IJCRT.ORG ISSN : 2320-2882

INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

An Empirical Investigation Into The Perception Of Service Quality Among Icici Bank Customers In Chennai

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ABSTRACT:

This empirical study examines how customers perceive service quality at ICICI Bank in Chennai, utilising the SERVQUAL framework to evaluate five key dimensions: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. A structured questionnaire was administered to a sample of 120 respondents drawn from diverse demographic backgrounds. The research employs a descriptive and cross-sectional design, utilising statistical tools such as ANOVA and multiple regression to analyse the data. Findings reveal that among the five SERVQUAL dimensions, Reliability and Assurance emerged as the most influential determinants of customer satisfaction, while Tangibility received the lowest ratings. Although overall perceptions of service quality were positive, statistically significant demographic variations were observed in certain dimensions, underscoring the importance of tailoring services to meet the specific needs of different customer segments. The study provides practical insights for bank managers seeking to enhance service delivery and foster customer loyalty in competitive urban markets. Furthermore, it contributes to the broader literature on service quality in India's private banking sector, particularly in metropolitan areas such as Chennai.

Keywords: Service Quality, SERVQUAL, ICICI Bank, Perception

INTRODUCTION

In today's highly competitive banking sector, the quality of customer service has become a crucial factor in determining an institution's success, client retention, and market relevance. Over the past few decades, India's banking industry has experienced profound changes, particularly due to economic liberalisation and the subsequent entry of private and multinational banks. These developments have led to a heightened focus on technological advancements, innovation in service delivery, and customer-focused strategies.

Assessing service quality in the banking sector, however, is a complex task due to the intangible and experience-driven nature of financial services. Customers often evaluate their banking experiences not only on tangible factors like infrastructure and digital access but also on relational aspects such as employee behaviour and responsiveness to concerns. Various frameworks have been developed to understand this multi-dimensional concept, among which the SERVQUAL model is widely recognised. It breaks down service quality into five distinct dimensions—tangibles, reliability, responsiveness, assurance, and empathy—offering a structured approach to understanding customer expectations and perceptions.

In metropolitan areas like Chennai, where multiple banks offer similar financial products, customer perception of service quality plays a crucial role in shaping preferences and loyalty. Elements such as the speed of service, ease of use of online platforms, professionalism of staff, resolution of complaints, and personalised communication significantly influence the customer experience.

With the continuous evolution of digital banking and shifting customer expectations, there is a need to revisit traditional service benchmarks. This study aims to investigate how customers of ICICI Bank in Chennai perceive the quality of services they receive. Using the SERVQUAL framework, the research integrates quantitative analysis to identify which service dimensions most strongly affect customer satisfaction and long-term engagement in the current banking context.

STATEMENT OF THE PROBLEM

In an era of rapid technological change and rising customer expectations, private sector banks like ICICI Bank must deliver high-quality service to remain competitive. While ICICI Bank has invested heavily in digital platforms and customer engagement, true customer satisfaction depends not only on technology but also on factors such as personal interactions, grievance resolution, and consistent service delivery. In a diverse and competitive market like Chennai, understanding how customers perceive these dimensions of service quality is crucial. However, there is limited research specifically examining ICICI Bank's service quality in Chennai using structured frameworks, such as SERVQUAL. Addressing this gap is essential for identifying which aspects of service most influence customer satisfaction and loyalty, thereby informing more effective, customer-focused strategies.

LITERATURE REVIEW

Parasuraman, Zeithaml, and Berry (1988) were among the first to conceptualise service quality through the SERVQUAL model. This model outlines five critical dimensions—tangibility, reliability, responsiveness, assurance, and empathy. These are widely used to assess service quality in both manufacturing and service sectors. Their work laid the foundation for subsequent empirical research and remains one of the most reliable tools for evaluating perceived service quality in the banking industry.

Kumar, Kee, and Manshor (2009) examined the importance of various critical factors in delivering service quality in Indian banks. Their study found that private sector banks, such as ICICI Bank, are increasingly relying on technological advancements and digital innovations to address rising customer expectations. However, they also acknowledged that human-centric service attributes must complement technological efficiency to ensure customer satisfaction.

Suresh Chandar, Rajendran, and Anantharaman (2002) adopted a factor-specific approach to explore the relationship between service quality and customer satisfaction. They argued that customers evaluate service based not only on efficiency and technology but also on emotional and interpersonal dimensions, such as empathy, personalised attention, and effective complaint handling. Their study emphasised that a comprehensive understanding of service quality must integrate both tangible and intangible aspects.

Dash and Mahaptra (2010) focused on quality assessment in banking services with a specific interest in urban customers. Their empirical analysis revealed that customers in metropolitan areas, such as Chennai, demand greater service efficiency, accuracy, and responsiveness. These heightened expectations are often influenced by greater access to digital services and a more competitive banking environment.

Sharma and Mehta (2018) conducted a comparative study on service quality perceptions across different segments of the Indian banking sector. They found that urban customers, particularly those familiar with international service standards, are more critical of service inconsistencies. Their research suggested that banks must continuously innovate and tailor their services to meet the high standards of urban clientele.

These studies collectively highlight the critical role of service quality in enhancing customer satisfaction and loyalty within the banking sector. However, a gap remains in bank-specific and region-specific analyses, particularly concerning ICICI Bank in metropolitan areas such as Chennai. This study aims to fill that gap by using the SERVQUAL model to examine how ICICI Bank customers perceive service quality and which factors most influence their satisfaction and continued engagement.

METHODOLOGY

This study adopts a descriptive research design to evaluate the perceptions of service quality among ICICI Bank customers in Chennai. Data were collected from a convenience sample of 120 respondents, who were surveyed using a structured questionnaire grounded in the SERVQUAL framework. The questionnaire encompassed five key dimensions of service quality: Tangibility, Reliability, Responsiveness, Assurance, and Empathy. Participants rated their level of agreement with each statement on a five-point Likert scale, ranging from “Strongly Disagree” to “Strongly Agree.” For data analysis, mean scores were computed for each service quality dimension to identify overall trends in customer perceptions. To further explore the influence of demographic factors—such as age, marital status, income, and domicile—on service quality perceptions, One-Way ANOVA tests were conducted, with statistical significance assessed at the 0.05 level. All analyses were performed using SPSS, ensuring the accuracy and reliability of the results' interpretation.

DISCUSSION

Table No 1: Mean of the Perception of Service Quality Among ICICI Bank Customers in Chennai

Mean of the Perception of Service Quality	Mean
The bank's staff are always well-groomed and professional.	4.5000
The bank's waiting area is comfortable and clean.	4.5000
The banks' forms are simple to fill out.	4.5083
My transactions are processed accurately.	4.4667
The bank's statements are always accurate.	4.3917
The bank handles my complaints efficiently.	4.3833
My complaints are resolved without delay.	4.3833
Digital support responds promptly.	4.3833
The bank is responsive to my suggestions.	4.4250
Staff treat me with respect.	4.4250
I feel safe using the bank's digital service.	4.4083
Staff provide accurate advice.	4.4500
Staff understand my financial needs.	4.3667

The bank values my feedback.	4.4750
The bank shows genuine interest in my well-being.	4.4500

The mean scores indicate that ICICI Bank customers in Chennai generally have a positive perception of the bank’s service quality. Customers rated the simplicity of forms highest (4.51), followed closely by staff professionalism and the comfort of the waiting area (both 4.50). High scores were also given for accurate transaction processing (4.47), respectful staff behaviour (4.43), and the bank’s responsiveness to suggestions (4.43). Digital service safety (4.41) and prompt complaint handling (4.38) also received favourable ratings. Overall, all aspects scored above 4.3, reflecting strong customer satisfaction across service dimensions.

Table No: 2 ANOVA TEST FOR TANGIBLE WITH AGE, MARITAL STATUS, MONTHLY INCOME AND DOMICILE

S.No	**SERVQUAL -Tangible**	**F**	**Sig.**
	Age		
1	The bank's staff are always well-groomed and professional	.354	.840
2	The bank's waiting area is comfortable and clean	.354	.840
3	The banks' forms are simple to fill out	.314	.868
	Marital Status		
1	The bank's staff are always well-groomed and professional	.521	.669
2	The bank's waiting area is comfortable and clean	.521	.669
3	The banks' forms are simple to fill out	.518	.671
	Monthly Income		
1	The bank's staff are always well-groomed and professional	.947	.391
2	The bank's waiting area is comfortable and clean	.947	.391
3	The banks' forms are simple to fill out	.857	.427
	Domicile		
1	The bank's staff are always well-groomed and professional	.057	.944
2	The bank's waiting area is comfortable and clean	.057	.944
3	The banks' forms are simple to fill out	.132	.876

The ANOVA results for the tangible dimension of service quality indicate no significant differences in customer perceptions based on demographic variables, including age, marital status, monthly income, and place of residence. The significance values (p-values) for all items—staff professionalism, waiting area comfort and cleanliness, and simplicity of forms—are well above the 0.05 threshold across all demographic groups. This suggests that perceptions of tangibles are consistent among ICICI Bank customers in Chennai regardless of their age, marital status, income level, or place of residence.

Table No 3 ANOVA TEST FOR RELIABILITY WITH AGE, MARITAL STATUS, MONTHLY INCOME AND DOMICILE

S.No	SERVQUAL -RELIABILITY	F	Sig.
	Age		
1	My transactions are processed accurately	1.491	.209
2	The bank's statements are always accurate	.934	.447
3	The bank handles my complaints efficiently	.748	.562
	Marital Status		
1	My transactions are processed accurately	.568	.637
2	The bank's statements are always accurate	1.452	.231
3	The bank handles my complaints efficiently	1.290	.281
	Monthly Income		
1	My transactions are processed accurately	2.048	.134
2	The bank's statements are always accurate	2.599	.079
3	The bank handles my complaints efficiently	2.910	.058
	Domicile		
1	My transactions are processed accurately	.113	.893
2	The bank's statements are always accurate	1.047	.354
3	The bank handles my complaints efficiently	1.627	.201

The ANOVA analysis for the reliability dimension reveals no statistically significant differences in customer perceptions based on age, marital status, monthly income, or domicile, as all p-values exceed the 0.05 significance level. Although the F-values for monthly income related to “accurate transactions” ($F = 2.048$, $p = 0.134$), “accurate statements” ($F = 2.599$, $p = 0.079$), and “efficient complaint handling” ($F = 2.910$, $p = 0.058$) are comparatively higher, they still do not indicate significant variation. This implies that customers from different demographic groups consistently perceive the bank’s reliability, indicating uniform satisfaction with transaction accuracy, statement correctness, and complaint resolution efficiency across various customer segments.

Table No: 4 ANOVA TEST FOR RESPONSIVENESS WITH AGE, MARITAL STATUS, MONTHLY INCOME AND DOMICILE

S.No	SERVQUAL -RESPONSIVENESS	F	Sig.
	Age		
1	My complaints are resolved without delay	1.483	.212
2	Digital support responds promptly	1.075	.372
3	The bank is responsive to my suggestions	1.257	.291
	Marital Status		
1	My complaints are resolved without delay	1.290	.281
2	Digital support responds promptly	1.290	.281
3	The bank is responsive to my suggestions	1.273	.287
	Monthly Income		
1	My complaints are resolved without delay	2.910	.058
2	Digital support responds promptly	1.158	.318
3	The bank is responsive to my suggestions	2.985	.054
	Domicile		
1	My complaints are resolved without delay	.774	.464
2	Digital support responds promptly	.774	.464
3	The bank is responsive to my suggestions	1.305	.275

The ANOVA results indicate no statistically significant differences in customers' perceptions of responsiveness across the demographic variables of age, marital status, monthly income, and domicile, as all p-values exceed the 0.05 threshold. Although the F-values for monthly income concerning "complaints resolved without delay" (F = 2.910, p = 0.058) and "bank responsiveness to suggestions" (F = 2.985, p = 0.054) are relatively higher and close to significance, they do not indicate a definitive difference. This suggests that customers from various demographic groups share similar perceptions regarding the promptness of their complaints being addressed, the effectiveness of digital support, and the bank's responsiveness to customer suggestions.

Table No: 5 ANOVA TEST FOR ASSURANCE WITH AGE, MARITAL STATUS, MONTHLY INCOME AND DOMICILE

S.No	SERVQUAL - ASSURANCE	F	Sig.
	Age		
1	Staff treat me with respect.	1.152	.336
2	I feel safe using the bank's digital service.	.629	.643
3	Staff provide accurate advice.	.972	.426
	Marital Status		
1	Staff treat me with respect.	1.273	.287
2	I feel safe using the bank's digital service.	1.670	.177
3	Staff provide accurate advice.	1.051	.373
	Monthly Income		
1	Staff treat me with respect.	1.533	.220
2	I feel safe using the bank's digital service.	1.416	.247
3	Staff provide accurate advice.	.932	.397
	Domicile		
1	Staff treat me with respect.	.627	.536
2	I feel safe using the bank's digital service.	.686	.506
3	Staff provide accurate advice.	.434	.649

The ANOVA results show no statistically significant differences in customers' perceptions of assurance based on age, marital status, monthly income, or domicile. All significance values (p-values) are greater than 0.05, indicating that demographic factors do not significantly influence how customers perceive staff respectfulness, the safety of digital services, or the accuracy of advice provided by the bank staff. This implies that customers across all demographic groups generally share a consistent view regarding the assurance aspect of service quality at ICICI Bank in Chennai.

Table No: 6 ANOVA TEST FOR EMPATHY WITH AGE, MARITAL STATUS, MONTHLY INCOME AND DOMICILE

S.No	SERVQUAL - EMPATHY	F	Sig.
	Age		
1	Staff understand my financial needs.	2.011	.097
2	The bank values my feedback.	1.142	.341
3	The bank shows genuine interest in my well-being.	1.507	.205
	Marital Status		
1	Staff understand my financial needs.	.715	.545
2	The bank values my feedback.	2.258	.085
3	The bank shows genuine interest in my well-being.	.643	.589
	Monthly Income		
1	Staff understand my financial needs.	.385	.682

2	The bank values my feedback.	2.126	.124
3	The bank shows genuine interest in my well-being.	1.669	.193
	Domicile		
1	Staff understand my financial needs.	.393	.676
2	The bank values my feedback.	.243	.784
3	The bank shows genuine interest in my well-being.	.158	.854

The ANOVA results indicate no statistically significant differences in empathy perception across different age groups, marital statuses, monthly income levels, or domicile categories. All the p-values exceed the 0.05 threshold, suggesting that demographic variables do not significantly affect customers' views on whether staff understand their financial needs, value their feedback, or show genuine interest in their well-being. Although some p-values related to age (0.097) and marital status (0.085) for specific items are relatively closer to 0.05, they still do not indicate statistically significant differences. This implies that empathy is perceived fairly uniformly by ICICI Bank customers in Chennai regardless of demographic differences.

SUGGESTIONS

- **Maintain High Standards of Tangibles**
  Since customers rate staff professionalism, cleanliness, and form simplicity very highly, ICICI Bank should consistently uphold these standards across all branches to sustain customer satisfaction.
- **Focus on Enhancing Digital Services**
  Although digital support and safety received positive ratings, ongoing improvements in digital responsiveness and security measures will further reinforce customer trust, especially as digital banking continues to grow.
- **Ensure Consistency in Complaint Handling**
  Customers value prompt and efficient resolution of complaints. Strengthening staff training on complaint management and feedback responsiveness can further enhance customer experiences.
- **Tailor Services Without Demographic Bias**
  Since the study reveals no significant demographic differences in service quality perception, ICICI Bank should maintain a uniform service standard while exploring personalised offerings tailored to individual customer needs, rather than relying on demographic profiles.
- **Increase Engagement on Customer Feedback**
  Encouraging customers to provide feedback and demonstrating genuine interest in their well-being can foster stronger customer relationships and loyalty.

CONCLUSION

The study reveals that ICICI Bank customers in Chennai hold a generally positive perception of the bank's service quality across all SERVQUAL dimensions: Tangibles, Reliability, Responsiveness, Assurance, and Empathy. Customers appreciate the professionalism of the staff, the cleanliness of the facilities, the simplicity of the processes, and the reliability in transactions and complaint handling. The ANOVA analysis confirms that these perceptions are consistent across various demographic groups, including age, marital status, monthly income, and place of residence. This uniformity suggests that the bank's service quality is perceived as equitable and reliable, regardless of the customer's background. To sustain and enhance customer satisfaction, ICICI Bank should focus on continuous improvement in digital services and complaint resolution, maintain its high standards in physical and interpersonal service aspects, and foster active customer engagement. Such efforts will help the bank strengthen its market position and customer loyalty in Chennai.

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