



A STUDY ON CUSTOMER SATISFACTION TOWARDS SERVICES QUALITY OF PRIVATE SECTOR BANK IN TIRUNELVELI CITY

KRISHNA VENI P,

DEPARTMENT OF MBA,

INDIAN SCHOOL OF SCIENCE AND MANAGEMENT,

CHENNAI-600041, INDIA,

Abstract

The study has been conducted with the objective of assessing the customer service quality of private sector bank in Tirunelveli city. The use of core banking for private banking system is drastically changing the way of banking activities. Almost all private banks are transforming their banking system to the modern technology in which they can offer efficient banking services to their customer and get customer satisfaction in return. Hence the researcher has taken the study entitled customer satisfaction of core banking services. 50 samples were selected by convenience sampling method. The study reveals that majority of the customer are satisfied with the core banking services provided by the private bank limited in Tirunelveli city.

Key words: core banking services, private banks, customer satisfaction.

INTRODUCTION

Service sector is the life line for the social economic growth of a country. At present, the largest and fastest growing sector which is globally contributing more to the global output and employing more people than any other sector. For most countries around the world, services are the largest part of their economy. The real reasons for the growth of the services sector are due to the increase in urbanization. Privatization and more demand for intermediate and final consumer services. Availability of quality service

plays a vital role for the well being of the economy. The Indian service sector cover a wide range of activities, such as transportation, communication, trading, finance, real estate and health , among others. Amongst these, India's financial sector is diversified and is expanding rapidly. It comprises of commercial banks, insurance companies, non-banking financial companies, mutual funds and other smaller financial entities. Ours is bank dominated financial sector and commercial banks account for over 60 per cent of the total assets of the financial system. Indian banking sector forms the backbone of the country's.

“ customer service deserves an outlook that puts a check on targets sought to be achieved by customer service executives by way of a rigor of compliance with extant rules and regulations. Profit seeking is the basic ethos that governs any business entity but the same cannot and must not override the genuine demands and requirements of customers”.

OBJECTIVES

The main objective of this study is to examine the perception of customers towards service quality of the private sector banks in Tirunelveli city. Besides, the study has the following objectives:

- To study the various services offered by the selected the private sector banks in Tirunelveli city.
- To analyze the customer satisfaction towards services quality of private sector banks in Tirunelveli city.
- To find out the gap in service performance of the select private sector banks in Tirunelveli city.
- To offer suitable suggestions to improve the service quality of the select private banks based on the findings of the study.

Review of Literature:

- **Parasuraman, Zenithal, and Berry:** This study defines that have identified 5 dimensions of service quahty, namely, assurance, empathy, reliability, responsiveness and tangibility. At the same time, given the special characteristics of services, measuring service quality can be more problematic than measuring the quality of physical goods or products. Service quality from the customer's point of view is the degree and direction of discrepancy between customer's perceptions and expectations. It refers to the collective effort of service performance, which determines the degree of satisfaction of users of all the services. The degree of customer satisfaction bears a direct relation to quality of service where good quality of service gives better customer satisfaction. In contrast, poor quality of service will result in a lot of consequent costs and damage, including low customer satisfaction, relatively high customer defection, loss of business sales opportunities, decrease in customer retention, excessive costs due to having to attract new customers, and overcome a damaged corporate image.

- **Yong, J. K (2000)** Quality of services is an elusive concept because of intangible nature of service offering, and the definition of quality may vary from person to person and situation to situation. Service quality has been defined as customers' overall impressions of an organization's services in terms of relative superiority or inferiority.
- **Lewis, J.D (1991)** Today's businesses are facing fierce and aggressive competition while operating in both domestic and global markets. Most marketers would of course agree that establishing long-term business relationship is essential for development and survival. The world has never been so interdependent. All trends point to co-operation as a fundamental, growing force in business." Today marketing is not just developing, delivering and selling products and services; it is moving towards developing and maintaining mutually long-term relationship with customers."
- **Almossari, M (2001)** Service quality has been increasingly recognized as a critical factor in the success of any business and the banking sector in this case is not exceptional. Service quality is essential in the banking services because bankers tend to be viewed as relatively undifferentiated, and hence it becomes a key to competitive advantage. In recent years, service quality has been widely used to evaluate the performance of banking services.
- **Gronroos, C (1990)** The concept of service quality has gained attention in the sport and recreational literature over the last two decades. Quality of services is an elusive concept because of intangible nature of service offering, and the definition of quality may vary from person to person and situation to situation. Service quality has been defined as customers' overall impressions of an organization's services in terms of relative superiority or inferiority. Service quality is considered not only to meet but to exceed customer expectations, and should include a continuous improvement process.
- **Johnston, R (1995)** Service quality conceptually captures aspects of products or services that potential consumers can and would like to assess before they select product or service. Moreover, service quality encompasses consumer's expectations in terms of quality after they have highlighted a large number of services that are supposedly used by consumers to evaluate the performance of the service delivery." Berry has identified 5 dimensions of service quality, namely, assurance, empathy, reliability, responsiveness and tangibility.

OPERATIONAL DEFINITIONS OF CONCEPTS

❖ PRIVATE SECTOR BANK

`A private sector bank is one having majority of its share held by private parties.

CUSTOMERS

A customer is an individual who has an account with private sector bank. Thus, the term “CUSTOMERS” for the purpose of the study includes savings bank account holders and current account holders.

- CUSTOMERS SATISFACTION
- CUSTOMER EXPECTATION
- CUSTOMER PERCEPTION
- SERVICE QUALITY
- ASSURANCE
- EMPATHY
- RELIABILITY
- RESPONSIVENESS
- TANGIBILITY

1. CUSTOMERS SATISFACTION

The term “**satisfaction**” for the purpose of the study connotes the attitude of the customers of the service quality of the private banking sectors in Tirunelveli city.

2. CUSTOMER EXPECTATION

It is the perceived – value that the customers seek from the purchase of goods or services. It also includes customer needs and customer requirements.

3. CUSTOMER PERCEPTION

It is the kind of services that the customer are actually getting from the services provider.

4. SERVICE QUALITY

Service quality is a measure of how well a delivered service matches customer expectation in the new generation private banks.

5. ASSURANCE

Assurance refers to the knowledge and courtesy of employees and their ability to convey trust and confidence including competence, courtesy.

6. EMPATHY

Empathy refers to the provision of caring and individual attention to customers including access, communication and understanding the customers.

7. RELIABILITY

The reliability involves performing the promised service depending and accurately. It includes doing it right the first time, which one of most important service components for customers.

8. RESPONSIVENESS

It refers to the willingness of the front offices staff to help customer and prompt service such as quick service, professionals handling and recovering from mistakes.

9. TANGIBILITY

The physical evidence of front office staff includes the persons and appearance of personnel, tools, and equipment used to provide services.

METHODOLOGY:

1. Primary data
2. Secondary data

PRIMARY DATA:

Primary data refers to collected a fresh for the first time and that is original in nature. The require primary data are collected through questionnaire method.

SECONDARY DATA:

Secondary data here have been collected from journal, newspaper, magazines and etc

SAMPLE SIZE:

The sample size has been collected on convenience and numbers of sampling 50.

DATA ANALYSIS AND INTERPREDATION:

TABLE – 1



VARIENCE	CATEGORY	NO OF RESPONDENTS	PERCENTAGE
Gender	Male	35	70
	Female	15	30
	Total	50	100
Age	Below 20 years	10	20
	21-40 years	15	30
	41-60 years	15	30
	60 years above	10	20
	Total	50	100
Educational Qualification	SSC	10	20
	GRADUATE	20	40
	Professional	10	20
	Diploma/Technical	10	20
	Total	50	100
Occupation	Student	4	8
	Private employees		
	Government employees	8	16
	Business man		
	Others	15	30
	Total	50	100
Marital status	Married	28	56
	Unmarried	22	44
	Total	50	100
Monthly Income	Below 30000	8	16
	30000-50000	9	18
	50000-70000	15	30
	70000 above	18	36
	Total	50	100
Type of workers	Savings Account	19	38
	Current Account	13	26
	Salary Account	18	36
	Total	50	100
Various Service Quality	Tangibility	6	12
	Reliability	8	16
	Responsiveness	18	36
	Assurance	12	24
	Empathy	6	12
	Total	50	100

Customers satisfaction depends upon service quality	Customer Perception of service Received	32	64
	Customers' expectations of service	18	36
	Total	50	100
Factors influencing the service quality of customer satisfaction in private sectors.	Customers Understanding	15	30
	Service	22	44
	Technology	13	26
	Total	50	100

SOURCES: PRIMARY DATA

CHI-SQUARE TEST:

Factors influencing customer satisfaction on service quality of private Sector banks

Customer satisfaction depends upon service quality	Customer understanding	Service	Technology	Total
Customer perception on service received	11	12	9	32
Customer expectations of service	4	10	4	18
Total	15	22	13	50

O	E	(O-E)	(O-E) ²	(O-E) ²
11	9.6	1.4	1.96	0.20
12	14.08	-2.08	4.33	0.31
9	8.32	0.68	0.5	0.06
4	5.4	-1.4	1.96	0.4
10	7.92	2.08	4.33	0.55
4	4.68	-0.68	0.5	0.11
				1.63

SOURCE: Primary data.

Calculation of the Chi-Square:

Degree of Freedom = $(3 \times 1) - (2 \times 1)$

= $(3-2)$

Significance level = 1%

Table value = 3.84

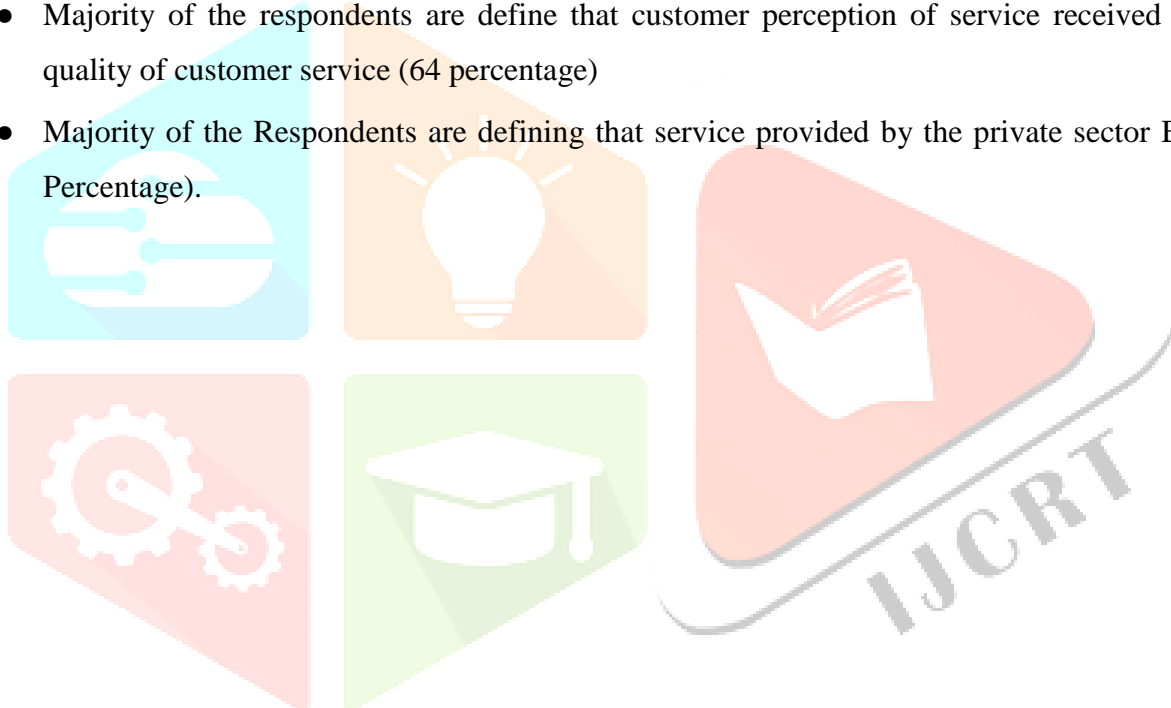
Calculated value = 1.63.

INFERENCE:

Since the Calculated value (1.63) is less than the table value (3.84), so the NULL HYPOTHESIS IS ACCEPTED. Hence there is no significant relationship between the Factors influencing the customer satisfaction on service quality of private banking sectors and Customer satisfaction upon service quality.

FINDINGS:

- Majority of the Respondents are Male (70 percentage).
- Majority of the Respondents are in the age group of (21-40) years and (41-60) years. (30 Percentage).
- Majority of the Respondents are complete the Graduation (40 Percentage).
- Majority of the Respondents are Business man and other Kind of workers (30 Percentage).
- Majority of the Respondents are Married (56 Percentage).
- Majority of the Respondents are earned 70000 above monthly income (36 Percentage).
- Majority of the Respondents are work in Savings account (38 Percentage).
- Majority of the Respondents agree that Responsiveness of service quality provided by the private banking sectors. (36 Percentage).
- Majority of the respondents are define that customer perception of service received in service quality of customer service (64 percentage)
- Majority of the Respondents are defining that service provided by the private sector Banks. (44 Percentage).



CARROT RANKING METHOD:

Reason for Using Private Banking service	Mean score	Rank
Time saving	56.92	I
Convenience to access	47.86	VII
Payment made easy through e- Banking	50.75	V
Easy to access ATM	51.01	IV
Easy to operate	48.64	VI
Cost of operation is low	46.9	VIII
Prompt customer service	45.81	IX
Quick and easy access of information	51.76	III
Provide safety and money	54.99	II

INFERENCE:

- Time saving is the service firstly preferred from the private banking service.
- Convenience to access is the service secondly preferred from the private banking sector.
- Payment made easy through E-Banking is the service third preferred from the private banking sector.
- Easy to access the ATM is the service fourth preferred from the private banking sector.
- Easy to operate is the service fifth preferred from the private banking sectors.
- Cost of operation is low is the service sixth preferred from the private banking sectors.
- Prompt customers service is the service seventh preferred from the private banking sectors.
- Quick and easy access of information is the service eighth preferred from the private banking sectors.
- Provide safety for money is the service ninth preferred from the private banking sectors.

SUGGESTIONS

As a result of careful scrutiny of the finding of the study, the following suggestions are made in order to help the private sector bank to improve their banking services.

- ❖ Only meagre amount of people aware about core banking in rural area, therefore the private bank should conduct awareness programme exclusively in rural place so as improve their private banking services.
- ❖ Banks should ensure to their customers that their service is competitive.
- ❖ Many customers feel that the privacy and security features are to enriched. So banks must concentrate further on security to withhold their customers and improve them more.
- ❖ The study reveals that majority of the customers are satisfied with the core banking services. Hence they could concentrate tele-banking/ mobile banking, SMS banking to enhance their private banking services.

CONCLUSION

In conclusion, customer satisfaction and customer service are key elements for banks. In the modern world of technology internet ruled the banking sector which depend on core banking services. Core banking services is a new delivery channel which has become available to customers in the banking industry. Online and mobile banking are growing fast while branch importance declines rapidly. The future of internet banking lies in offering personalised internet-based services that are not only valued by their customers but are also unique to them.

REFERANCE:

1. Parasuraman, A, Zenithal, V.A and Berry, L.L (1988). "A Multiple-item Scale for Measuring Consumer Perceptions of Service Quality", *Journal of Retailing*, Vol.64, No. 1, pp. 12-40.
2. Yong, J. K (2000), A Multi-dimensional and Hierarchical Model of Service Quality in the Participant Sport Industry, Unpublished Doctoral Dissertation, Ohio State University.
3. Lewis, J.D (1991). "Competitive Alliances Redefine Companies", *Management Review*, Vol.80, No.4, pp. 14-1
4. Almassari, M (2001). "Bank Selection Criteria Employed by College Students in Behaviour: An Empirical Analysis", *International Journal of Bank Marketing* Vol, 19, No.3, pp. 115-125.
5. Gronroos, C (1990). "Relationship Approach to Marketing in Service Contexts: The Marketing and Organizational Behaviour Interface", *Journal of Business Research*, Vol.20, pp.3-11.
6. Johnston, R (1995). "The Determinants of Service Quality: Satisfiers and Dissatisfiers", *International Journal of Service Industry Management*, Vol.6 No. 5, pp.53-71.