

A Study on Perceived Service Quality of Customers in Commercial Bank

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“Customer service shouldn’t just be a department, it should be the entire company.”

– Tony Hsieh

Abstract: *In the present scenario, "Customer is the king" and the participation and satisfaction of customers plays a vital role in the banking sector. Customer's expectation, customer satisfaction and service quality are interrelated. In order to meet the customer's expectation and to satisfy the customers, banks will have to improve their service provided to the customers. In the light of the present study bails at evaluating the level of service quality is in commercial Banks in Thrissur district. The study also attempts to ascertain the dimensions of service quality in Banks.*

Service quality measure is based on modified version of SERVQUAL as proposed by Parasuraman et al. (1988), which involve five dimensions of Service quality, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles. With respect to customer services there are notable perceived differences. Hence this study on customer service quality of commercial banks looks for bringing out the differences between perceptions of customers of these banks. This study is descriptive and analytical in nature.

The collected data is analyzed by obtaining the mean scores of the various servqual dimensions both for expectations and perceptions. Such mean scores are compared with each other to find the gaps between expectations and perceptions. The service quality gaps of customers of various types of banks are compared. Further these gaps are cross tabulated with the profile of consumers. The research proves that empathy and responsiveness plays the most important role followed by tangibility, assurance, and finally the bank reliability. The present study reveals that Reliability and Tangibility as dimensions of service quality provides its main influence to the customers. The customers also feel that bank to be reliable and dependable. But both the parameters Reliability and Empathy show a lower level of satisfaction to customers..

Keywords: Service quality, Commercial Banks, SERVQUAL.

I. INTRODUCTION

Service Quality is the degree of excellence in the service performance. Quality in customer service is the only way a business can differentiate itself from its competitors. It is regarded as a strategic organizational weapon. This study aims to find out the most important attributes of service quality in commercial banks which can be used to evaluate the characteristics of banking service quality as perceived by customers and it attempts to measure and compare service quality among private, public and foreign banks in Thrissur city on the basis of customer’s expectations and perceptions of quality of service.

STATEMENT OF THE PROBLEM

In the modern competitive world, the success of any industry depends upon two factors, customer expectation and customer satisfaction. But in this era, the customers are not satisfied with the bank’s performance with reference to the study of Devin McCrery (2010), he found that banks lagging in various areas, including the time taken in answering customer calls, waiting time, the way employees greeted customers, whether the customers received correct and sufficient information and follow-ups from banks. And also, the data from Technical Assistance Research programs (TARP) finds that the majority (63%) of customers who do take the time to complain are not completely satisfied with

the bank's response to their problem. Handling problems efficiently, paying attention to questions or concerns and resolving problems on the phone are clearly of key importance to customer. In this context, the present study is conducted to evaluate the perceived service quality of customers of commercial banks in Thrissur District. The study is also to find out the various factors which affects the service quality of banks

OBJECTIVES OF THE STUDY

- * To evaluate the perceived service quality of customers in commercial Banks
- * To find out the factors that affects the service quality of Banks.

II. LITERATURE REVIEW

Bhagwan Singh et.al (2014)in their research "Customer satisfaction analysis on the service of Delhi metro" identifies the components of service quality of Delhi metro railways. Their study also finds out the relationship between service quality attributes (tangibility, responsiveness, reliability, assurance and empathy) and customer satisfaction in Delhi metro. This study is descriptive in nature which was conducted through survey and concluded that the service quality delivery meets the perception of commuters. The study also revealed that there is a positive relationship between reliability and customer satisfaction.

Asad Ilyas et.al (2013)in their research "Assessing the service quality of banks using SERVQUAL model" proposed to determine the service quality of banks. Their study also aimed at providing essentials and recommendation for improvements. The study instruments selfadministered questionnaires to 306 individuals of equal representation from each gender. Both the part of the questionnaire, expectations and perception, determined five dimensions of service quality. The study revealed that and similarly on the perception side reliability had the highest. It also showed that 'empathy' had the highest value expectation followed by 'assurance and 'responsiveness' and similarly on the perception side 'reliability' had the highest. It also showed that perceived service quality various gender wise.

III. RESEARCH METHODOLOGY

The present study is based on primary as well as secondary data.. A questionnaire has been prepared and distributed to get the first-hand information from the respondent. Data analysis was done mainly from the data collected through the customers. The present study used percentage analysis and descriptive analysis to evaluate perceived service quality of customers in commercial banks in Thrissur District. The study used statistical package for social science (SPSS) to analyse the variables.

Population: The total population of the study consists of the customers of the commercial banks in Thrissur district.

Sample size : I have selected 100 customers of commercial banks from different areas of Thrissur district.

Sampling technique: convenient sampling.

IV. THEORETICAL FRAMEWORK

Parasuraman et.al on 1988 in their research "SERVQUAL: A multiple item scale for measuring consumer perception of service quality" purposed to describe the scale's properties and potential application. The study used 97 items instrument for initial refinement and 34 item scale for further evaluation for which the data was gathered from a quota sample of 200 adult respondents equally divided between males and females. The data was collected using self-administered questionnaire of two parts such as expectation and perception. The research developed five dimensions to measure service quality such as Tangibles, Reliability, Responsiveness, Assurance and Empathy. They also further suggested various applications of service quality in categorizing the firm's customers and also to be used by multi-unit retail companies to track the level of service provided by each unit in the chain. The study used dimensions proposed by Parasuraman et.al (1988). The definition of the dimensions is;

DIMENSIONS DEFINED

- Reliability : Ability to perform the promised service dependably and accurately.
- Assurance : Knowledge and courtesy of employees and their ability to inspire trust and confidence.

Tangible : Physical facilities, equipment, and appearance of personnel.

Empathy : Caring an individual attention the firm provides its customers.

- Responsiveness : Willingness to help customers and provide prompt service

FACTORS OF INDICATORS

Q.No.	RELIABILITY
1	Your bank is providing services as promised.
2	Your bank is dependable in handling customers service problem.
3	Your bank provides its services at first time it promises to do so.
4	Your bank is providing services at promised time.
5	Your bank is maintaining error free records.
6	Your bank is keeping you informed about when services will be Performed.
7	Your bank provides services promptly.
8	Employees of your bank are willing to help the customers.
9	Your bank is ready to respond to the customer's request.
	ASSURANCE
10	Employees of the bank instil confidence in you.
11	Your bank is making you safe in the transaction.
12	Employees of your bank are consistently courteous.
13	Employees of your bank have sufficient knowledge to answer your questions.
	EMPATHY
14	Your bank treats you individually.
15	Employees of your bank are in a causing nature.
16	Your bank has best interest at your heart.
17	Employees of your bank understand your needs.
18	Your bank has operating hours convenient to all their customers.

	TANGIBILITY
19	Your bank is providing modern facilities.
20	Your bank is providing visually appealing facilities.
21	Employees of your bank have neat, professional appearance.
22	Your bank is providing visually appealing materials associated with their services.

QUESTIONS	MEAN	STANDARD DEVIATION
RELIABILITY		
Q1	4.41	.877
Q2	4.21	.856
Q3	4.02	1.014
Q4	4.17	.853
Q5	3.95	1.118
RESPONSIVENESS		
Q6	4.02	1.118
Q7	4.15	.988
Q8	4.22	.938
Q9	4.17	.841
ASSURANCE		
Q10	4.01	1.058
Q11	4.40	.910
Q12	4.09	.995
Q13	4.17	.899
EMPATHY		
Q14	3.92	1.001
Q15	3.69	1.161
Q16	3.91	1.092
Q17	4.1	1.077
Q18	3.87	1.268
TANGIBILITY		
Q19	4.54	.642
Q20	4.21	.832
Q21	4.24	.845
Q22	4.18	.918

(Source: primary survey)

V. DATA ANALYSIS AND INTERPRETATION

The present study measures the perceived service quality of customers in banks in Thrissur District using SERVQUAL instrument developed by Parasuraman et.al. (1988). The study also attempted to determine the dimensions of service quality in banks

DESCRIPTIVE ANALYSIS

INTERPRETATION :The analysis brings out the factor that factor regarding modern facilities associated with service (statement 19) has the highest mean value of 4.54 with minimum possible standard deviation of 642.This shows that this factor contributes considerably to the service quality parameter of tangibility.

VI. FINDINGS, SUGGESTIONS AND CONCLUSION

Findings: Statement 18 your bank has convenient operating hours) gives a mean value of 3.87 but the standard deviation for the same is more which reveals that the variables are widely scattered around its mean and therefore influences less to the parameter of empathy. The lowest value of mean and moderately high value of standard deviation is obtained by the statement 15 (employees of your bank are in a causing nature) and therefore it contributes less to the service quality of bank regarding empathy.

Suggestions:

1. The banks should try to give more personalized attention to the customers.
2. The banks should improve their service to make sure that their customer's to known. about the services rendered.
3. The banks have to concentrate more in providing prompt services to their customers.
4. The banks should ensure that they have best interest at heart.
5. Banks should make the employees aware of the needs of their customers.
6. Bank should operate at convenient hours of the customers.
7. Banks should concentrate on their causing nature towards the customers.

Conclusion

The present study reveals that Reliability and Tangibility as dimensions of service quality provides its main influence to the customers. The customers also feel that bank to be reliable and dependable. But both the parameters Reliability and Empathy show a lower level of satisfaction to customers. It is suggested to the public sector banks that apart from providing modern and visually appealing facilities they should try to ensure the trust of the customers. It should extant its operating hours as per the convenient of the customers. Banks arc ought to treat their customers with personalized attention and should make sure that their needs are best served. The banks should make an effort in reviewing their services in terms of quality to make sure that they are overcome the intense competition in the market. Bank should make serious effort in retaining their customers for their existence. Human resource should be cautiously selected so as to meet their customers feel that are served with the best interest in heart. Banks which meet the customer expectation will make its position safe in highly fluctuating environment. By making the customer satisfied of the services will lead to customer delight and will help the banks to increase service quality.

LIMITATIONS OF THE STUDY

- 1.This study is limited to commercial banks in Thrissur District only.
- 2.This study also suffers from paucity of time.
- 3.The sample size of the study is limited to 100 respondents

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