THINK INDIA JOURNAL

ISSN:0971-1260
Vol-22- Issue-35-December-2019

The Influence Of Service Quality On Customer Satisfaction Regarding Banking Service

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Abstract

The current study had aimed to know the level of truth regarding all the above said issues from the customers themselves and also their perceptions regarding service quality which they are getting from the bank. The main objective of this research was to identify the service quality gap. The sample population of the study consisted of all those who had perceived the services of a private banks in Cuddalore district. The sample population of the study was selected through the method of convenient sampling. For the study purpose, 111 questionnaires were collected. . In this study expectation go above perceptions (negative gap), the client is dissatisfied and there is a problem in the banking service delivered. In this research overall expectation exceeds overall perceptions, and this shows that the client is dissatisfied.

Keywords: Service quality, satisfaction

INTRODUCTION

Because of the ever increasing global competition, the private sector banks which are involved in retail banking are faced with intense pressures. Several policies are designed to withhold the customers and the success of such policies lies on the enhancement of the level of service quality. As the competitors are in the way to offer similar products of banking activities as offered by the private banks, the customers find it difficult to identify the differences in banking services between the private banks and their competitors. Parasuraman et al., (1985) and Zeithaml et al., (1990) had observed that the main tactic for achieving

ISSN:0971-1260
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success of any business and its long survival depends on the delivery of service quality for the customers. The satisfaction of customers and their attitude of loyalty are determined by the quality of service provided b the business.

Now in India the private banks have grown large in number. Some of them include; ICICI Banks, Jammu & Kashmir Bank, ING Vysya Bank, Karnataka Bank, SBI Commercial, Kotak Mahindra Bank, International Bank etc. The development of the banking industry in India owes its major credit to these private banks because of the nature of being tech-savvy and full of expertise people inside.

PROBLEM STATEMENT

The main goal of all the banks in India is to provide efficient customer service. For example, the Eco-bank had the theme of “customer first” for the year 2012. The reason for this quick change towards excellence in customer service is due to several accusations made by the general public as to rude attitude of the staff, delay in service delivery, unfair charges, and elevated charges for ATM and difficult and complex loan formalities. Another reason responsible for shifting the focus towards customer service is the lack of proper networks, which gets disconnected leading to loss of valuable time of the customers which they could spend for some other work. Further to notice is that the customers have the feeling that the rate of interest for deposits is low but the charges that banks levy on customers for loans are heavy.

The aforesaid problems make the customers dissatisfied in one way or the other regarding the level of service quality being offered by the banks. The awareness regarding all these facts is essential on the part of the bankers to redesign their policies for offering momentous service quality to the customers. The current study had aimed to know the level of truth regarding all the above said issues from the customers themselves and also their perceptions regarding service quality which they are getting from the banks. Further the major factors of customer dissatisfaction were also examined in the study.

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REVIEW OF LITERATURE

The affective and cognitive responses of customers towards the perception of attributes of service, through which the customers are made satisfied by offering what they need, had been examined by many scholars. According to Churchill & Surprenant, 1982; Oliver, 1997; Fornell,1992 and Cadott et al, 1987, consumer satisfaction and PSQ by Parasuraman et al, 1985, 1988; Rust & Oliver, 1994; Zeithaml et al, (1996) had been regarded as the dominant constructs in the field of service marketing as these concepts finally leads to enhancement of the loyalty of the customers. The perception of consumers regarding service quality is a very complex procedure. Hence, Brady & Cronin, 2001 had rightly said that there are many dimensions of service quality.

SERVQUAL is one among the most famous models, used in the area of service marketing, was designed by Parasuraman et al (1985, 1988). It is based on the gap of perception between received and expected service quality. This model has been utilized mainly to explain the perception of consumers regarding service quality. Initially 10 aspects of service quality were projected. Those included; reliability, competence, responsiveness, access, communication, courtesy, security, credibility, tangibility and understanding consumers. In later periods, these aspects were reduced to only 5 aspects, which included responsiveness, reliability, tangibles, assurances and empathy.

RESEARCH METHODLOLOGY

The sample population of the study consisted of all those who had perceived the services of a private banks in Cuddalore district. The sample population of the study was selected through the method of convenient sampling. For the study purpose, 111 questionnaires were collected. Instrument was adopted from Parasuraman et al., (1985)

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ANALYSIS AND INTERPRETATION

Paired sample t-test.

Sl	SERVICE QUALITY ATTRIBUTES	Perc	Exp	Gap	t-test value	*p*-val
1	Update equipment	3.31	3.18	0.13	-0.995	0.322
2	Visually appealing	3.42	3.45	-0.03	0.235	0.814
3	Neat dressed	3.41	3.11	0.30	-2.805	**0.006**
4	Good appearance	3.59	3.50	0.09	-0.876	0.383
5	Service as promised	3.50	3.61	**-0.11**	0.831	0.408
6	Bank employee is kind and supportive	3.67	3.58	0.09	-0.832	0.407
7	Bank employee is dependable	3.54	3.49	0.05	-0.451	0.653
8	Promised time	3.77	3.86	**-0.09**	0.713	0.478
9	Records accurately	3.87	3.86	0.01	-0.134	0.894
10	Bank employee inform clients	2.41	2.24	0.17	-1.546	0.125
11	Do not provide prompt service	2.31	2.46	**-0.15**	1.439	0.153
12	Not always to help clients	2.61	2.56	0.05	-0.502	0.617
13	Too busy to respond to client's	2.72	2.77	**-0.05**	0.456	0.649
14	Trust employees of the bank	3.25	3.47	**-0.22**	1.972	**0.050**
15	Feel safe in their transactions	3.43	3.69	**-0.26**	2.301	**0.023**
16	Employees are always polite	3.36	3.59	**-0.23**	1.77	**0.080**
17	Adequate help from their employer	3.53	3.69	**-0.16**	1.347	0.181
18	Give individual attention	2.41	2.38	0.03	-0.197	0.844
19	Give personal attention to their clients	2.53	2.49	0.04	-0.335	0.738
20	Not aware of the needs of the clients	2.50	2.48	0.02	-0.22	0.827
21	Employees do not extend true hearted service	2.28	2.51	**-0.23**	1.868	0.064
22	Office hours not convenient for the clients	2.24	2.51	**-0.27**	1.67	0.098

The mean of each factor was considered in order to point to a measure of significance of every item as shown in Table. It was experiential that the mean score perception rating was less than the mean score expected rating which yields a negative gap. It was expected that the mean score perception rating was higher than the mean score expected rating which yields a positive gap. Such findings indicated that there were many factors that influence the satisfaction. The biggest positive gap of a value 0.30 was for service quality attribute 3. While the smallest positive gap of a value 0.02 was for service quality attributes 2 and 20.

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Most of the Service quality attributes have no significant difference between SQ perception and SQ expectation few attributes like 3, 14, 15 and 16 have significant difference. This study was accomplished by using the service quality gap analysis to define and measure customer satisfaction with the bank service. In this study expectation go above perceptions (negative gap), the client is dissatisfied and there is a problem in the banking service delivered. In this research overall expectation exceeds overall perceptions, and this shows that the client is dissatisfied.

CONCLUSION

The current study made a focus on the service quality of bank service and the satisfaction of customers by its usage. The findings of this study showed that the dissatisfaction in the usage of private banking service in Cuddalore district. It is a general suggestion that the banking services should be installed at areas where the general public can have easy access and also within the premises of the bank.

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