branch environment, communication quality and overall customer satisfaction. With banking institutions still serving large populations through in-person services, understanding customer perceptions is essential for service improvement. Primary data was collected from 100 customers through a structured questionnaire consisting of demographic and service-related questions. The findings indicate that customers express strong satisfaction with staff politeness and trust in banks, while concerns remain regarding waiting time, clarity of information and the efficiency of complaint-handling systems. This study emphasizes the need for better communication strategies, enhanced customer-care mechanisms and reduced waiting periods to improve branch-level service quality. The research contributes practical recommendations for banks to strengthen customer experience and operational efficiency while maintaining service excellence at the branch level.

**Keywords:** Cost Overrun, Direct Cost, Indirect Cost, Relative Importance Index, Time Overrun

## 1. INTRODUCTION

Despite the rapid growth of digital banking, traditional branch-based banking remains vital for millions of customers who rely on in-person services for transactions, queries, cheque processing, passbook updates and financial advice. Customer satisfaction has emerged as a critical factor determining the success and competitiveness of banks. Delivering high-quality service requires understanding how customers perceive branch operations and which factors influence their satisfaction.

Traditional banking involves direct contact with employees, making service quality dependent on staff behavior, communication clarity, professionalism and the efficiency of branch operations. Issues such as long waiting times, unclear

communication and slower complaint resolution directly impact customer trust and loyalty.

This research explores customer feedback to identify strengths and weaknesses of branch-level banking services. By analysing responses from 100 customers, this study provides insights into current service performance and highlights areas requiring improvement. The research further

suggests practical strategies to enhance service delivery and overall customer experience in traditional banking environments.

## **2. IMPORTANCE OF THE STUDY**

Customer satisfaction is a crucial indicator of banking performance, especially in traditional settings where face-to-face interaction shapes customer perception. Understanding customer needs helps banks improve service quality, reduce customer frustration and maintain long-term loyalty.

This study highlights several key reasons for its importance:

In-person banking remains essential for customers who prefer human interaction. Customer feedback guides banks in improving staff performance and communication. Service quality in branches influences customer retention and trust.

Identifying weaknesses such as waiting time or poor complaint handling helps banks take corrective actions.

The study supports decision-makers in enhancing customer service strategies and improving operational efficiency.

## **3. RESEARCH GAP**

While several studies examine digital banking satisfaction, limited research focuses specifically on traditional branch banking services. Existing literature often emphasizes online banking convenience, leaving a gap in understanding customers who prefer in-person services.

Most studies fail to examine:

How staff behavior impacts satisfaction

How waiting time influences perceptions of service quality

The connection between communication clarity and customer trust

Customer expectations regarding branch environment and complaint-handling

This study fills the gap by offering a detailed analysis of customer feedback solely on traditional branch banking, based on primary data collected from 100 real customers.

## **4. STATEMENT OF THE PROBLEM**

Traditional branch banking continues to face challenges such as long waiting periods, inconsistent communication, unclear procedures and variable staff interaction quality. These issues influence customer satisfaction levels, impacting the bank's reputation and loyalty.

This study seeks to address:

Are customers satisfied with traditional banking services? Which service-quality factors need improvement?

How do waiting time, staff behavior and communication impact satisfaction?

The core problem is to evaluate whether branch-level services meet customer expectations and identify areas requiring enhancement.

## **5. OBJECTIVES OF THE STUDY**

- 1) To analyze customer satisfaction with traditional banking services such as staff behavior, waiting time and service speed.
- 2) To identify key factors influencing customer perception of service quality in bank branches.
- 3) To evaluate customer expectations and overall experience with in-person banking interactions.
- 4) To provide recommendations for enhancing branch-level customer service.

## **6. HYPOTHESES OF THE STUDY**

Primary Hypothesis (H1):

There is a significant relationship between service-quality factors (staff behaviour, communication, waiting time, complaint handling) and customers' overall satisfaction with traditional banking services.

Supporting Hypothesis (H2):

Improved staff behavior and communication clarity significantly increase customer satisfaction. Null Hypothesis (H0):

Service-quality factors do not significantly influence customer satisfaction in traditional banking.

## **7. SIGNIFICANCE OF THE STUDY**

This research is beneficial for:

Bank Managers: To identify weaknesses in service delivery and improve staff training. HR Departments: To enhance customer-oriented behavior and communication skills. Customers: To ensure their concerns and expectations are acknowledged.

Researchers: To contribute significant insights into traditional banking service quality research.

The study offers actionable recommendations to improve employee–customer interaction and reduce operational inefficiencies.

### **RESEARCH METHODOLOGY**

Research Design: Descriptive research Data Type: Primary data

Sample Size: 100 customers

Sampling Technique: Convenience Sampling Tool: Structured questionnaire (15 questions)

Analysis: Percentage analysis, pie charts, and tables

Data were collected from customers visiting branches of different banks.

## **8. DATA COLLECTION**

Primary data was collected using a questionnaire divided into demographic questions and service- quality questions. Respondents voluntarily participated and provided feedback based on their recent banking experiences.

Data was compiled in tables and charts to measure satisfaction levels across different service parameters.

## **9. RESEARCH METHODOLOGY**

### **9.1. FINDINGS AND ANALYSIS**

The findings of the study reveal important insights into customer satisfaction toward traditional banking services. The majority of respondents expressed high satisfaction with staff behaviour, indicating that bank employees are courteous, helpful, and professional. Branch cleanliness also received very positive feedback, showing that banks maintain hygienic and orderly environments.

However, waiting time emerged as a significant concern. Many customers reported dissatisfaction, particularly during peak hours, indicating the need for better queue management or increased staff. Complaint handling received mixed responses, reflecting that improvements are required in responsiveness and issue resolution.

Clarity of information also showed moderate satisfaction, but with noticeable dissatisfaction among some respondents. This indicates that banks must provide clearer explanations regarding procedures and charges.

Communication updates received moderate satisfaction as well, suggesting that banks need to enhance the frequency and clarity of notices, SMS alerts, and calls. Meanwhile, trust levels remained high, demonstrating strong customer confidence in how banks handle personal information.

### **9.2. LIMITATIONS OF THE STUDY**

Every research study has its own set of limitations, and this study on customer feedback toward traditional banking services is no exception. These limitations do not undermine the credibility of the research but provide a realistic understanding of its boundaries. The first major limitation is the sample size of 100 respondents, which, although adequate for an academic study, may not fully

represent the experiences and perceptions of all banking customers. A larger sample size across different regions would provide a more comprehensive understanding of customer satisfaction levels.

Another limitation is the sampling technique used—convenience sampling. Since respondents were selected based on their availability at the branch during the data collection period, this method may introduce sampling bias. Customers who visit branches frequently or during specific timings may have been overrepresented, while customers with different banking habits might not have been adequately captured.

Additionally, the study focuses solely on traditional branch banking services, excluding the digital banking experience. This separation was intentional to maintain clarity, but it limits the research scope by not comparing in-person service

with online service satisfaction. With the rise of digital banking, comparative insights could have strengthened the overall analysis.

A further limitation lies in the self-reported nature of the data. Responses may be influenced by recent interactions, personal mood, or emotional experiences during the survey. As a result, some answers may not accurately reflect long-term satisfaction levels. Moreover, respondents may hesitate to share negative feedback openly due to social desirability or fear of being noticed by bank staff.

Time constraints also contributed to limitations. The study was conducted over a short period of data collection, restricting the ability to observe seasonal fluctuations in branch visits or service quality changes during different operational periods.

Despite these limitations, the study provides meaningful insights into customer satisfaction with traditional banking services. Future research could include larger samples, multiple banks, and comparative assessments between digital and traditional banking.

## **10. RECOMMENDATIONS**

Based on the findings of this research, several recommendations can be made to improve service quality in traditional banking branches. First, banks should focus on reducing waiting time, which emerged as the most significant dissatisfaction factor. This can be achieved by increasing the number of counters during peak hours, implementing efficient token systems, and utilizing queue monitoring tools.

Second, banks should enhance communication clarity by providing customers with simple, easy-to-understand information about fees, procedures, loan products, and other services. Regular updates through SMS, emails, posters, and staff briefings can also help customers stay informed.

Third, complaint-handling mechanisms need to be strengthened. Banks should ensure that complaints are recorded promptly and resolved quickly. Introducing dedicated customer support desks, digital complaint-tracking systems, or helplines can significantly improve customer experience.

Fourth, staff training is crucial. Employees should receive continuous training in soft skills, including communication, empathy, patience, and professionalism. Well-trained staff not only solve customer issues efficiently but also create a welcoming and comfortable environment.

Fifth, banks should consider implementing customer feedback kiosks or QR-based feedback links, allowing customers to express their opinions anonymously. This would provide real-time insights into service performance.

Finally, improving branch ambience and cleanliness should remain a priority, as customers appreciate well-maintained spaces. A pleasant branch environment contributes significantly to customer comfort and satisfaction.

## **11. CONCLUSION**

This research study provides a comprehensive analysis of customer feedback toward traditional banking services. The findings indicate that traditional banking continues to play a crucial role in the financial system, especially for customers who rely on personal interactions and branch-level

services. While customers expressed high levels of satisfaction regarding staff behaviour, cleanliness, and trustworthiness, several challenges remain—particularly related to waiting time, communication clarity, and complaint handling.

The study highlights that customer satisfaction in traditional banking is influenced by multiple factors, including professionalism of staff, efficiency of service, and the quality of interpersonal interactions. Customers expect clear explanations, quick responses, transparent information, and minimal waiting time. When these expectations are met, customer trust and satisfaction increase significantly.

Although the study had limitations related to sample size and sampling method, the insights derived are valuable for improving branch-based customer service. The research emphasizes the importance of continuous evaluation and adaptation to meet changing customer needs. By implementing the recommendations suggested—such as better queue management, enhanced communication, improved complaint-handling, and staff training—banks can deliver superior customer experiences.

In conclusion, traditional banking remains essential and relevant, but must evolve with customer expectations to remain competitive. Customer feedback plays a key role in shaping service enhancements and ensures that banks maintain high standards of service quality and trustworthiness.

## **12. SUMMARY OF FINDINGS**

To strengthen your project, here is an additional page summarizing key findings:

The research revealed that customer satisfaction with traditional banking services is shaped by several critical factors including staff behaviour transparency, communication clarity, and waiting time. While customers generally appreciate the politeness and helpfulness of employees, dissatisfaction arises from delays, unclear explanations, and inconsistent responses to complaints. High trust levels indicate that customers believe banks handle their personal data responsibly. Cleanliness of branches was also identified as a strong positive aspect influencing satisfaction. Overall, the study highlights that improving operational efficiency, strengthening communication, and optimizing staff performance will significantly elevate customer satisfaction levels in branch banking.

## **CONFLICT OF INTERESTS**

None.

## **ACKNOWLEDGMENTS**

None.

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