

A Study on Service Quality and Customer Satisfaction of Private Sector Banks with Reference to Kodakara Panchayat

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Abstract: *Nowadays, many customers are more demanding on service quality in service industry such as banks, hotels, tourism etc. The purpose of service quality is to delivery of excellent or superior service relative to customer expectation which is recognized as a multi-dimensional construct. The service quality in banking sector includes employee behavior, speed in service processing, staff support, infrastructure and technical facilities offered by bank. The customers experience will be assessed by identifying their satisfaction or dissatisfaction level by using required statistical tools. The point is that clients are loyal to those products which have a greater value as compared to those of competitors. Thus, banks can earn higher profit if they are one step ahead of their competitors in terms of services provided by them. For this reason, every banking institution should focus on service quality so as to satisfy customer and retain customer loyalty. Service quality and customer satisfaction are important constructs in service industries and in banking. So, the purpose of this research was to investigate the satisfaction of private banking customers in Kodakara Panchayat*

Keywords: customers, service quality, competitors, customer satisfaction, banks

I. INTRODUCTION

The service sector has emerged as the fastest growing sector of economies as the fastest growing sector of the economies across the world. The economic policy of 1991 was the turning point of the Indian economy. Liberalization, Privatization and Globalization (LPG) revolution has exposed the service industry to the challenges of competition, service quality, cost and competitive environment and which has brought about a reversal in consumer habits for banking service. The quality of service will be the dominant primary factor in ensuring the survival of service provider in the Indian banking sector. Commercial banks specially know that customer satisfaction is one of the most vital factors that contribute in establishment of reputation and credit in the public view. The public complaint about long queues, poor service delivery and deficiency of physical facilities directly affect the level of service quality in the public sector as well as private sector organization. Thus, the purpose of this study is to examine the extent to which service product, service delivery and service environment influence customer satisfaction in commercial banking industry in India

II. STATEMENT OF THE PROBLEM

Measurement of customer satisfaction based on service quality is to done independently and objectively assessing customer satisfaction periodically allows bank management and policy makers to identify customer's need, perception and expectation gaps. The current study covers a comparative analysis of service quality and customer satisfaction among the customer of the private bank. The banks are realizing the importance of non-price competition of customer needs and customer-oriented services to service in the market.

2.1 OBJECTIVES OF THE STUDY

- To identify the preference towards banking services in Kodakara Panchayat.

- To analysis the level of customer satisfaction of private sector bank in association with service quality of the private in Kodakara Panchayat.
- To identify the reasons for choosing the respective private bank by the RESPONDENTS OF Kodakra punchayat.

2.2 SIGNIFICANCE OF STUDY

In today's competitive world, it has become essential for every organization to provide good customer satisfaction. Banks should understand the needs and expectations of its customers in changing environment. If the customer is not satisfied with his current bank account the customer can move to another bank. So it is important for banks to maintain good quality service.

2.3 SCOPE OF THE STUDY

The theoretical scope of the study was about the service quality of the customers. Geographical area of the study consists of Kodakara Panchayat. The study cover customers of private bank.

III. RESEARCH METHODOLOGY

This study is descriptive and analytical in nature. Primarily based on primary data . A structured questionnaire is used for collecting the same. The questionnaires in Google form have been sent to the people in Kodakara panchayat.

3.1 RESEARCH DESIGN

The research design adopted here is descriptive research. This study attempts to obtain a complete and accurate description of a situation.

3.2 SAMPLING METHOD

Convenience sampling was used in selecting respondent from the sample frame. It is a method of obtaining sample which is conveniently available to the researcher.

3.3 SAMPLE SIZE

The sample size for the study is 80 respondents

3.4 STATISTICAL HYPOTHESES OF THE STUDY

Ho: There is no significant association between service quality and customer satisfaction of respondents in Kodakara Panchayat.

H1: There is a significant association between service quality and customer satisfaction of respondents in Kodakara Panchayat

3.5 DATA COLLECTION

Data collected at first hand, known as primary data is used in the study. A structured questionnaire is used for collecting the same. The questionnaires in Google form have been sent to the people in Kodakara panchayat

Secondary data is the data which is available in readymade form and which has already been used by other people for various purposes. The secondary data are collected from books, journals and websites through internet

3.6 TOOLS FOR ANALYSIS

Percentage analysis is used for analysis of data.

IV. REVIEW OF LITERATURE

Review of literature is the most essential part of the research work as it helps in knowing the gaps thereby getting a clear idea of one's own research. An effort has been made to assess the available literature in the area of service quality and customer satisfaction by comparing the services provided by private and public sector banks

Mishra, Sahoo and Patra (2010)² used Servqual model developed by Parsuramanetal. (1988) to compare the services of customers provided by public and private sector banks. The study revealed that respondents of both the banks mostly focused on people factor for improving customer satisfaction, while the management of both sector banks focused on tangible factors such as computerization, ATM etc. to attract customers.

Akhtar (2011)⁴ examined the relationship between service quality, satisfaction and loyalty in the private commercial banks in Bangladesh. The sample size was drawn from 335 customers of bank located in Dhaka city and the determinants of service quality were categorized into product features, physical aspects, customer services and technology and security aspects. The factor analysis with SPSS and the structural equation models with AMOS program were used to test the hypotheses of the research. It has been proved that service quality, satisfaction, and loyalty were strongly and positively related to each other.

Ganesh (2012)⁸ measured service quality gap between perceived and expected services in retail banking on a sample size of 861 respondents from four banks of Tamilnadu using Z-test, one way ANOVA test, two-way ANOVA method. The study observed a significant gap between dimensions which shows dissatisfaction among the customers from service quality provided by banks.

Sharma (2013)¹² focused on a comparative study of e-banking services in public and private sector banks on a sample size of 500 respondents divided into 250 respondents from each sector banks. The study concluded that women use e-banking less frequently customers expected services and perceived services in banks across all service quality as compare to males, young and middle generation age groups respondents use e-banking services with greatest ease than old age group respondents and among occupation category, business class and professionals use services easily as compare to service class and students

Selvakumar (2015)¹⁴ examined the impact of service quality on customer satisfaction in public sector and private sector banks. The study examined the effect of service quality determinants on the degree of customer satisfaction in public and private banks in India and by realizing the gap between the perceived and actual service quality, customer satisfaction can be extremely improved. The study further concluded that among the service quality determinants, reliability, assurance and empathy played a vital role in enhancing customer satisfaction in banking sector

V. ANALYSIS AND INTERPRETATIONS

5.1 Gender Classification

GENDER	FREQUENCY	PERCENTAGE
Female	53	66
male	27	34
Total	80	100

(source: primary data)

Interpretation

The table 5.1 conclude that 66 percentages of the respondents are female and 34 percentages of respondents are male.

5.2 Age wise classification

Age	Frequency	percentage
18 - 25	33	41
26 - 35	19	24
36 - 45	21	26
Above 45	7	9
Total	80	100

(source: primary data)

Interpretation

The table 5.2 shows that 41 percentages of respondents are in the age group of 18-25 years. 24 percentages of the respondents are in the age group of 26-35. Only 26 and 9 percentages are in the age group of 36-45 and above 45 years respectively.

5.3 Educational qualification

Qualification	Frequency	percentage
Below SSC	2	3
Higher secondary	4	5
Graduate	33	41
Post graduate	24	30
Professional degree	17	21
Total	80	100

(source: primary data)

Interpretation

The table 5.3 shows that 41 percentages of respondents are graduate and 30 percentages of respondents were post graduate. And 21 percentages of respondents are professional degree and only 3 percentages of respondents are having school level qualification and 4 percentages of respondents are qualified in higher secondary

5.4 Occupation status

Particulars	frequency	percentage
Government employee	5	6
Private employee	17	21
Businessman	6	8
Professional	13	16
Others	39	49
Tota	80	100

(source: primary data)

Interpretation

The table 5.4 shows that percentages of respondents are selected others as occupations status. 21 percentages of respondents are private employees, 16 percentages of respondents are professionals and only 6 and 8 percentages of respondents are government employees and businessman

5.5 Monthly income

Monthly income	frequency	percentage
1,00,000-2,00,000	11	14
2,00,000-3,00,000	42	53
3,00,000-4,00,000	17	21
4,00,000-5,00,000	6	7
Above 5,00,000	4	5
Total	80	100

(source: primary data)

Interpretation

The table 5.5 shows that 53 percentages of respondents belong to the category of monthly income 20000-30000.21 percentages of respondents are under the category of 30000-40000.14 percentages of respondents are in the category income of 10000-20000. 7 and 5 percentages of respondents are in the category income of 40000-50000 and above 50000.

5.6 Preference on choosing a bank

particulars	frequency	percentage
Family tradition	6	7
Nearness to	70	88

office/residence		
Others	4	5
Total	80	100

(source: primary data)

Interpretation

The table 5.6 indicate 88 percentages of respondents prefer choosing a bank by nearness to office or residence and only 7 and 5 percentages of respondents choose bank according to family tradition and other factors.

5.7 Preferred banking service

Preferred banking service	frequency	percentage
Branch Banking	6	8
ATM	13	16
Internet Banking	45	56
Mobile banking	16	20
Total	80	100

(source: primary data)

Interpretation

The table 5.7 indicates that 56 percentages of respondent internet banking as banking service. 20 percentages of respondents prefer mobile banking .16 percentages of respondents prefer ATM service and only 8 percentages of respondents prefer branch banking services

5.8 Period of holding bank account

period	frequency	percentage
Below 1 year	11	14
1 – 2 years	12	15
3-5 years	24	30
Above 5 years	33	41
Total	80	100

(source: primary data)

Interpretation

Table 5.8 shows that 41 percentages of respondents are having current bank account for more than 5 years.30 percentages of respondents uses account for 3-5 years. 15 and 14 percentages of respondents are having bank account for 1-2 years and below 1 year

5.9 Type of account

Type of account	frequency	percentage
Current account	51	64
Saving account	19	24
Fixed account	8	10
Others	2	2
Total	80	100

(source: primary data)

Interpretation

Table 5.9 indicate that 64 percentages of respondents are having current account. 24 percentages of respondents are having saving account. 10 percentages of respondents are having fixed account and only

5.10 SERVICE QUALITY OF BANK

PARTICUARS		SA	A	N	D	SD	TOTAL	MEAN
Banks equipped with modern technology	F	40	28	8	2	2	80	4.2
	fx	200	112	24	4	2	342	
Clean and attractive pleasant decor	F	34	18	14	12	2	80	3.8
	fx	170	72	42	24	2	310	
Fast and efficient service	f	32	23	20	3	2	80	4
	fx	160	92	60	6	2	320	
Recognition as a valued customer	f	31	17	12	13	7	80	3.6
	fx	155	68	36	26	7	292	
Feeling f security in bank transaction	F	41	20	14	3	2	80	4.1
	fx	205	80	42	6	2	335	
User friendly internet and mobile banking facility	F	32	21	15	7	5	80	3.8
	fx	160	84	45	14	5	308	
Short waiting time in counter	F	23	19	17	21	9	80	3.4
	fx	115	76	51	24	9	275	
Wide bank branch net work	F	21	16	19	16	8	80	3.3
	fx	105	64	57	32	8	266	

(source: primary data)

Interpretation

The Table5.10 show that service quality of the respondents highest mean value is 4.2 in banks equipped with modern technology. Feeling of security in bank transactions has a mean score 4.1. User friendly internet and mobile banking facility has a mean score 3.8. Clean and pleasant attractive décor has a mean score 3.8. Recognition as a valued customer has a mean score 3.6. Short waiting time in counter has a mean score 3.4. And lowest mean score is 3.3 on wide bank branch network.

5.11 Customer satisfaction

PARTICULARS		SA	A	N	D	SD	TOTAL	MEAN
The overall quality of bank service is good	f	34	24	6	6	4	80	3.9
	fx	170	96	12	12	4	98	
I feel satisfied with the decision to utilize the services of this bank	f	32	28	18	7	3	80	3.8
	fx	160	80	54	14	3	311	
My choice if this bank is wise	f	29	19	14	11	7	80	3.6
	fx	145	76	42	22	7	292	
I enjoy experience with this bank	f	17	23	19	12	9	80	3.3
	fx	85	92	57	24	9	267	
I fee satisfied with the overall services of this bank	f	24	18	22	10	6	80	3.5
	fx	120	72	66	20	6	284	

(Source: Primary data)

Interpretation

The table 5.11 indicates that customer satisfaction has highest mean score 3.9 for the overall quality of this bank service is good. Satisfaction with the decision to utilize the services of this bank has a mean score 3.8. Choice if this bank is wise has a mean score 3.6. Satisfaction with the overall services of this bank has a mean score 3.5and lowest mean score 3.3is to the enjoyment of experience with this bank.

VI. FINDINGS

- 66 percentage respondents in the study are female.

- Most of respondents belong to the age group of 18-25.
- Most of the respondent's educational qualification is graduate level.
- Majority of respondents are others on occupation Most of the respondents have income of 20000-30000
- Majority of the respondent's preference choosing bank nearness to office or residence.
- Most of them while choosing bank day time is mostly preferred by customers.
- Majority of the respondents preferred banking service is internet banking
- Most of respondents are having current bank account for more than 5 years.
- Majority of the respondents prefer current account as type of account.
- 79 percentage respondents visiting bank monthly.
- Most of the respondents prefer banks equipped with modern technology as service quality of bank.
- Most of the respondents feel satisfy on the overall quality of bank.

VII. SUGGESTIONS

- There are customers still expecting some short waiting in cash counter.
- Improvement in banking is expected for user friendly internet and mobile banking facility.
- Some customers are expected to be recognized as a valued customer

VIII. CONCLUSION

The study conducted on "CUSTOMERS SERVICE QUALITY AND CUSTOMER SATISFACTION OF PRIVATE BANK HAS GIVEN AN INSIGHT ON IMPORTANCE OF SERVICE QUALITY AMONG CUSTOMERS IN KODAKARA PANCHAYAT". Service quality and customer satisfaction are important constructs in service industries and in banking. So, the purpose of this research was to investigate the satisfaction of private banking customers in Kodakara Panchayat. Majority of the respondent's choosing bank nearness to office or residence. Majority of the respondents preferred banking service in internet banking. Most of respondents prefer bank equipped with modern technology as service quality of bank. There are still customers expecting some short time in cash counter. Improvement in banking is expected for user friendly internet and mobile banking facility. Some customers are expected to be a valued customer

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