

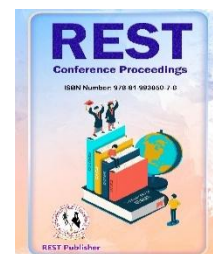


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A Study of Customer Satisfaction Level about Services Provided By Small Finance Bank in Amravati

Samruddhi P Lavankar, P. A. Gadve

SIPNA COET, Amravati, Maharashtra, India.

Abstract: This study aims to examine the level of customer satisfaction with services provided by Small Finance Banks (SFBs) in Amravati. SFBs have been established with the primary objective of promoting financial inclusion by offering basic banking services to the underserved sections of society, including small businesses, farmers, and low-income individuals. As customer satisfaction is a key factor in the success and growth of banking institutions, this research evaluates how effectively SFBs in Amravati meet customer expectations. The study investigates various dimensions of banking services that influence customer satisfaction, such as service quality, staff behavior, ease of access, interest rates, digital banking facilities, and grievance redressal systems. A structured questionnaire was used to gather primary data from a sample of customers associated with different Small Finance Banks in Amravati. The collected data was analyzed using simple statistical methods including percentage analysis and mean score analysis. The findings reveal that customers are generally satisfied with the accessibility and personalized approach offered by SFBs. However, there are areas that require improvement, particularly in digital infrastructure, employee efficiency, and timely resolution of customer complaints. Many customers also expressed the need for better awareness about available banking services and financial products. The study concludes that while Small Finance Banks in Amravati are making commendable efforts toward financial inclusion, continuous improvements are essential to enhance customer satisfaction. It is recommended that these banks invest in staff training, digital banking upgrades, and customer education programs to bridge existing service gaps. This research offers valuable insights for banking professionals, policymakers, and researchers aiming to improve the service quality of Small Finance Banks. Enhancing customer satisfaction will not only lead to better customer retention but also support the broader goal of inclusive and sustainable banking growth.

Keywords: Customer Satisfaction, Small Finance Banks, Service Quality, Financial Inclusion, Amravati, Banking Services.

1. INTRODUCTION

Customer satisfaction is a crucial determinant of success for any financial institution, particularly for small finance banks (SFBs) that cater primarily to underserved and economically weaker sections of society. In India, the Reserve Bank of India (RBI) introduced Small Finance Banks to enhance financial inclusion by providing banking services to the unbanked and underbanked populations. These banks play a vital role in bridging the gap between traditional banking services and the rural or semi-urban populace, focusing on savings, credit, and other essential financial products. Amravati, a key district in Maharashtra, has seen a steady increase in the presence of Small Finance Banks over the years. With a mix of urban and rural demographics, the region offers a unique opportunity to evaluate how effectively SFBs are meeting customer expectations. Understanding customer satisfaction in this context is essential for identifying service gaps, improving operational efficiency, and enhancing customer loyalty. This study aims to assess the satisfaction levels of customers availing services from various Small Finance Banks operating in Amravati. It explores key service dimensions such as accessibility, responsiveness, transparency, convenience, staff behavior, and grievance redressal mechanisms. By gathering insights directly from customers, the research seeks to highlight the strengths and weaknesses in service delivery and provide actionable recommendations for improvement. The findings of this study are expected to contribute to the existing body of knowledge in the field of banking services and customer relationship management. Additionally, it may serve as a valuable resource for bank managers, policymakers, and other stakeholders striving to improve service quality and promote sustainable banking practices in semi-urban and rural regions.

2. COMPANY PROFILE

AU Small Finance Bank: Founded: 2016 Headquarters: Jaipur, Rajasthan Key Services: Savings accounts, fixed deposits, loans (home, personal, vehicle, and business), and digital banking solutions. Focus: Serving the unserved and under-served segments of the

population, particularly in rural and semi-urban areas. Unique Selling Points: Strong focus on microfinance, affordable banking solutions, and a wide network of branches.

Ujjivan Small Finance Bank: Founded: 2016 Headquarters: Bengaluru, Karnataka Key Services: Savings accounts, fixed deposits, loans (microfinance, housing, vehicle, and business), and digital banking solutions. Focus: Empowering low-income individuals and small businesses through financial inclusion. Unique Selling Points: Extensive experience in microfinance, strong focus on customer relationships, and a wide network of branches and business correspondents.

Equitas Small Finance Bank: Founded: 2016 Headquarters: Chennai, Tamil Nadu Key Services: Savings accounts, fixed deposits, loans (microfinance, housing, vehicle, and business), and digital banking solutions. Focus: Providing financial services to low-income individuals and small businesses, particularly in rural and semi-urban areas. Unique Selling Points: Strong focus on microfinance, innovative products, and a wide network of br

Utkarsh Small Finance Bank: Founded: 2016 Headquarters: Kanpur, Uttar Pradesh Key Services: Savings accounts, fixed deposits, loans (microfinance, housing, vehicle, and business), and digital banking solutions. Focus: Empowering low-income individuals and small businesses through financial inclusion. Unique Selling Points: Strong focus on microfinance, affordable banking solutions, and a wide network of branches.

Jana Small Finance Bank: Founded: 2016 Headquarters: Bengaluru, Karnataka Key Services: Savings accounts, fixed deposits, loans (microfinance, housing, vehicle, and business), and digital banking solutions. Focus: Providing financial services to low-income individuals and small businesses, particularly in rural and semi-urban areas. Unique Selling Points: Strong focus on microfinance, innovative

3. REVIEW OF LITERATURE

Sagar Maurya, (2023) Au Small Finance Bank is a relatively new player in the Indian banking industry, having been granted a banking license by the Reserve Bank of India in 2017. However, the bank has quickly gained a reputation for its focus on microfinance. The bank's microfinance offerings are tailored to meet the specific needs of small businesses and individuals, particularly those areas. This has helped the bank to expand rapidly, with a presence in more than 600 locations across India. Chaturvedi (2022) examined the significance of financial inclusion for a high-priority sector in India that is currently unbanked or under banked. The study is based on secondary sources. As a result, it is worth repeating that Small Finance Banks play an important role in strengthening rural people's economic and social position. Nandhini & Rathnamani (2021) learned about Small Finance Banks' contributions to the Indian economy as well as their performance in contrast to other types of banks. The research design is descriptive in nature. It is advised that the concerned authorities consider merging such SFBs with nationalized banks with headquarters in the respective areas of the registered offices or in the State where the presence of SFB branches is predominant. Sukumaran (2020) attempted to investigate a new experiment in India's financial inclusion environment- Differentiated Bank. The paper's technique is a combination of a literature study and a map of the development of several trials. The paper's findings give valuable information to policymakers, practitioners, and civil society about the ground reality and implications of implementing inclusive finance policies. Dhanya & Banudevi (2019) Small Finance Bank's primary goal is to give financial inclusion to those who are underserved by other banks. The study made use of both primary and secondary data. According to the findings of the survey, respondents have a high level of awareness & a positive attitude regarding SFB.

4. RESEARCH METHODOLOGY

The research methodology for a study on "Customer Satisfaction Level about Services Provided by Small Finance Bank in Amravati" would need to be structured to collect and analyze both qualitative and quantitative data. Here's a possible framework for your research methodology:

Research Objective

- To assess the overall level of customer satisfaction with small finance banks in Amravati
- To identify and analyze the key factors influencing customer satisfaction
- To examine the gap between customer expectations and their actual experiences
- To evaluate customer perceptions about the quality of services offered by small finance banks
- To understand the demographic profile of customers and its impact on satisfaction levels

5. DATA ANALYSIS AND DATA INTERPRETATION

TABLE 1. Classification of which services respondents frequently use.

Service	No. Of Response	Percentage (%)
Saving Account	73	73%
Loans	21	21%
Insurance	11	11%
Other	7	7%
Total	100	100%

The table shows the classification of services that respondents frequently use. A majority of the respondents, 73 out of 100, use saving accounts, representing 73% of the total. Loans are used by 21 respondents, accounting for 21%. Insurance services are utilized by 11 respondents, which makes up 11%, while 7 respondents, or 7%, reported using other services. This data clearly indicates that saving accounts are the most frequently used service among the respondents.

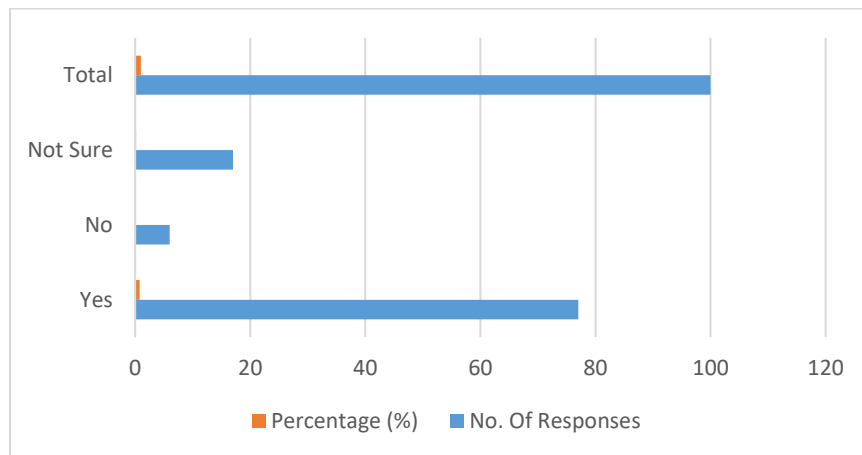


FIGURE 1. Classification of respondents feel secure while using the bank's services (e.g., online banking or ATM).

The graph illustrated the level of security felt by respondents while using the bank's services such as online banking or ATMs. A significant majority (77%) reported that they felt secure, showing strong trust in the bank's digital and automated systems. In contrast, 6% stated that they did not feel secure, while 17% were unsure about their safety. The horizontal bar chart supported this distribution, with the bar for "Yes" being the longest, clearly representing the dominant sentiment. Overall, the results suggested that the bank had been successful in creating customer confidence in the security of its services.

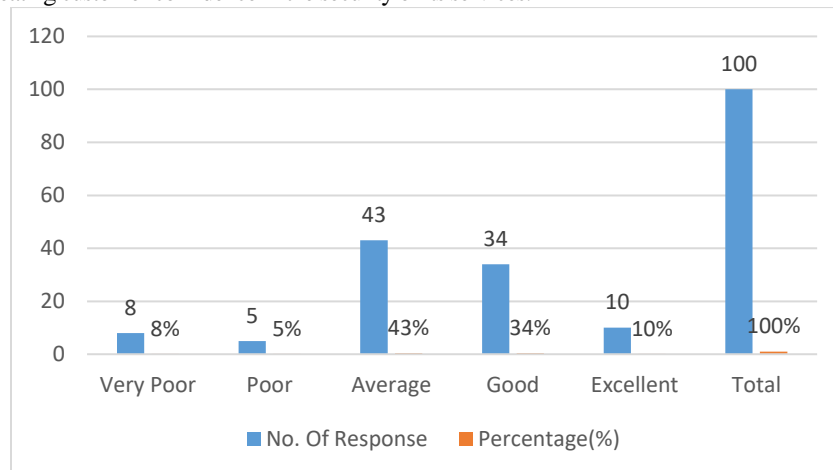


FIGURE 2. Classification of respondents are rate overall experience with this bank.

The bar chart represented the overall experience ratings given by respondents regarding their interaction with the bank. The highest proportion of respondents rated their experience as “Average” (43%), followed by “Good” (34%) and “Excellent” (10%), while only 8% rated “Very Poor” and 5% rated “Poor.” This showed that the majority (87%) had a neutral to positive experience, with relatively few reporting dissatisfaction. In terms of classification, the findings suggested that banks had actively introduced new services or technologies to improve customer satisfaction, as reflected in the higher share of average-to-positive responses compared to negative ones.

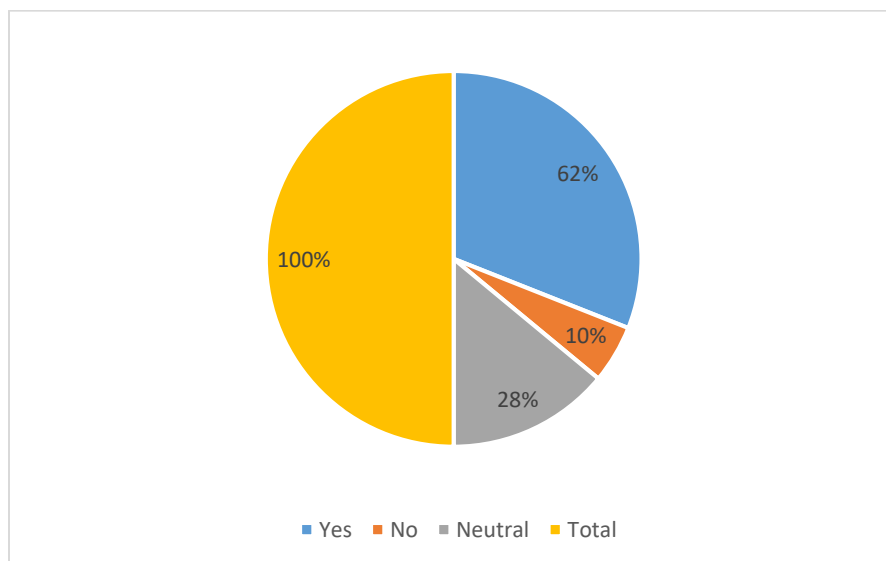


FIGURE 3. Classification of respondents are satisfied with the variety of products/services offered by the banks.

The pie chart illustrated the level of satisfaction among respondents regarding the variety of products and services offered by banks. A majority (62%) expressed satisfaction by choosing “Yes,” indicating that more than half were pleased with the range of offerings. Meanwhile, 28% selected “Neutral,” showing neither agreement nor disagreement, and 10% reported dissatisfaction. Overall, the findings revealed a generally positive perception; however, the relatively high proportion of neutral responses suggested that banks still had scope to improve or diversify their offerings to enhance customer satisfaction.

Suggestions: Improve Digital Banking Infrastructure: Many customers, especially younger ones, prefer mobile and internet banking. SFBs should invest in user-friendly apps and secure digital platforms to provide seamless banking experiences. Staff Training and Development: Customer-facing employees should receive regular training in soft skills, product knowledge, and conflict resolution to improve service quality and ensure consistent customer experiences. Expand Service Accessibility: Banks can extend service hours or introduce mobile banking vans in rural parts of Amravati to improve accessibility, especially for senior citizens and people with limited mobility. Transparent Communication of Charges and Policies: Clear, upfront communication about interest rates, transaction fees, and service policies can reduce customer frustration and increase trust in the bank. Loyalty and Reward Programs: Introduce incentives like cashback, reduced loan interest for regular savers, or reward points for digital transactions to retain existing customers and attract new ones.

6. CONCLUSIONS

The study on customer satisfaction with services provided by Small Finance Banks (SFBs) in Amravati reveals that while these banks have made significant strides in reaching underserved and rural populations, there are still areas that require attention to enhance customer experience. Most customers expressed moderate to high satisfaction with basic banking services such as account management, loan availability, and staff behavior. However, issues related to digital banking functionality, transparency in charges, and the speed of grievance redressal were noted as areas of concern. The findings highlight the importance of continuous improvement and innovation in customer service delivery. For SFBs to remain competitive and build long-term relationships with their customers, it is essential that they focus on personalized services, technological upgradation, and employee training. By actively seeking customer feedback and implementing targeted improvements, SFBs can significantly boost customer satisfaction and contribute to greater financial inclusion in regions like Amravati.

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