

# Impact of Omni Channel Experience on Customer Satisfaction in Banks of Chennai

Dr. Nisha Guruharan<sup>1</sup>, Nisha. S<sup>2</sup>

<sup>1,2</sup>Assistant Professor, Stella Maris College

## Abstract:

With over 58% of the world's population owning a smart phone and with their screen time averaging around 3 hours and 15 minutes per user, it is evident that today's customers want to be constantly connected to their service providers and avail their service at all possible times. The ability to receive early notification of the launch of contextual services and efficient connectivity are the top priorities of a new generation of banking customers. This enables the customers to get more individualized services that they deserve and also makes them aware of any relevant bank offers. These prospects are made possible with Omnichannel retail banking, which encourages customers to have an Omnichannel experience and connectivity.

## INTRODUCTION

With over 58% of the world's population owning a smartphone and with their screen time averaging around 3 hours and 15 minutes per user, it is evident that today's customers want to be constantly connected to their service providers and avail their service at all possible times. The ability to receive early notification of the launch of contextual services and efficient connectivity are the top priorities of a new generation of banking customers. This enables the customers to get more individualized services that they deserve and also makes them aware of any relevant bank offers. These prospects are made possible with Omnichannel retail banking, which encourages customers to have an Omnichannel experience and connectivity. Omnichannel Retail banking refers to providing the same products and services across both offline and online channels to the customers. With the aid of the Omnichannel strategy, the banks can efficiently maximize their digital distribution to their customers. This is reflected through increased sales, streamlined communications, and effective personalization. When compared to customers who prefer to bank in person at the branch, the proportion of digital customers who use multiple touchpoints to contact the bank has witnessed a significant rise.

## SIGNIFICANCES OF THE STUDY

- Helps to coordinate processes and technologies across supply and sales channels.
- It is a synchronized operating model in which all the Bank's channels are aligned and presented as a single face to the customer.
- It ensures customer satisfaction and helps in understanding customer perceptions.
- Leveraging the advantages of multiple channels to help them to make informed decisions.

## OBJECTIVES

- To study the customer engagement in utilization of Omnichannel services.
- To analyze the relationship between customer engagement and customer attraction.
- To evaluate the influence of Omnichannel services on customer retention.

## RESEARCH METHODOLOGY:

An analytical research design is used in this study. Convenience sampling is the methodology employed in this study. Data is gathered from primary and secondary sources, with the internet, books, and journals serving as primary sources and surveys serving as secondary sources. The study sample consisted of 100 respondents, and data on their responses was collected and assessed. This study used statistical techniques including the chi-square test, Friedman rank test, correlation, and the ANOVA test, using statistical technology like SPSS software, Excel spreadsheets, and Google Forms.

## REVIEW OF LITERATURE:

**Ketchen, Kaufmann, and Carter (2021)** through their research identified that the call for configuration studies enables retail logistics managers to improve decision-making. The managers are able to comprehend when and where a certain configuration fits in a better manner. It is therefore considered to be beneficial to create a decision framework that can serve as a basis for configuration research.

**Ismail Erkan and Chris Evans (2018)** have extensively tested the influence of Electronic Word of Mouth (eWOM) on consumers' online purchase intentions in connection with peer recommendations on social media and reviews from shopping websites. The impact of the aforesaid platforms was analyzed based on information adoption, information quality, information usefulness and information credibility. It was found that anonymous reviews posted on shopping websites influence consumers' purchase intentions more than peer recommendations. The reasons found to be the result of such inclination is due to factors like information readiness, information quantity and detailed and dedicated information.

**Kotler et al,(2017):** in his study has identified that the increase in the number of entrepreneurs who would like to penetrate to market has contributed towards increase of intense competition in the market. This has enabled the availability of so many brands and product options for customers and has significantly increased the necessity of differentiation for businesses to obtain their desired market share and brand image. The result of the study suggests that the increasing number of businesses, brands, competitors, competition, and production contributed towards a shift in marketing perspective towards a more customer-oriented approach. Also, the study suggests that the activities of an organization have to be customer-focused to achieve customer satisfaction.

**Merritt, K., & Zhao, S. (2020):**The results of this study show that while some omnichannel qualities directly affect customer happiness, there is little evidence to substantiate correlations between other omnichannel features and customer satisfaction. While other elements are not proven to be significant, integrated promotion and integrated information access are. Additionally, there is positive evidence supporting the link between customer happiness and the intention to use omnichannel again. These findings highlight the necessity of reviewing the current approach and approaching omni-channel from the viewpoint of the client. The study's findings demonstrate that while some omnichannel characteristics have a direct impact on consumer pleasure, there is limited proof that other omnichannel characteristics are correlated with customer satisfaction. Integrated promotion and integrated information access are demonstrated to be important, but other factors are not. Positive evidence also

exists for the relationship between customer satisfaction and the likelihood that they will utilise omnichannel again. These results emphasise the need to reevaluate the current strategy and approach omnichannel from the perspective of the client.

**Mustikasari, A., Krisnawati, M., & Sutrisno, E. (2021):** This study explores customer satisfaction as a mediator variable and looks at customer experience towards repurchase intention in offline and online stores. Data, methodology, and research design: This study uses regression linear to look at customer experience, which includes product, customer service, staff service, shopping environment, and shopping process towards consumer satisfaction. Customer satisfaction is also measured in this study using the Sobel Test as a mediated variable in the link between customer experience and repurchase intention. Results: While almost all of the customer experience hypotheses are significant in terms of customer satisfaction, the impact of the buying process experience in the context of the online channel is not. Additionally, we discovered that customer satisfaction can operate as a mediating factor between the consumer experience and repurchase intention. Conclusions: Retailers who want to ensure that customers are satisfied must ensure that the product is improved, that customer service is accessible to resolve issues with product purchases, and that staff members are trained in functional product knowledge, presentations, and online and offline customer communication. Additionally, the retailer must foster a fun and pleasurable shopping experience for customers.

## ANALYSIS AND INTERPRETATION

### 1. FRIEDMAN RANK TEST

The Friedman test was undertaken by the researcher to examine whether there are differences in the opinion of the consumers about the omnichannel services offered by the banks to influence the customers' engagement.

#### Hypothesis:

H<sub>0</sub>: There is no statistically significant difference in the opinion of the consumers about the omnichannel services offered by the banks to influence the customers' engagement.

H<sub>1</sub>: There is a statistically significant difference in the opinion of the consumers about the omnichannel services offered by the banks to influence the customers' engagement.

**TABLE NO. 4.19 DIFFERENCES IN CUSTOMERS' INCLINATION TOWARDS OMNICHANNEL SERVICES**

N	180
Chi-Square	61.141
df	5
Asymp. Sig.	0.012

**Source:** Computed Data

**Interpretation:** Table 4.18 ranks the factors that influence the customers' opinion on the omnichannel services offered by the banks and how it influences their inclination towards the omnichannel services. The score and level of differences in frequency of appearance of each tool decreases with the ranks. Table 4.19 reports the result of Friedman's Test, providing the test statistic ( $\chi^2$ ) value of 61.141, degrees of freedom and the significance value,  $p = 0.012$  which is less than 0.05. This indicates that there is a statistically significant difference in the opinion of the consumers about the omnichannel services

offered by the banks to influence the customers’ engagement. The first rank is given to usage of phones/gadgets for digital transactions with the mean rank of 4.14. It denotes that the customers are more inclined towards the usage of omnichannel services because they prefer to make use of their phones/gadgets for transactions. Ease of usage, cost effectiveness, access to banking database and relevance and consistency of services secure the following ranks with the mean values of 3.60, 3.46, 3.34 and 3.33 respectively. The lowest rank is given to innovation with the mean value of 3.12, denoting that innovation does not act as a factor that influences the customers to be more inclined in the usage of omnichannel services.

**2. FRIEDMAN’S RANK TEST –OMNICHANNEL BANKING EXPERIENCE**

The Friedman’s Rank test is used to analyze the differences between the omnichannel banking experience of customers with respect to their degree of satisfaction towards the omnichannel services offered by the banks.

**Hypothesis:**

H<sub>0</sub>: There is no statistically significant difference in the omnichannel banking experience of the customers.

H<sub>1</sub>: There is a statistically significant difference in the impact of the omnichannel banking experience of the customers.

**TABLE NO. 4.22 DIFFERENCES IN OMNICHANNEL BANKING EXPERIENCE**

N	180
Chi-Square	66.846
df	6
Asymp. Sig.	0.00

**Source:** Computed Data

**INTERPRETATION**

Table 4.21 reports the result of Friedman’s Test, providing the test statistic ( $\chi^2$ ) value of 66.846, degrees of freedom and the significance value,  $p = 0.00$  which is less than 0.05. This indicates that there is a statistically significant difference in the omnichannel banking experience of the customers.

The first rank is given to “Convenience” with the mean rank of 4.53. It denotes that the customers level of satisfaction obtained from the convenience in the usage of omnichannel service is higher than the other factors. Recommendation with the mean value 4.30, Service Quality with 4.00 mean value, Overall Satisfaction with 3.99 mean value, Grievance Redressal with 3.97 mean value and Effectiveness with 3.78 mean value secure the subsequent ranks procuring the top ranks. The lowest rank is given to “Reliability” with the mean value of 3.43, denoting that the customers do not completely rely on the omnichannel services and are not satisfied with the reliability aspect of the omnichannel banking experience.

**3. ANALYSIS OF VARIANCE (ANOVA)**

The Analysis of Variance was undertaken in order to determine if there is any statistically significant

relationship between the age of the customers with their experience of omnichannel services from banks, level of interaction through omnichannel banking, and frequency of interaction through omnichannel banking.

**Hypothesis:**

**H<sub>0</sub>:** There is no statistically significant relationship between the age of the respondents and their level of customer engagement and attraction towards omnichannel banking.

**H<sub>1</sub>:** There is a statistically significant relationship between the age of the respondents and their level of customer engagement and attraction towards omnichannel banking.

		Sum of Squares	df	Mean Square	F	Sig.
Experience of Omnichannel Services from the Bank	Between Groups	5.046	3	1.682	2.898	.037
	Within Groups	102.154	177	.580		
	Total	107.200	180			
Level of Interaction through Omnichannel Banking	Between Groups	11.273	3	3.758	7.372	.000
	Within Groups	89.705	177	.510		
	Total	100.978	180			
Frequency of Interaction through Omnichannel Banking	Between Groups	12.206	3	4.069	5.982	.001
	Within Groups	119.705	177	.680		
	Total	131.911	180			

**Source:** Computed Data

**Interpretation:**

The table 4.22 shows the output of the ANOVA analysis. The significance values for customer engagement and attraction factors are,  $p = 0.037, 0.00$  and  $0.001$  for ‘Experience with Omnichannel Services from the Banks’, ‘Level of Interaction through Omnichannel Banking’ and ‘Frequency of Interaction through Omnichannel Banking’ respectively. The significance values are less than  $0.05$ , rejecting the null hypothesis. This indicates that there is a significant relationship between the age of the respondents and their level of customer engagement and attraction towards omnichannel banking.

**4. CORRELATION**

Correlation is used by the researcher as a measure to analyze the extent to which the variables age of the customers and their inclination towards omnichannel services in the aspect of usage of phone/gadgets for digital transactions fluctuate together. A positive correlation indicates the extent to which these variables increase or decrease together and the negative correlation indicates the extent to which one variable increases as the other decreases.

**Hypothesis:**

**H<sub>0</sub>:** There is no statistically significant association between the age of the respondents and their preference to use phones/gadgets for digital transaction.

**H<sub>1</sub>:** There is a statistically significant association between the age of the respondents and their preference to use phones/gadgets for digital transaction.

**TABLE NO. 4.24**  
**CORRELATION: AGE AND PREFERENCE TO USE PHONES/GADGETS FOR DIGITAL TRANSACTIONS**

PEARSON CORRELATION		Age	Preference to use Phone/Gadgets for Digital Transaction
Age	Pearson Correlation	1	0.240
	Sig. (2-tailed)		0.001
	N	180	180
Preference to use Phone/Gadgets for Digital Transaction	Pearson Correlation	0.240	1
	Sig. (2-tailed)	0.001	
	N	180	180

**Source:** Computed Data

**Interpretation:**

Table 4.24 shows the results of Correlation and it indicates that the significant value, *p* is 0.001 which is less than 0.05 rejecting the null hypothesis. Therefore, it is concluded that the customers’ preference to use phone/gadgets for digital transactions and their age are positively correlated. This signifies that there is an association between the age of the respondents and their preference to use phones/gadgets for digital transaction.

**5. CHI-SQUARE TEST - WILLINGNESS TO GET FREQUENT UPDATES**

The Chi-Square Test of Independence has been undertaken by the researcher to determine whether there is an association between the occupational status of the consumers and their willingness to get frequent updates about the products or services from the marketers across the social media platforms.

**Hypothesis:**

H<sub>0</sub>: The awareness of the customers about the omnichannel services offered by the banks is not dependent on their educational qualification.

H<sub>1</sub>: The awareness of the customers about the omnichannel services offered by the banks is dependent on their educational qualification.

**TABLE NO. 4.26**  
**CHI-SQUARE TEST: WILLINGNESS TO GET FREQUENT UPDATES**

	Value	df	Asymp. Sig (2-sided)
Pearson Chi-Square	36.552	3	0.017
Likelihood Ratio	45.794	3	0.011



Linear by Linear Association	36.014	1	0.010
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**Source:** Computed Data

**Interpretation:**

The results of the Chi-Square Tests from Table 4.26 show that the Pearson Chi-Square value,  $\chi^2$  is 36.552 and the significant value,  $p$  is 0.017 which is less than 0.05, rejecting the null hypothesis at a 5% level of significance. Therefore, it is concluded that the awareness of the customers about the omnichannel services offered by the banks is dependent on their educational qualifications.

**SUGGESTIONS**

- Develop targeted marketing campaigns and educational initiatives tailored to different age groups and educational backgrounds to raise awareness and promote the adoption of omnichannel banking services.
- Despite its lower ranking, innovation should not be overlooked. Banks should continuously innovate to meet evolving customer needs and preferences, ensuring that their omnichannel services remain competitive and attractive.
- Implement personalized banking experiences leveraging customer data to enhance convenience, satisfaction, and engagement across all channels
- Provide comprehensive training and support to customers across all demographics to encourage adoption and maximize the benefits of omnichannel banking.

**CONCLUSION**

In conclusion, the impact of omnichannel experience on customer satisfaction in banks of Chennai reveals several key insights. Firstly, the preference for using phones/gadgets for digital transactions signifies a growing trend towards digital banking services. This underscores the importance for banks to prioritize the development and enhancement of digital transaction platforms to meet customer needs effectively. Additionally, the high ranking of convenience highlights the significance of streamlining processes and optimizing user interfaces to ensure a seamless banking experience. However, challenges such as the lower ranking of innovation and concerns regarding reliability must be addressed to maintain customer trust and satisfaction. Moreover, the findings regarding the relationship between age, educational qualification, and customer engagement emphasize the need for targeted marketing, education, and personalized strategies to cater to diverse customer segments effectively. Overall, continuous monitoring, adaptation, and investment in innovative technologies are crucial for banks to enhance omnichannel experiences and drive customer satisfaction in the dynamic banking landscape of Chennai.