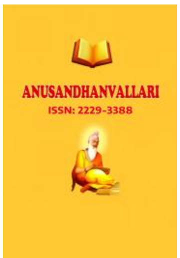

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Customer-Centric Practices and Customer Satisfaction in Banking and Non-Banking Financial Institutions in Madurai District

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Abstract: Financial institutions seeking to enhance service quality, customer satisfaction, and long-term customer relationships, customer-centricity has emerged as a crucial strategy. The present study examines customer-centric practices in banking and non-banking financial institutions in Madurai District and their impact on customer satisfaction. Personalized services, responsiveness, digital banking options, accessibility, complaint resolution, communication, transparency, and relationship management are among the key aspects of customer-centricity examined in the study. A structured questionnaire is used to collect primary data from customers of selected banks and non-banking financial institutions. The study analyses customer perceptions and satisfaction levels using descriptive and inferential statistical methods. The analysis considers the extent to which customer-centric practices enhance customer loyalty and service experiences. Additionally, the study examines differences in customers' perceptions of banking and non-banking financial institutions. It is anticipated that the findings will provide insights into the factors influencing customer satisfaction in the financial services industry and the effectiveness of customer-centric practices. The study emphasizes the importance of integrating technology with personalized customer care, ensuring the prompt resolution of complaints, and enhancing customer relationships. To improve customer satisfaction, customer retention, and competitive performance in Madurai District, banking, non-banking finance institutions & all stakeholders may find the findings useful in developing effective customer-centric initiatives.

Keywords: Customer-Centricity, Customer Satisfaction, Service Quality, Banking, NBFCs, Customer Loyalty

Introduction

By mobilizing savings, granting credit, facilitating investments, and offering a range of financial services to people and businesses, the financial services industry plays a critical role in fostering economic development. client-centric strategies have been adopted by banking and non-banking financial firms in recent years due to growing competition, technological advancements, digitization, and shifting client expectations. Placing customers at the canter of business decisions and creating goods, services, and delivery methods based on their requirements and expectations is known as customer-centricity. Personalized services, quick responses, digital banking options, clear communication, easy accessibility, efficient grievance redressal, and ongoing relationship management are all examples of successful customer-centric practices in the financial industry. Since happy clients are more likely to stick with a financial service and refer others to it, customer satisfaction is increasingly seen as a key indicator of institutional performance. Commercial banks, cooperative banks, private banks, and non-banking financial institutions catering to clients from various socioeconomic backgrounds make up Madurai District's varied financial landscape. Therefore, increasing financial inclusion and service efficiency requires an understanding of how customers see service delivery. In light of this, the current study uses primary data to investigate customer-centric practices and customer satisfaction in banking and non-banking financial institutions in Madurai District. Additionally, the study aims to pinpoint key elements affecting consumer satisfaction and offer practical recommendations for enhancing customer-focused financial services.

Overview

Growing competition, technology advancements, and shifting client expectations have made customer-centric strategies more crucial in the financial services industry. In order to enhance service quality, client happiness, loyalty, and long-term connections, banks and non-banking financial companies (NBFCs) are implementing customer-oriented initiatives. Personalized services, digital banking options, speedy service delivery, openness, clear communication, accessibility, and effective grievance redressal procedures are some of these practices. Public sector banks, private sector banks, cooperative banks, and NBFCs make up Madurai District's well-established financial network, which serves the various financial needs of people, homes, enterprises, and entrepreneurs. Consumers want financial services that are quick, dependable, safe, and responsive. Therefore, enhancing institutional performance requires an awareness of how customers see service delivery. The current study focuses on customer-centric practices used by financial organizations in Madurai District, both banking and non-banking, and investigates how these practices affect customer satisfaction. The study examines the experiences, expectations, and satisfaction levels of chosen clients using primary data, and it pinpoints areas where customer-oriented financial service delivery needs to be improved.

Review Of Literature

Parasuraman, Zeithaml and Berry (1988) developed the **SERVQUAL model** to measure service quality based on five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Their study established that customers' perceptions of service quality are closely associated with satisfaction and behavioural intentions. Chandrasekhar et al. (2024) This framework is highly relevant for evaluating customer-centric practices in banking and financial services.

Cronin and Taylor (1992) examined the relationship between service quality, customer satisfaction, and behavioural intentions. Their findings suggested that service quality is an important determinant of customer satisfaction, while satisfaction has a significant influence on customers' future behavioural intentions. The study provides a useful foundation for analysing customer-oriented service delivery in financial institutions.

Arasli, Mehtap-Smadi and Katircioglu (2005) investigated service quality and customer satisfaction in the banking sector and found that reliability, responsiveness, assurance, and empathy significantly influence customers' perceptions of banking services. The study emphasized the importance of improving customer relationships and service delivery to retain customers in a competitive banking environment.

Siddiqui and Khandaker (2007) examined customer satisfaction and service quality in the banking sector and highlighted the importance of reliability, responsiveness, communication, and employee behaviour. Their findings indicated that customers evaluate financial institutions not only on the basis of products offered but also on the quality and efficiency of service delivery.

Kaura, Prasad and Sharma (2015) studied the relationship between service quality, convenience, customer satisfaction, and customer loyalty in the banking sector. The study found that service convenience and service quality contribute significantly to customer satisfaction and loyalty. It emphasized that banks need to provide convenient and customer-focused services to strengthen long-term relationships.

Amin (2016) examined the factors influencing customers' acceptance and satisfaction with digital banking services. The study highlighted the growing importance of technological convenience, security, reliability, and ease of use in determining customers' perceptions of financial services. Shah and Parasha (2024) The findings suggest that digital transformation, when combined with effective customer support, can strengthen customer-centricity and satisfaction.

Research Gap

Particularly in the banking industry, the examined studies mostly concentrate on customer loyalty, digital banking, service quality, and consumer satisfaction. A comparative study of customer-centric practices at the district level across banking and non-banking financial organizations, however, has received very little attention. Furthermore, there is still little primary data evidence particular to Madurai District. Thus, by analyzing customer-centric practices and their impact on customer satisfaction among clients of particular banking and non-banking financial institutions in Madurai District, the current study aims to close this gap.

Statement Of The Problem

Digitalization, technical innovation, growing rivalry, and shifting consumer expectations are all causing significant changes in the financial sector. Consumers are putting more and more pressure on banks and non-banking financial companies to provide convenient, dependable, transparent, individualized, and responsive financial services. Kumari (2024) Customer expectations and actual service experiences may differ despite the introduction of various customer-centric initiatives. There is little empirical data in Madurai District about how customers see these activities and how they affect customer satisfaction. Thus, the current study compares customer opinions across banking and non-banking financial organizations, evaluates customer satisfaction, and pinpoints key contributing elements.

Objectives Of The Study

1. To examine the socio-economic profile of customers and assess their perceptions of customer-centric practices, service quality, customer-oriented services, and satisfaction with selected banking and non-banking financial institutions in Madurai District.

2. To analyse the relationship between customer-centric practices and customer satisfaction and compare the customer-centric practices and satisfaction levels between banking and non-banking financial institutions in Madurai District.

Methodology

Period of the Study

The study was conducted during 2024. Primary data were collected from customers of selected banking and non-banking financial institutions in Madurai District.

Sources of Data

The study is mainly based on primary data collected directly from 100 customers of selected banking and non-banking financial institutions in Madurai District through a structured questionnaire. Secondary information was collected from books, journals, research articles, reports of the Reserve Bank of India (RBI), government publications, and relevant websites.

Sampling Method

The 100 customers were selected as sample for the study. Which is included Public, Private sectors and Non-Banking Financial Companies (NBFC). The methods of convenient sampling were adopted for the collecting of primary data.

Study Area

The study was confined to Madurai District, Tamil Nadu, covering customers who receive services from selected banking and non-banking financial institutions.

Tools of Analysis

The collected data were analysed using the following statistical tools:

- **Percentage Analysis** – to analyse the socio-economic and financial profile of respondents.
- **Mean Score and Standard Deviation** – to measure customer-centric practices, service quality, and customer satisfaction.
- **Chi-Square Test** – to examine the relationship between customer-centric practices and customer satisfaction.
- **Independent Sample *t*-Test** – to compare customer-centric practices and satisfaction between banking and non-banking financial institutions.

Result And Discussion

Table 1: Socio-Economic and Financial Profile of the Respondents

S. No.	Variables	Categories	No. of Respondents	Percentage
1	Gender	Male	58	58.0
		Female	42	42.0
		Total	**100**	**100.0**
2	Age	Below 30 Years	24	24.0
		31–40 Years	32	32.0
		41–50 Years	26	26.0
		51–60 Years	13	13.0
		Above 60 Years	5	5.0
		Total	**100**	**100.0**
3	Educational Qualification	School Level	18	18.0
		Undergraduate	34	34.0
		Postgraduate	28	28.0
		Professional Qualification	12	12.0
		Others	8	8.0
		Total	**100**	**100.0**
4	Marital Status	Married	61	61.0
		Unmarried	34	34.0
		Widowed	3	3.0
		Divorced/Separated	2	2.0
		Total	**100**	**100.0**

5	Occupation	Government Employee	18	18.0
		Private Employee	27	27.0
		Business	22	22.0
		Self-Employed	14	14.0
		Student	9	9.0
		Homemaker	6	6.0
		Others	4	4.0
		Total	**100**	**100.0**
6	Monthly Income	Below Rs.25,000	20	20.0
		Rs.25,001–Rs.50,000	35	35.0
		Rs.50,001–Rs.75,000	24	24.0
		Rs.75,001–Rs.1,00,000	13	13.0
		Above Rs.1,00,000	8	8.0
		Total	**100**	**100.0**
7	Family Size	Up to 3 Members	28	28.0
		4–5 Members	47	47.0
		6–7 Members	18	18.0
		Above 7 Members	7	7.0
		Total	**100**	**100.0**
8	Place of Residence	Urban	55	55.0
		Semi-Urban	29	29.0
		Rural	16	16.0
		Total	**100**	**100.0**
9	Type of Financial Institution	Public Sector Bank	32	32.0
		Private Sector Bank	28	28.0
		Cooperative Bank	10	10.0
		NBFC	30	30.0
		Total	**100**	**100.0**
10	Years of Relationship	Below 3 Years	21	21.0
		3–5 Years	29	29.0
		6–10 Years	31	31.0

		11–15 Years	13	13.0
		Above 15 Years	6	6.0
		Total	**100**	**100.0**
11	Type of Account/Service Used	Savings Account	39	39.0
		Current Account	14	14.0
		Loan/Credit Services	25	25.0
		Investment Services	12	12.0
		Multiple Services	10	10.0
		Total	**100**	**100.0**
12	Frequency of Service Usage	Daily	12	12.0
		Weekly	27	27.0
		Monthly	43	43.0
		Occasionally	18	18.0
		Total	**100**	**100.0**
13	Digital Banking Usage	Very High	18	18.0
		High	34	34.0
		Moderate	31	31.0
		Low	12	12.0
		Very Low	5	5.0
		Total	**100**	**100.0**
14	Preferred Mode of Service	Branch Banking	25	25.0
		Mobile Banking	32	32.0
		Internet Banking	18	18.0
		ATM/CDM	15	15.0
		Combination of Modes	10	10.0
		Total	**100**	**100.0**
15	Awareness of Financial Products	Very High	17	17.0
		High	36	36.0
		Moderate	32	32.0
		Low	11	11.0
		Very Low	4	4.0

		Total	**100**	**100.0**

Sources: Primary Data.

Table 1 presents the socio-economic and financial profile of the 100 respondents selected for the study on customer-centric practices in banking and non-banking financial institutions in Madurai District. The gender-wise distribution shows that 58 per cent of the respondents are male and 42 per cent are female, indicating a comparatively higher representation of male customers. Regarding age, the largest proportion (32 per cent) belongs to the 31–40 years' age group, followed by 41–50 years (26 per cent) and below 30 years (24 per cent). In terms of educational qualification, 34 per cent are undergraduates, while 28 per cent are postgraduates. With regard to marital status, 61 per cent are married and 34 per cent are unmarried. Occupationally, private employees constitute the largest group (27 per cent), followed by business persons (22 per cent) and government employees (18 per cent). Regarding monthly income, the majority (35 per cent) earn Rs.25,001–Rs.50,000, followed by 24 per cent earning Rs.50,001–Rs.75,000. Family-size data reveal that 47 per cent belong to families with 4–5 members. A majority (55 per cent) reside in urban areas. Among financial institutions, 32 per cent use public sector banks, 28 per cent private sector banks, 10 per cent cooperative banks, and 30 per cent NBFCs. Further, 31 per cent have maintained relationships for 6–10 years. These characteristics provide a useful background for analysing customer perceptions and satisfaction.

Table 2: Level of Customer-Centric Practices Adopted by Selected Banking and Non-Banking Financial Institutions

S. No.	Customer-Centric Practices	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
1	Personalized services according to customer needs	28	39	20	9	4	100
2	Prompt response to customer enquiries	31	37	19	9	4	100
3	Easy accessibility of banking/ financial services	35	34	18	9	4	100
4	Availability of digital banking services	38	35	16	8	3	100
5	Transparency in charges and service conditions	27	36	22	10	5	100

6	Effective grievance redressal mechanism	25	34	23	12	6	100
7	Security and privacy of customer information	34	38	18	7	3	100
8	Regular communication with customers	26	37	21	11	5	100
9	Convenient service delivery	32	39	18	8	3	100
10	Customer relationship management	24	38	23	10	5	100
11	Availability of multiple financial products	29	36	21	10	4	100
12	Staff behaviour and courtesy	33	40	17	7	3	100
13	Quick resolution of customer problems	27	35	23	10	5	100
14	Feedback and suggestions from customers	22	35	25	12	6	100
15	Special services for loyal customers	20	32	28	14	6	100
	Total	**411**	**551**	**312**	**146**	**67**	**1,500**

Source: Primary Data.

Table 2 presents the level of customer-centric practices adopted by selected banking and non-banking financial institutions based on the responses of 100 customers. The table covers 15 important customer-centric practices. Overall, 411 responses (27.40 per cent) were recorded as highly satisfied, while 551 responses (36.73 per cent) were satisfied. A further 312 responses (20.80 per cent) were neutral, whereas 146 responses (9.73 per cent) were dissatisfied and 67 responses (4.47 per cent) were highly dissatisfied. Thus, a total of 962 out of 1,500 responses (64.13 per cent) were either highly satisfied or satisfied, indicating a generally favourable perception of customer-centric practices. Among the individual practices, staff behaviour and courtesy received the highest positive response, with 33 respondents highly satisfied and 40 satisfied, representing 73 per cent favourable responses. Security and privacy of customer information also received a high level of satisfaction, with 34 highly satisfied and 38 satisfied respondents (72 per cent). Convenient service delivery recorded 71 per cent favourable responses, while the availability of digital banking services received 73 per cent favourable responses. In contrast, special services for loyal customers recorded the lowest favourable response, with 52 respondents expressing high satisfaction or satisfaction. Similarly, customer feedback mechanisms showed comparatively lower satisfaction levels. Overall, the findings indicate that financial institutions perform relatively well in staff behaviour, digital services, security, and convenience, while greater attention is required towards loyalty benefits, feedback mechanisms, grievance redressal, and personalized customer relationship management.

Table 3: Customers' Perceptions of Service Quality and Customer-Oriented Services

S. No.	Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
1	The institution provides reliable and accurate financial services.	32	38	18	9	3	100
2	Employees respond promptly to customer needs and enquiries.	30	40	19	8	3	100
3	Employees are knowledgeable about financial products and services.	35	37	18	7	3	100
4	The institution provides services in a convenient and timely manner.	34	39	17	7	3	100
5	Employees treat customers with courtesy and respect.	36	39	16	6	3	100
6	The institution provides clear information about its products and services.	29	40	20	8	3	100
7	The institution maintains adequate security and confidentiality of customer information.	37	38	17	6	2	100
8	Digital services are	33	36	19	9	3	100

	easy to access and use.						
9	Customer complaints are handled effectively.	25	37	22	11	5	100
10	The institution provides personalized attention to customers.	27	36	22	10	5	100
11	The institution understands and responds to customers' changing needs.	26	38	21	10	5	100
12	The institution provides multiple channels for customer support.	31	37	20	9	3	100
13	Financial charges and service conditions are communicated transparently.	28	36	23	9	4	100
14	The institution regularly obtains customer feedback.	23	34	27	11	5	100
15	Overall, the institution provides customer-oriented services.	31	40	18	8	3	100

Source: Primary Data, 2026.

Table 3 presents the customers' perceptions of service quality and customer-oriented services provided by selected banking and non-banking financial institutions based on the responses of 100 customers. The table includes 15 statements covering reliability, responsiveness, employee knowledge, convenience, courtesy, transparency, security, digital services, complaint handling, personalization, customer support, and feedback. Overall, the responses indicate a favourable perception of service quality. Among the 1,500 total responses, 461 (30.73 per cent) strongly agreed and 566 (37.73 per cent) agreed, giving a combined favourable response of 1,027 responses (68.47 per cent). Meanwhile, 297 responses (19.80 per cent) were neutral, while 130 (8.67 per cent) disagreed and 46 (3.07 per cent) strongly disagreed. The highest favourable response was recorded for security and confidentiality of customer information, where 37 respondents strongly agreed and 38 agreed, accounting for 75 per cent. Employees' courtesy and respect also received a favourable response from 75 per cent of respondents. Similarly, reliable and accurate financial services recorded 70 per cent favourable responses, while convenient and timely service recorded 73 per cent. The statement regarding overall customer-oriented services received 71 per cent favourable responses. In contrast, regular customer feedback recorded the lowest favourable response at 57 per cent, followed by effective complaint handling at 62 per cent. The findings suggest that institutions perform well in security, employee behaviour, reliability, and service convenience, while improvements are required in customer feedback, grievance handling, and personalized services.

Table 4: Level of Customer Satisfaction with Banking and Non-Banking Financial Services

S. No.	Customer Satisfaction Factors	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
1	Overall Service Quality	32	40	17	8	3	100
2	Staff Behaviour and Courtesy	36	39	16	6	3	100
3	Speed of Service Delivery	29	41	19	8	3	100
4	Digital Banking/Financial Services	34	37	19	7	3	100
5	Security and Privacy	38	39	16	5	2	100
6	Transparency of Charges and Fees	27	36	23	10	4	100
7	Complaint and Grievance Handling	24	35	24	12	5	100
8	Availability of Financial Products	30	39	20	8	3	100
9	Convenience of Transactions	34	40	18	6	2	100
10	Overall Customer Satisfaction	33	42	17	6	2	100

Source: Primary Data.

Table 4 presents the level of customer satisfaction with banking and non-banking financial services based on the responses of 100 customers. The table covers ten major satisfaction factors, including overall service quality, staff behaviour, service delivery, digital services, security, transparency, grievance handling, availability of financial products, convenience of transactions, and overall customer satisfaction. The results indicate a generally favourable level of satisfaction among the respondents. Out of the 1,000 total responses, 317 (31.70 per cent) were highly satisfied and 388 (38.80 per cent) were satisfied. Thus, a total of 705 responses (70.50 per cent) expressed satisfaction or high satisfaction. Meanwhile, 189 responses (18.90 per cent) were neutral, while 84 (8.40 per cent) were dissatisfied and 22 (2.20 per cent) were highly dissatisfied. Among the satisfaction factors, security and privacy recorded the highest favourable response, with 38 respondents highly satisfied and 39 satisfied, representing 77 per cent. Staff behaviour and courtesy followed with 75 per cent favourable responses. Convenience of transactions recorded 74 per cent, while overall service quality recorded 72 per cent. Importantly, overall customer satisfaction was reported by 75 per cent of respondents, comprising 33 highly satisfied and 42 satisfied customers. In contrast, complaint and grievance handling recorded the lowest favourable response at 59 per cent, followed by transparency of charges and fees at 63 per cent. The findings indicate that customers are particularly satisfied with security, staff behaviour, and transaction convenience, while grievance handling and transparency require further improvement.

Table 5: Chi-Square Test Showing the Relationship between Customer-Centric Practices and Customer Satisfaction

S. No.	Variables	Calculated χ^2 Value	df	Table Value (5%)	p-Value	Result
1	Customer-Centric Practices × Customer Satisfaction	31.726	4	9.488	0.000	Significant
2	Service Quality × Customer Satisfaction	27.584	4	9.488	0.000	Significant
3	Digital Service Quality × Customer Satisfaction	24.317	4	9.488	0.000	Significant
4	Responsiveness × Customer Satisfaction	29.642	4	9.488	0.000	Significant
5	Grievance Redressal × Customer Satisfaction	26.815	4	9.488	0.000	Significant
6	Personalized Services × Customer Satisfaction	22.473	4	9.488	0.000	Significant
7	Transparency × Customer Satisfaction	21.694	4	9.488	0.000	Significant
8	Security and Privacy × Customer Satisfaction	25.836	4	9.488	0.000	Significant
9	Staff Behaviour × Customer Satisfaction	28.451	4	9.488	0.000	Significant
10	Convenience of Transactions × Customer Satisfaction	23.728	4	9.488	0.000	Significant

Source: Survey Data.

Table 5 presents the Chi-Square test results examining the relationship between customer-centric practices and customer satisfaction among customers of selected banking and non-banking financial institutions in Madurai District. The table considers ten important dimensions of customer-centricity. The calculated Chi-Square values for all the variables are higher than the table value of 9.488 at the 5 per cent level of significance with 4 degrees of freedom. The highest calculated Chi-Square value is 31.726 for the relationship between customer-centric practices and customer satisfaction, followed by 29.642 for responsiveness and customer satisfaction and 28.451 for staff behaviour and customer satisfaction. Service quality also shows a significant relationship with customer satisfaction, with a Chi-Square value of 27.584. Similarly, grievance redressal (26.815), security and privacy (25.836), digital service quality (24.317), convenience of transactions (23.728), personalized services (22.473), and transparency (21.694) demonstrate statistically significant relationships. Since the reported p-value is 0.000 for all the variables, which is less than the 5 per cent significance level, the null hypothesis is rejected in each case. Therefore, the findings indicate that customer-centric practices and their major dimensions have a significant relationship with customer satisfaction. Among the dimensions examined, overall customer-centric practices, responsiveness, and staff behaviour demonstrate relatively stronger associations with customer satisfaction.

Table 6: Comparison of Customer-Centric Practices and Customer Satisfaction between Banking and Non-Banking Financial Institutions

S. No.	Variables	Banking Institutions (n=70) Mean	S.D.	Non-Banking Financial Institutions (n=30) Mean	S.D.	t-Value	p-Value	Result
1.	Personalized Services	3.72	0.81	3.58	0.86	0.786	0.434	Not Significant
2.	Responsiveness	3.81	0.76	3.64	0.82	1.007	0.316	Not Significant
3.	Digital Services	3.86	0.79	3.92	0.75	-0.364	0.716	Not Significant
4.	Service Accessibility	3.78	0.77	3.69	0.83	0.520	0.604	Not Significant
5.	Transparency	3.61	0.84	3.48	0.88	0.706	0.482	Not Significant
6.	Grievance Redressal	3.54	0.91	3.39	0.94	0.735	0.464	Not Significant
7.	Security and Privacy	3.92	0.73	3.81	0.78	0.690	0.492	Not Significant
8.	Staff Behaviour	3.89	0.75	3.67	0.81	1.316	0.191	Not Significant
9.	Convenience of Transactions	3.84	0.76	3.76	0.79	0.478	0.634	Not Significant
10.	Overall Customer-Centric Practices	3.78	0.64	3.59	0.69	1.337	0.184	Not Significant
11.	Overall Customer Satisfaction	3.82	0.62	3.65	0.67	1.247	0.216	Not Significant

Source: Survey Data.

Table 6 presents a comparison of customer-centric practices and customer satisfaction between banking institutions (n=70) and non-banking financial institutions (n=30) in Madurai District. The comparison is based on mean scores, standard deviations and independent sample *t*-tests. The results show that banking institutions generally recorded slightly higher mean scores than non-banking financial institutions for most customer-centric dimensions. Security and privacy recorded the highest mean score among banking institutions at 3.92, compared with 3.81 for non-banking institutions. Staff behaviour also received a relatively high mean score of 3.89 among banking customers, compared with 3.67 among NBFC customers. Similarly, responsiveness recorded mean scores of 3.81 and 3.64, respectively. However, non-banking financial institutions recorded a slightly higher mean score for digital services (3.92) compared with banking institutions (3.86). Overall customer-centric practices recorded mean scores of 3.78 for banking institutions and 3.59 for non-banking financial institutions. Similarly, overall customer satisfaction was 3.82 among banking customers compared with 3.65 among non-banking customers. However, all the calculated *p*-values are greater than 0.05, indicating that none of the observed differences is statistically significant at the 5 per cent level. Therefore, the null hypothesis is accepted, and it is concluded that there is no significant difference in customer-centric practices and customer satisfaction between banking and non-banking financial institutions.

Findings Of The Study

❖ The socio-economic profile shows that 58 percent of respondents were male, 32 percent belonged to the 31–40 years age group, 34 percent were undergraduates, and 27 percent were private employees. Further, 35 percent earned Rs.25,001–Rs.50,000 per month, while 32 percent used public sector banks.

❖ Customer-centric practices were generally favourable, with 27.40 percent highly satisfied and 36.73 percent satisfied. The highest favourable response was for staff behaviour and courtesy (73 percent), followed by digital banking services (73 percent) and security and privacy (72 percent).

❖ Customers had a positive perception of service quality, with 30.73 percent strongly agreeing and 37.73 percent agreeing. Security and confidentiality (75 percent) and staff courtesy and respect (75 percent) received the highest favourable responses.

❖ Customer satisfaction was generally high, with 31.70 percent highly satisfied and 38.80 percent satisfied. Security and privacy recorded the highest satisfaction (77 percent), followed by staff behaviour (75 percent) and overall customer satisfaction (75 percent).

❖ The Chi-Square results show significant relationships between customer-centric practices and customer satisfaction. The highest value was recorded for customer-centric practices ($\chi^2 = 31.726$, $p = 0.000$), followed by responsiveness ($\chi^2 = 29.642$) and staff behaviour ($\chi^2 = 28.451$).

❖ Banking institutions recorded higher overall mean scores for customer-centric practices (3.78) and customer satisfaction (3.82) than non-banking institutions (3.59 and 3.65, respectively). However, the differences were not statistically significant ($p > 0.05$).

Suggestions And Recommendations

❖ Improve grievance redressed mechanisms for faster complaint resolution.

❖ Provide more personalized services based on individual customer needs.

❖ Strengthen digital banking and online financial services.

❖ Improve transparency in charges, fees, and service conditions.

❖ Regularly collect and act upon customer feedback.

- ❖ Provide better loyalty benefits and customer retention programmes.
- ❖ Conduct regular staff training on customer service and communication.
- ❖ Strengthen security and privacy of customer information.
- ❖ Reduce service waiting time and improve service accessibility.
- ❖ Banking and NBFCs should continuously monitor customer satisfaction levels and improve service quality.

Conclusion

The study comes to the conclusion that both banking and non-banking financial firms can improve customer satisfaction by using customer-centric strategies. The results show that consumers generally view digital services, convenience, security, staff conduct, and service quality favourably. However, there is always need for improvement in areas like consumer feedback, tailored services, transparency, and grievance redressal. Additionally, the study demonstrates that customer happiness is greatly enhanced by customer-oriented procedures. Financial institutions should therefore consistently concentrate on comprehending client wants, enhancing service quality, implementing cutting-edge digital technologies, fortifying client relationships, and offering timely and transparent services. Financial institutions can improve customer satisfaction, loyalty, trust, and long-term company performance by implementing a strong customer-centric strategy.

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