

A Study On Service Quality In Selected Banks Based On Customer Experience With Special Reference To Thoothukudi District.

¹P.Sudha, ²Dr. B. Geetha Maheshwari

¹Reg. No:21112211012002, Ph.D Research scholar (part time), Research centre: PG&Research Department of Commerce, St. Mary's College (autonomous), Thoothukudi affiliated to Manonmaniam Sundaranar University, Tirunelveli. Email: petchimuthu.sudha@gmail.com.

²Assistant Professor of Commerce, St. Mary's College (Autonomous), Thoothukudi affiliated to Manonmaniam Sundaranar University, Tirunelveli. Email: drgeethamanand@gmail.com

How to cite this article: P.Sudha, Dr. B. Geetha Maheshwari (2024). A Study On Service Quality In Selected Banks Based On Customer Experience With Special Reference To Thoothukudi District., 43(2), 2268-2274

Abstract:

The importance of the service industry to economic growth has increased on a global scale. An essential component of commercial activity is the service sector. Unlike in the past, public sector banks now confront two significant challenges in the banking business: first, they must compete with private sector banks; second, they must manage their client base effectively by giving them high-quality service and keeping them as customers. Customer service in banks can be thought of as how a client feels about the services he receives from his bank. Every day, the bankers have to deal with rising consumer demands. As a service-oriented industry, banks' principal responsibility is to acquire, keep, and satisfy clients. Customers' decisions on which bank to use are influenced by the perception of the banks' service quality and brand. Banks are therefore under pressure to design their services to meet client expectations. Marketers must comprehend and gauge how customers feel about the calibre of the services provided. This helps the marketer to comprehend the current state of the service being provided, enabling him to appropriately alter the services being provided to meet the expectations of the customer. The results of this study will be useful in understanding whether the bank meets the customer's expectations in terms of quality service.

Keywords: *Banking sector, service quality.*

1.1 INTRODUCTION:

An essential element of the larger economic system is the banking system. It is essential to the achievement of macroeconomic goals. It serves as a tool for socioeconomic change and a stimulant for economic expansion. It is crucial for mobilising national funds, directing them towards significant investment goals, and maximising the use of existing resources. The banking industry is stepping into a new era as innovative advances transform the industry. The nature and scope of banking have been considerably changed by the globalisation of banking operations, increased competition, ongoing deregulation, and technological improvements. Over the past ten years, the

global economic and banking landscape has undergone significant changes. The operating environment for banks has rapidly changed as a result of the country's introduction of economic and financial reforms. The findings of this study will be helpful in determining whether the bank provides the level of quality service that customers demand.

1.2 REVIEW OF LITRETURE

Churchill and Surprenant (1982), emphasised in the article "An investigation into determinants of customer satisfaction". The Disconfirmation paradigm, which was the subject of this study, claims that disconfirmation is related to a person's original expectations while satisfaction is related to the amount and direction of the disconfirmation experience. This study used a sampling technique to gather data by giving out questionnaires to respondents. According to the findings of the descriptive statistical analysis, this framework incorporates the four dimensions of expectations, performance, disconfirmation, and satisfaction and serves as the foundation for the great majority of satisfaction studies. Disparities between past expectations and perceived actual performance lead to disconfirmation. There are three possibilities of disconfirmation zero disconfirmation, when there is no difference between expectation and performance; positive disconfirmation, when performance exceeds expectation and negative disconfirmation, when performance falls short of expectations.

Danaher, Peter J. and Rust (1966a), in the article "Determining the Optimal Return on Investment for an Advertising Campaign" looked at this. This study's empirical analysis shows that service quality has an impact on how effectively a business attracts new customers through word-of-mouth advertising. Quality of service has an impact on "likeliness to recommend," which has an impact on customer attraction. The study shows that while advertising also had an effect on the appeal, service quality rather than promotion was what drove consumer utilization rates.

Dhananjay Bapat (2006), had stated their opinion in the article "Opening a Bank Account Experiences of a Mystery Customer" Descriptive analysis is the foundation of the entire investigation. The author evaluates the level of service provided when a bank account is opened. This study shows that public sector bank branches had comparatively low service quality levels as experienced and perceived by the mystery client. Surprisingly, the criteria that did not garner higher marks were the availability of brochures, client profiling, and investigating cross-selling possibilities.

1.3 STATEMENT OF THE PROBLEM

The banking sector is crucial to the growth of the economy as well as the generation of new consumers and the provision of important services to them in their daily lives. As the cornerstone for sustaining and forging long-term connections with consumers, banks place a complete focus on the quality of the services they provide in order to improve relationships with clients. Regarding their financial stability, managerial skill, ability to provide excellent customer service, creative marketing, and banking technology, domestic banks often have a highly negative reputation. Additionally, the liberalisation process allowed both Indian private sector banks and foreign banks access to the market. As a result, banks as well as new generations of practises, systems, methods, and instruments were born. While banks themselves had to adapt to these changes, "customers"

are the real winners in this scenario. Therefore, the only way for banks to thrive in this cutthroat climate is to gain customer business. Therefore, it is necessary to determine client expectations in order to build services and delivery methods that satisfy customer needs. Following that, it is vital to continually evaluate and reevaluate how clients view bank services. The present study is an effort in this regard because evaluating the quality of services provided by banks is a crucial component.

1.4 SCOPE OF THE STUDY:

Any nation's economy relies heavily on banks. A bank is considerably more than just a place where people can deposit money and then use it for lending. Credit intermediaries, customer-related bank activities, electronic funds transfers, cash management for corporate clients, preserving endowment funds, keeping safe deposit boxes, managing trust accounts, and underwriting securities are just a few of its extensive range of responsibilities. Banks are essential to the development of nations like India, which is expanding. The Indian banking industry will become lost in the current situation if it does not study new trends and evaluate how customers are responding to these novel situations as a result of the new competitive environment, which increases pressure on Indian banks to improve customer services and quality. To increase customer happiness, service quality must first be measured. The study's results are anticipated to aid banks in providing better services and to aid decision-makers in developing the bank's future policies.

1.5 OBJECTIVES OF THE STUDY

- To gauge how each service attribute is perceived and how expectations are met.
- To assess the level of service that banks offer.
- To determine the degree of client satisfaction and make recommendations.

1.6 RESEARCH METHODOLOGY:

The explorative research approach was employed for this study's research. In the second stage, clients of specific public sector banks and private sector banks provided primary data. A structured interview schedule was created for this purpose to gather information from the respondents. On the basis of the bank branches, information was acquired from 120 consumers. State Bank of India, Bank of Baroda, Maharashtra Bank, Andara Bank, Canara Bank, City Union Bank, ICICI, Indian Bank, Indian Overseas Bank, Karur Vysya Bank, HDFC Bank.

Statistical tools:

Percentage analysis, with 1 denoting "least important" and 5 denoting "most significant," a five-point scale was used. To evaluate the collected data, hypotheses and factor analysis was performed.

SAMPLING TECHNIQUE:

A sample convenience sampling method was adopted to collect the primary data. The sample respondents for the purpose of the study were selected in convenience manner.

HYPOTHESIS

- **H0:** There is no the relationship between Customers expectations for banking service quality are influenced by educational background.
- **H1:** There is a relationship between Customers expectations for banking service quality are influenced by educational background.

Limitations:

- The time duration assigned for the study was limited.
- The study examines the service quality in selected banking sector based on customer expectation.

1.7 ANALYSIS AND INTERPRETATION OF THE STUDY

1.7.1. CUSTOMER EXPECTATION AMONG SERVICE QUALITY IN BANKING SECTORS.

Based on your banking experiences, please think about the kind of bank that would deliver excellent quality of services with which you would be pleased to do business.

Table 1.7.1 Service Expectations:

| Factor | Total | Percentage | Rank |
|--|--------------|-------------------|-------------|
| Up-to-date equipment & technology | 510 | 7.5 | II |
| Visually appealing facilities | 497 | 7.3 | IV |
| Materials associated to services are visually appealing (brochure, challans etc.,) | 469 | 6.89 | VIII |
| The Bank provides services as promised. | 526 | 7.74 | I |
| Sincerity in solving customer's problem. | 473 | 6.96 | V |
| Performing services right the first time. | 427 | 6.28 | XII |
| Provide proper guidance | 451 | 6.63 | IX |
| Maintenance of error free records. | 471 | 6.93 | VI |
| Intimation to customers as to when services will be performed | 462 | 6.80 | VII |
| Providing services promptly | 437 | 6.43 | XI |
| Willingness of bank employees to help customers | 382 | 5.62 | XIII |
| Availability of staff for our service | 233 | 3.43 | XV |
| Behavior of Employees instill confidence in customers | 312 | 4.59 | XIV |
| Comfortable interaction with employees | 497 | 7.31 | III |
| Employees are consistently courteous | 208 | 3.06 | XVI |
| Employees provide clear & precise answers for inquiries | 444 | 6.53 | X |
| Total | 6799 | 100 | |

Source: Primary Data

Inferences:

The ranking based on client expectations for the caliber of banking services is shown in the above table. The respondents gave the bank an (I) rating for delivering services as promised. followed by modern machinery & technology, II. Pleasant interactions with staff III. Attractive facilities IV. Sincerity in addressing customers' issues. V, Safeguarding records free of errors.VI: Notifying clients of the time services would be provided. VII. Marketing materials for services (challans, brochures, etc.) are visually appealing. VIII Offer appropriate direction IX, Employees provide clear & precise answers for inquiries X, Providing services promptly XI,, Performing services right the first time. XII, Willingness of bank employees to help customers XIII, Behavior of Employees instill confidence in customers XIV, Availability of staff for our service XV, Employees are consistently courteous XVI of customer expectation among service quality in banking sectors.

1.7.2 Relationship between Customers expectations for banking service quality are influenced by educational background.

To analyze there is no the relationship between Customers expectations for banking service quality are influenced by educational background through Chi-square test.

Table 1.7.2

| Factor | critical value | DF | | sig value | Remark |
|---------------------------|----------------------|----|--|-----------|----------|
| | | | | | |
| Pearson chi-square | 153.962 ^a | 6 | | .000 | Rejected |

Source: Primary Data

Significance 5% level

Inferences:

The table shows that there is relationship between Customers expectations for banking service quality are influenced by educational background. The $p=0.000$ ($p<0.05$) is rejected. Hence it is concluded that, there is a significant relationship between Customers expectations for banking service quality are influenced by educational background.

1.7.3 Attributes that demonstrate how satisfied banking consumers are compared to their expectations.

Table 1.7.3

| Attributes | Total | Percentage | Rank |
|---|-------|------------|------|
| Availability and performance of the employees. | 526 | 21.24 | I |
| Service offered by bank through websites. | 497 | 20.07 | III |
| Easy process of making loans (home, business, land) | 511 | 20.62 | II |

| | | | |
|---|------|-------|----|
| | | | |
| Availability of resource of the bank (locker, security, etc) | 470 | 18.98 | V |
| Behaviour of the banking employees. | 473 | 19.09 | IV |
| Total | 2477 | 100 | |

Source: Primary Data

Inferences:

Based on their expectations, the customer satisfaction level is displayed in the above table. The ease of applying for loans (for a home, business, or piece of land) is ranked **(I)**, followed by the service provided by the bank through websites (II), III. Employee behaviour in the banking industry IV & Bank Amenities (Locker, etc.) V.

Findings:

Customer expectation related to banking service quality: Majority of the 7.74% customers given **(I)** rank to the Bank provides services as promised.

Hypothesis Test: it represent the $p=0.000$ ($p<0.05$) is rejected. Hence it is concluded that, there is a significant relationship between Customers expectations for banking service quality are influenced by educational background.

Satisfaction Level: The majority of the 21.24% of customers given **(I)** rank to Availability and performance of the employees based on their expectations.

Suggestions:

In light of the aforementioned findings, a feeble effort is made to offer the following recommendations to enhance the quality of the banks' services. Banking institutions should place a strong emphasis on:

1. Using technology to extend working hours in order to increase company volume.
2. Growing the clientele by giving customers access to banking services through any channel, at any time, and from anywhere.
3. Providing customers with service information. 10. Loan interest rates will go down while deposits' interest rates go up.
4. Loan sanctioning procedures should be made less formal.
5. Use of technology that is error-free.
6. Education of illiterates in banking operations.

Conclutions:

The majority of Indian banks are becoming more and more aware of the reality that getting new clients is much more expensive than keeping existing ones. The phrase "a satisfied customer is the best ambassador" means that in order to please a customer, banks must uphold high service delivery standards, maintain the necessary level of service standards, and have the necessary infrastructure, staff, and literature available at the front desk to explain the products. Banks will face fierce competition in the days to come as they continue to offer their full range of services.

They must only compete with rivals on the basis of the quality of their service if they want to maintain their competitive edge in the future.

Reference:

Churchill, G. A and Surprenant, C. (1982), "An investigation into determinants of customer satisfaction", Journal of Marketing Research, 19 (November) pp. 491-504

Danaher, Peter J and Roland T. Rust. (1966a), "Determining the Optimal Return on Investment for an Advertising Campaign", European Journal of Operational Research, 95 (3) pp. 511-521.

Dhananjay Bapat (2006), "Opening a Bank Account Experiences of a Mystery Customer", Vinimaya, Vol. XXVII, No.2.

WEBSITES:

www.wikipedia.org.in

www.scribd.com