

A Study on Influence of Ujjivan Small Finance on Customers Satisfaction of Banks in Ramanagara District

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Abstract: This study explores the influence of Ujjivan Small Finance Bank on customer satisfaction in Ramanagara, focusing on service quality, staff behavior, transparency, and personalization. With the rise of small finance banks in India, understanding their effectiveness in fulfilling customer expectations is vital. The study employed a structured questionnaire using a five-point Likert scale to gather responses from 100 customers of Ujjivan Small Finance Bank in Ramanagara. Key areas assessed include staff politeness, service transparency, financial need fulfillment, personalized attention, and overall customer perception. Descriptive statistics, correlation analysis, and chi-square tests were used to analyze the data. Findings indicate that while many customers express satisfaction with staff behavior and overall perception of the bank, there are mixed views regarding the bank's transparency and ability to meet individual financial needs. The study highlights the importance of improving service personalization and communication to build greater trust and long-term customer loyalty. The results provide valuable insights for bank management to enhance service strategies and customer relationship models. This study contributes to the broader understanding of customer satisfaction in the context of emerging small finance banks in semi-urban regions like Ramanagara.

Keywords: Customer Satisfaction, Service Quality, Ujjivan Small Finance Bank, Ramanagara.

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I. INTRODUCTION

Small Finance Banks (SFBs) represent a distinct segment within the Indian banking system, established by the Reserve Bank of India (RBI) under the guidance of the Government of India. These banks aim to promote financial inclusion by encouraging saving habits among rural and underserved populations. SFBs are permitted to offer basic banking services such as accepting deposits and providing credit facilities, primarily targeting small business units, marginal and small farmers, micro and small enterprises, and individuals in the unorganized sector.

The concept of Small Finance Banks was initially proposed by a committee on Financial Sector Reforms, formed by NITI Aayog and chaired by Dr. Raghuram Rajan. The committee recommended setting up such banks to enhance access to financial services for low-income

households and underserved sectors. In response to these recommendations, the RBI issued comprehensive guidelines for establishing Small Finance Banks on 27th November 2014.

Subsequently, on 17th September 2015, the RBI granted licenses to ten institutions, instructing them to convert into operational Small Finance Banks within a year. Among them, Capital Small Finance Bank became the first to commence operations, inaugurating its services on 24th April 2016 with a network of 47 branches.

Currently, there are 11 Small Finance Banks (SFBs) operating in India, with the primary aim of delivering financial services to micro-enterprises, unorganized sectors, and low-income households, particularly in rural and semi-urban regions. These banks focus on offering inclusive

banking solutions through technology-driven and cost-effective operations.

The scope of activities undertaken by Small Finance Banks is broad and diverse. It includes providing essential banking services, extending microfinance support, engaging in priority sector lending, and leveraging advanced technology for efficient service delivery. Additionally, SFBs are involved in distributing mutual funds, offering retail and corporate banking services, supporting the formation and functioning of self-help groups (SHGs), and actively participating in community development initiatives. Through these functions, Small Finance Banks play a crucial role in enhancing financial access and empowering underserved sections of the population across the country.

II. REVIEW OF LITERATURE

➤ *Dr. Ajay Kumar Mishra and Pinky Rajwani (2020):*

In order to improve client experiences and gain a competitive edge, banks in both the public and private sectors can appreciate the importance of digital infrastructure. The study's goals are to determine the challenges users have when using technology, investigate how technical advancements in banking affect customer satisfaction, and provide suggestions for improving the services that banks provide.

➤ *K Sambasiva & Dr. P. Viswanath (2022):*

The researcher used a descriptive analysis in the investigation. Information from 121 SBI Bank customers was gathered via an online survey. Customer satisfaction is measured using a 5-point Likert scale based on four aspects of service quality: security, responsiveness, accessibility, and dependability. The study intends to ascertain the most preferred technology usage in terms of customer satisfaction and examine consumer satisfaction in connection to aspects of service quality.

➤ *Dr. V. Kanimozhi and Nisha S (2023):*

This article's goal is to assess ESAF Small Finance Bank's customer service standards and opinions, with a focus on the Coimbatore district. The objective is to comprehend customer demands or expectations for ESAF Small Finance Bank operations and to assess any disparities between customer expectations and views of the bank's activities. The following statistical tools are used in this study: A simple percentage analysis is calculated along with the mean score, weighted SERVQUAL score, and unweighted SERVQUAL score.

➤ *Objectives of the Study*

- To understand the customer perception of Ujjivan SFB.
- To measure the level of customer satisfaction.
- To examine how banking services (such as digital banking, loans, staff conduct, etc.) influence customer satisfaction.

➤ *Hypothesis*

- Ho: There is no significant relationship between the services provided by Ujjivan Small Finance Bank and customer satisfaction in Ramanagara.

III. RESEARCH METHODOLOGY

The Indian banking industry is extensive when it comes to its scale, revenue, and market presence. While it presents numerous opportunities, it also faces several challenges. In recent years, the sector has been undergoing a significant transformation in the digital era, focusing on user-friendliness and customized services. Despite this shift from traditional paperwork to paperless operations, especially within the banking sector in Ramanagara city, limited research has been conducted on the integration of Ujjivan Small Finance Bank with banking. As customers are the key stakeholders, their satisfaction plays a crucial role in ensuring sustainable growth. This study addresses the research gap by exploring the integration of technology with banking and its impact on customer satisfaction.

➤ *Research Design: Descriptive Research Design*

➤ *Quantitative Approach:*

- Primary data will be collected using structured questionnaires.
- Responses will be analyzed statistically to interpret the influence on satisfaction.

➤ *Sample Size*

To examine bank customers' perceptions regarding the implementation of financial technology in banking operations, the author collected a sample of 100 respondents from various zones across Ramanagara city.

➤ *Statistical Tools used for the Study:*

- Data will be analyzed using percentage analysis, charts, graphs, and if needed, basic statistical tests (like mean, standard deviation).
- Data entry and analysis conducted using MS Excel or SPSS.

➤ *Data Analysis and Interpretation*

This study primarily focuses on evaluating the key parameters related to the implementation of Financial Technology (Ujjivan Small Finance Bank) and its impact on the performance of banking operations, particularly in relation to employee satisfaction. The findings of the study aim to assist bankers in understanding customer expectations regarding the efficiency of banking services. Simultaneously, it provides insights into the affordability and practicality of these Ujjivan Small Finance Bank procedures from the perspective of banking professionals.

➤ *Profile of the Respondents*

Table 1 Demographic Profile of the Respondents (N = 100)

Demographic Profile	Parameters	Frequency	Percentage
Gender	Male	58	58.00%
	Female	42	42.00%
Age:	Below 25	10	10.00%
	25–35	28	28.00%
	36–45	30	30.00%
	46–55	20	20.00%
	Above 55	12	12.00%
Educational Qualification	SSLC	11	11.00%
	PUC	12	12.00%
	Graduate	30	30.00%
	Post Graduate	25	25.00%
	Others	22	22.00%
Occupation	Student	8	8.00%
	Business	32	32.00%
	Employee	18	18.00%
	Farmer	27	27.00%
	Others	15	15.00%
Monthly Income	Below ₹10,000	20	20.00%
	₹10,001–₹20,000	22	22.00%
	₹20,001–₹30,000	21	21.00%
	₹30,001–₹50,000	19	19.00%
	Above ₹50,000	18	18.00%
How long have you been associated with Ujjivan Small Finance Bank?	Less than 1 year	21	21.00%
	1–3 years	34	34.00%
	More than 3 years	45	45.00%
Which of the following services do you use?	Savings Account	38	38.00%
	Fixed Deposits	12	12.00%
	Loans	24	24.00%
	Other	26	26.00%
How often do you visit the bank branch	Weekly	48	48.00%
	Monthly	39	39.00%
	Rarely	13	13.00%
Do you use Ujjivan's mobile banking or digital banking services?	Yes	72	72.00%
	No	28	28.00%

(Sources: Primary Data)

➤ *Objective I: To Understand Customer Perception of Ujjivan Small Finance Bank.*

Table 2 Analysis of Customer Perception towards Ujjivan Small Finance Bank

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The bank staff at Ujjivan Small Finance Bank are polite and helpful.	11	12	35	26	16
I find the bank's services to be transparent and trustworthy.	11	26	28	22	13
Ujjivan Small Finance Bank understands and meets my financial needs.	10	26	29	23	12
The bank provides personalized attention to its customers.	13	16	27	29	15
I feel confident and secure while using the bank's services.	14	18	29	25	14
Overall, I have a positive perception of Ujjivan Small Finance Bank.	10	19	23	28	20

(Sources: Primary Data)

➤ *Interpretation:*

- 42% of respondents agree or strongly agree that staff is polite and helpful. However, 23% disagree, indicating some room for improving staff-customer interaction.
- Only 35% of customers perceive the services as transparent and trustworthy. With 37% disagreeing, trust-building measures are needed.
- 35% agree or strongly agree that the bank meets their financial needs. But 36% disagree, showing split opinions that need attention.

- 44% of respondents feel the bank offers personalized service. Still, 29% disagree, suggesting a need for more tailored interactions.
- 39% feel confident and secure with the bank's services. But with 32% disagreeing, the bank should enhance customer assurance.
- 48% of customers have a positive perception of the bank. Yet 29% are neutral and 29% disagree, reflecting mixed sentiment.

Table 3 Descriptive Statistical Analysis of Customer Satisfaction with Ujjivan Small Finance Bank

Descriptive Statistics								
	N	Range	Min	Max	Mean		Std. Dev	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Er	Statistic	Statistic
The bank staff at Ujjivan Small Finance Bank is polite and helpful.	100	4	1	5	3.24	0.12	1.18	1.40
I find the bank's services to be transparent and trustworthy.	100	4	1	5	3.00	0.12	1.20	1.40
Ujjivan Small Finance Bank understands and meets my financial needs.	100	4	1	5	3.01	0.12	1.17	1.37
The bank provides personalized attention to its customers.	100	4	1	5	3.17	0.12	1.24	1.54
I feel confident and secure while using the bank's services.	100	4	1	5	3.07	0.12	1.24	1.55
Overall, I have a positive perception of Ujjivan Small Finance Bank.	100	4	1	5	3.29	0.13	1.26	1.59

➤ *Interpretation:*

- With a mean of 3.24, customers generally agree that the staff is polite and helpful. The low standard deviation (1.18) suggests responses are moderately consistent.
- A mean of 3.00 indicates a neutral to slightly positive perception of service transparency. The variation is moderate, showing some customers are less certain about trustworthiness.
- The mean of 3.01 suggests a neutral stance, with potential to improve personalized financial offerings. The standard deviation of 1.17 shows responses are fairly spread out.

- A mean of 3.17 indicates mild agreement that personalized service is offered. A relatively higher standard deviation (1.24) implies varying experiences among customers.
- With a mean of 3.07, customers feel somewhat confident, but not overwhelmingly so. Response variation is moderate, suggesting trust and confidence could be reinforced further.
- This item has the highest mean (3.29), reflecting an overall positive customer sentiment. Still, a standard deviation of 1.26 shows diverse individual experiences.

➤ *Objective II: To measure the level of Customer Satisfaction.*

Table 4 Measurement of the Level of Customer Satisfaction towards Ujjivan Small Finance Bank

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I am satisfied with the overall quality of services provided by Ujjivan Small Finance Bank.	8	12	20	30	30
The bank resolves my queries and complaints in a timely and effective manner.	12	14	21	28	25
I feel valued as a customer at Ujjivan Small Finance Bank.	9	11	24	27	29
I am likely to continue banking with Ujjivan Small Finance Bank in the future.	8	10	27	30	25

(Sources: Primary Data)

➤ *Interpretation:*

- A majority (60%) of respondents are satisfied with the bank's overall service quality. While 20% remain neutral, only a smaller portion (20%) are dissatisfied. This shows a strong positive perception toward the bank's service quality.
- Slightly over half (53%) agree that the bank addresses their concerns effectively. However, 26% are dissatisfied, and 21% are neutral. This suggests that while many customers are satisfied, there is room for improvement in complaint resolution.

- Most customers (56%) feel valued, indicating good customer relationship management. The neutral and negative groups together make up 44%, which is notable and suggests that some customers might feel underappreciated.
- A large proportion (55%) express brand loyalty and willingness to continue banking with Ujjivan. With 27% neutral and 18% negative, it appears that most customers are committed, but the bank should investigate what's keeping others from expressing full loyalty.

Table 5 Descriptive Statistics Showing the Level of Customer Satisfaction with Ujjivan Small Finance Bank

Descriptive Statistics							
	N	Mean	Std. Dev	Variance	Chi-Sq	Correlation	Regression
I am satisfied with the overall quality of services provided by Ujjivan Small Finance Bank.	100	3.50	1.26	1.59	9.87	0.81	0.55
The bank resolves my queries and complaints in a timely and effective manner.	100	3.30	1.29	1.66			
I feel valued as a customer at Ujjivan Small Finance Bank.	100	3.36	1.25	1.56			
I am likely to continue banking with Ujjivan Small Finance Bank in the future.	100	3.54	1.20	1.44			

➤ *Interpretation:*• *Chi-Square Test of Independence*

- ✓ Purpose: To check if there is a significant difference in response distributions across all four questions. Chi-Square Value: 9.87; Degrees of Freedom: 12; p-Value: 0.63
- ✓ Since the p-value is greater than 0.05, we fail to reject the null hypothesis. There is no significant difference in the pattern of responses across the four questions.

• *Correlation Analysis (Between Q1 and Q4)*

- ✓ Pearson's Correlation Coefficient (r): 0.81; p-Value: 0.00

- ✓ There is a strong positive correlation between satisfaction with overall services (Q1) and the likelihood of continuing banking (Q4). As satisfaction increases, the intent to remain with the bank also increases.

• *Regression Analysis:*

The strongest predictor is Q1: Overall Service Satisfaction. The model is statistically significant and explains the variance in customer intention to continue banking.

- **Objective III:** To analyze the impact of banking services (like digital banking, loans, staff behavior, etc.) on customer satisfaction.

Table 6 Data Collected on the Impact of Various Banking Services on Customer Satisfaction at Ujjivan

Particulars	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The digital banking services provided by Ujjivan mall Finance Bank enhance my overall satisfaction.	6	8	30	28	28
The behavior and responsiveness of the bank staff influence my satisfaction with the bank.	7	10	28	29	26

(Sources: Primary Data)

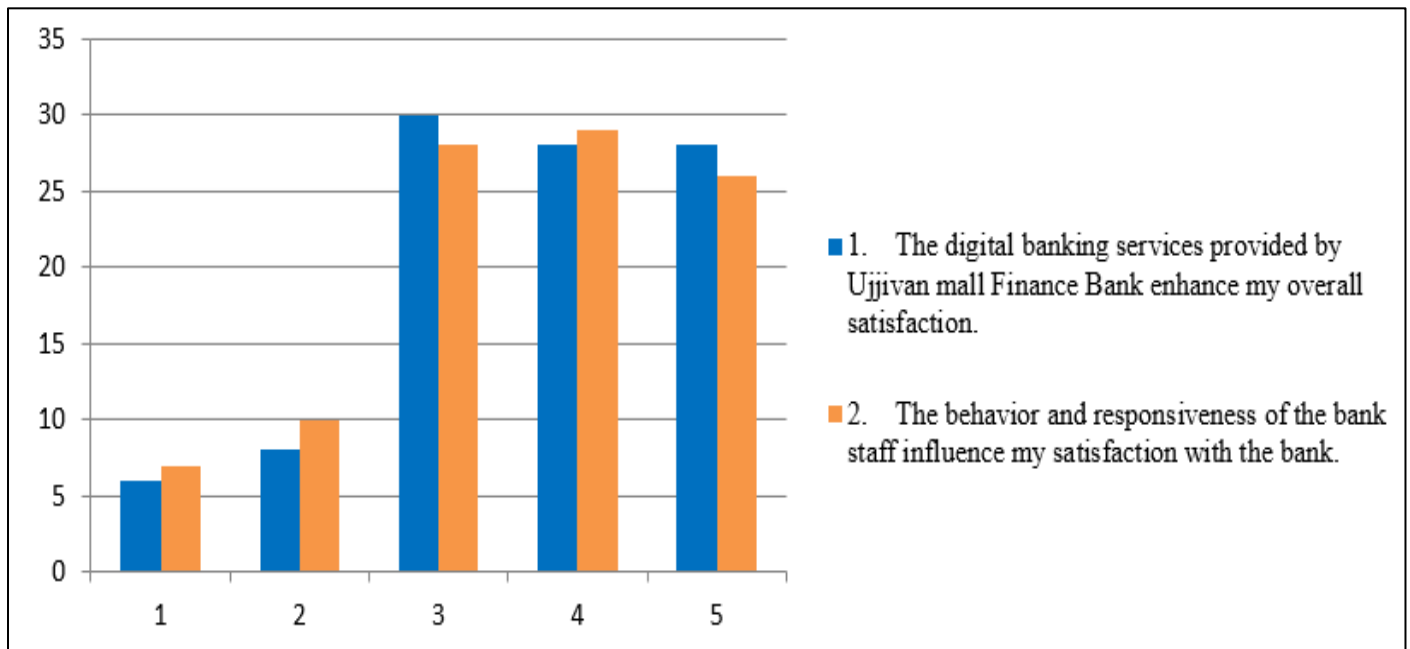


Fig 1 Graphical Representation of the Impact of Various Banking Services on Customer Satisfaction at Ujjivan Small Finance Bank

➤ *Interpretation:*

- More than half (56%) of the respondents have a positive opinion (Agree + Strongly Agree), indicating that digital banking services are a key contributor to customer satisfaction. However, the high neutral response suggests there's room for improvement or need for awareness.
- A total of 55% of respondents (Agree + Strongly Agree) believe that the behavior and responsiveness of the staff

are crucial to their satisfaction. This shows that human interaction remains a vital factor in customer experience, even in the digital era.

• *Overall Insight:*

Both digital services and staff behavior significantly influence customer satisfaction, with nearly identical agreement levels. Balanced development in both areas will be key to enhancing overall satisfaction.

Table 7 Correlation between Banking Services and Customer Satisfaction at Ujjivan Small Finance Bank

Correlations			
		The digital banking services provided by Ujjivan Small Finance Bank enhance my overall satisfaction.	The behavior and responsiveness of the bank staff influence my satisfaction with the bank.
The digital banking services provided by Ujjivan Small Finance Bank enhance my overall satisfaction.	Pearson Correlation	1	0.99
	Sig. (2-tailed)		<.001
	N	100	100
The behavior and responsiveness of the bank staff influence my satisfaction with the bank.	Pearson Correlation	0.99	1
	Sig. (2-tailed)	<.001	
	N	100	100

➤ *Interpretation:*

- The two statements, "The behavior and responsiveness of the bank staff influence my satisfaction with the bank" and "The digital banking services provided by Ujjivan Small Finance Bank enhance my overall satisfaction," have a very significant positive link, according to the correlation study.
- Both variables have a very high degree of association, as seen by their 0.99 Pearson correlation coefficient. This implies that when customers are more satisfied with the digital services provided by the bank, they will also be

more satisfied with the conduct and promptness of the bank employees, and vice versa. In the context of customer satisfaction, the two elements are strongly related, as evidenced by the nearly perfect correlation.

- A statistically significant link between these two variables is shown by a significance level (p-value) of less than 0.001. This strengthens the link even more by indicating that the observed correlation is very unlikely to be the result of chance.
- In summary, the results show that employee conduct and digital banking services are both critical to Ujjivan Small Finance Bank's total customer satisfaction. Higher

customer satisfaction is likely to result from improvements in either of these areas; therefore, it's critical that the bank keeps improving both its digital offerings and employee responsiveness.

IV. SUGGESTIONS

- **Enhance Transparency:** The bank should improve communication regarding its services, charges, and procedures to build greater customer trust.
- **Focus on Personalized Services:** Offering customized financial solutions based on customer profiles can enhance satisfaction and loyalty.
- **Improve Staff Training:** Regular training programs can help staff deliver more polite, responsive, and customer-friendly service.
- **Strengthen Feedback Mechanisms:** Implementing effective feedback systems can help identify issues quickly and improve service delivery.

V. LIMITATIONS OF STUDY

- **Geographical Scope:** The study is limited to customers of Ujjivan Small Finance Bank in Ramanagara, and the findings may not be applicable to other regions.
- **Sample Size:** The research is based on a sample of 100 respondents, which may not fully represent the entire customer base of the bank.
- **Respondent Bias:** The data collected through questionnaires is subject to personal opinions, which may be influenced by recent experiences or individual expectations.

VI. CONCLUSIONS

It is possible to draw the conclusion that Ujjivan Small Finance Bank has significantly accelerated in the banking industry based on data analysis and a review of national and international studies. In addition to offering comprehensive customer assistance, it has a number of competitive advantages, including as speed, transparency, time savings, and resource efficiency. Compared to the elder generation, the younger generation, which is more tech-savvy, tends to feel more at ease and content with these digital services.

However, many bank clients still have serious worries about security, trust, and data secrecy. Age, gender, and educational attainment are examples of demographic variables that affect usability and general satisfaction. According to the statistics, the majority of bank clients are male, between the ages of 25 and 50, and have degrees ranging from undergraduate to graduate.

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