A Study on Service Quality in Banks with Special Reference to SIB Customers of Thrissur Town, Kerala

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Abstract - **In the era of privatization, liberalization and globalization banks play a dynamic role in contributing to the economic development of the country the banking industry in India facing certain challenges that are challenge of quality service, customer satisfaction, customer retention, customer loyalty. Quality service plays a major role in achieving customer satisfaction and creating brand loyalty in banking sector. Service quality is also interrelated to other behavioral outcome of the customers. Study understands the various customer perceptions about service quality factors like assurance, empathy, responsiveness, reliability, and tangibility in banking industry and the satisfaction level towards the banks as service quality reflects the way the banks are performing the present study attempts to explore the perception and expectation of customers in respect to the services provided by banks.**
Keywords: **Reliability, Responsiveness, Assurance, Empathy, Tangibles**

I. INTRODUCTION

The advanced economies and advancing economies of the world are now dominated by services, and virtually all companies view service as critical to retaining their customers today and in future. Even manufacturing companies that in the past have depended on their physical products for their livelihood now recognize that service provides one of their few sustainable competitive advantages. The development of strong customer relationship through quality service is important and applicable to organizations whose core product is service and to organizations that depend on service excellence for competitive advantage.

Many firms has made investments to promote service quality, based on faith and intuition by managers who believed in serving customers well and who believed in their hearts that quality service made good business sense. Indeed, a dedication to quality service has been the foundation for success for many firms, across industries. Services are heterogeneous and intangible in nature .the services vary from one bank to another and only continuous learning and updating organization can survive in this competitive world. Increased competition, highly educated consumers and increase in standard of living of people are forcing many businesses to review their customer service strategy. It means higher the service quality, higher the customer satisfaction.

II. OBJECTIVES OF THE STUDY

1. To analyze the level of awareness of customers towards banking services.
2. To understand the satisfaction of customers towards banking services.
3. To analyze the perception of customers towards quality services.

III. METHODOLOGY

Both primary and secondary source were used for collecting data. For getting primary data questionnaire method is used. Secondary data is collected from journals and magazines. The Present study is descriptive in nature because it aims to analyze the awareness and satisfaction of customers towards banking services. It also helps to understand the perception and expectation of customers towards quality services. This study is conducted among the SIB customers of Thrissur town. 120 respondents were identified on the basis of convenience sampling method and further their accessibility and availability was also taken into consideration.

A. Hypothesis

H_1 : The opinion towards dimensions of service quality are equal to average.

IV. FINDINGS OF THE STUDY

The major findings of the study which is related to the Awareness, Satisfaction, Tangibility, Reliability, Responsiveness, Assurance and Empathy dimensions of customers related to banking services are presented in the following paragraphs.

A. Awareness of Customers towards Banking Services

H_0: Opinion Of People towards the Statements of Awareness about Banking Services Is equal to Average.

Table I shows the statements regarding awareness about banking services. Since p value is less than 0.01, in null hypothesis is rejected at 1% level of significance with regard to the statements AS1, AS3, AS4, AS5, AS6, AS7, AS8. Hence the opinion towards the statements is not equal to average. Statement AS10 is rejected @5%level as the p

value is less than 0.05. Hence concluded that opinion towards these statements is not equal to average. Based on the mean score, people shows agreeability towards the statement as mean value is above average. Since p value is greater than 0.05, H0 is accepted @5% level with regard to A2 &A9. Hence concluded that opinion towards the statements is equal to average.

TABLE I T TEST BASED ON AWARENESS ABOUT SERVICES

AS: awareness about banking services	Mean	Std. Deviation	T value	P value
AS1: current account	3.83	0.911	10.025	<0.001
AS2 :mercantile credit	3.18	0.967	1.982	0.051
AS3: money transfer	3.99	0.912	11.911	<0.001
AS4: any branch banking	3.65	1.010	7.053	<0.001
AS5: e-banking	4.08	0.989	11.911	<0.001
AS6: cell phone banking	3.88	1.014	9.542	<0.001
AS7: NRI-banking	3.68	1.137	6.581	<0.001
AS8: ATM	4.68	0.518	35.578	<0.001
AS9: demat services	3.02	1.021	0.179	0.858
AS10: general insurance& life insurance	3.25	1.063	2.576	0.011

B. Satisfaction of Customers towards Banking Services

H₀: Opinion Of People Towards The Statements Of Satisfaction Towards Banking Services Is Equal To Average.

Table II shows the statements regarding satisfaction towards banking services. Since p value in table 1.2 is less than 0.01 in the case of SS1, SS2, SS3, SS4, SS5, SS6, SS7, SS8, SS9 null hypothesis is rejected at 1% level of significance. In case of SS10 the null hypothesis is accepted at 5% level of significance. Based on the mean score of the opinion regarding all the statement of relation with satisfaction SS1, SS3, SS4, SS5, SS6, SS7, SS8 are above average level and SS2, SS9, SS10 are below average level.

TABLE II THE T TEST BASED ON THE SATISFACTION TOWARDS SERVICES

SS : Satisfaction towards banking services	Mean	Std. Deviation	T value	P value
SS1 : current account	3.38	1.006	4.175	<0.001
SS2 : mercantile credit	2.66	1.192	-3.141	<0.001
SS3 : money transfer	3.63	0.988	6.931	<0.001
SS4 : any branch banking	3.52	1.077	5.256	<0.001
SS5 : e- banking	3.68	1.237	6.053	<0.001
SS6 : cell phone banking	3.67	1.125	6.490	<0.001
SS7 : NRI-banking	3.32	1.316	2.637	<0.001
SS8 : ATM	4.59	0.642	27.174	<0.001
SS9 : demat services	2.65	1.186	-3.234	<0.001
SS10 : general insurance & life insurance	2.92	1.220	-0.748	0.456

C. Tangibility Dimension of Service Quality

H₀: The Opinion Of People Towards The Statements Of Tangibility Dimension Is Equal To Average.

Since p value is less than 0.01 in all case the null hypothesis is rejected at 1% level of significance. Hence it can be concluded that opinion regarding all the statements of tangibility dimension are not equal to average level. Based on the mean score the statements are above average level, which shows agreeability towards these statements.

D. Reliability Dimension of Service Quality

H₀: The Opinion Of People Towards The Statements Of Reliability Dimension Is Equal To Average.

Since p value is less than 0.01 in all case, the null hypothesis is rejected at 1% level of significance. Hence it can be concluded that opinion regarding all the statements of reliability are not equal to average level. Based on the mean score all the statements are above average level, which shows agreeability towards these statements.

TABLE III SHOWS THE TANGIBILITY DIMENSION OF SERVICE QUALITY

TANG: Tangibility	Mean	Std. Deviation	T value	P value
TANG _1 : The bank has modern looking equipment	4.20	0.574	22.904	<0.001
TANG _2 : The bank's physical features are visually appealing	4.20	0.588	22.341	<0.001
TANG _3 : The bank's reception desk employees are neat in appearing	4.22	0.624	21.352	<0.001
TANG _4 : Materials associated with the services are visually	3.97	0.634	16.696	<0.001

E. Responsiveness Dimension of Service Quality

H_0: The Opinion of People towards the Statements of Responsiveness Dimension Is Equal to Average

Since p value is less than 0.01 in all case, the null hypothesis is rejected at 1% level of significance. Hence it can be concluded that opinion regarding all the statements of reliability are not equal to average level. Based on the mean score of the opinion regarding all the statements are above average level, which shows agreeability towards the statements.

TABLE IV SHOWS THE RELIABILITY DIMENSION OF SERVICE QUALITY

REL : Reliability	Mean	Std. Deviation	T value	P value
REL_1 : When the bank promise to do something by a certain time it does so	3.81	0.823	10.760	<0.001
REL_2 : When I have a problem the bank shows a sincere interest in solving it	3.72	0.891	8.816	<0.001
REL_3 : The bank performs the service right the first time	3.55	0.818	7.362	<0.001
REL_4 : The bank provide it's services at the time it promise to do so.	3.84	0.722	12.774	<0.001
REL_5 :The bank need to insist on error free records	3.59	0.761	8.512	<0.001

TABLE V SHOWS THE RESPONSIVENESS DIMENSION OF SERVICE QUALITY

RES : Responsiveness	Mean	Std. Deviation	T value	P value
RES_1 : Employees in the bank should tell me exactly when the service will be performed	3.77	0.796	10.546	<0.001
RES_2 : Employees in the bank should give me prompt service	3.99	0.761	14.267	<0.001
RES_3 : Employees in the bank are should be always willing to help me	3.93	0.724	14.002	<0.001
RES_4 : Employees in the bank are never too busy to respond to your request	3.74	0.750	10.828	<0.001

F. Assurance Dimension of Service Quality

H_0: The Opinion Of People Towards The Statements Of Assurance Dimension Is Equal To Average.

Since p value is less than 0.01 in all case, the null hypothesis is rejected at 1% level of significance. Hence it can be concluded that opinion regarding all the statements of reliability are not equal to average level. Based on the mean score of the opinion regarding all the statements are above average level, which shows agreeability towards the statements.

G. Empathy Dimension of Service Quality

H_0: The opinion of people towards the statements of empathy dimension is equal to average.

Since p value is less than 0.01 in all case, the null hypothesis is rejected at 1% level of significance. Hence it can be concluded that opinion regarding all the statements of reliability are not equal to average level. Based on the mean score of the opinion regarding all the statements are above average level, which shows agreeability towards the statements.

TABLE VI SHOWS THE ASSURANCE DIMENSION OF SERVICE QUALITY

ASS : Assurance	Mean	Std. Deviation	T value	P value
ASS_1 : The behaviour of employees in the bank instills confidence in me	3.86	0.702	13.400	<0.001
ASS_2 : I feel safe in my transaction with the bank	4.05	0.732	15.721	<0.001
ASS_3 : Employees in the bank are consistently courteous with you	3.78	0.654	12.978	<0.001
ASS_4 : Employees in the bank have knowledge to answer your transaction	3.63	0.685	10.126	<0.001

TABLE VIII SHOWS THE EMPATHY DIMENSION OF SERVICE QUALITY

EMP : Empathy	Mean	Std. Deviation	T value	P value
EMP_1 : The bank gives you individual attention	3.76	0.860	9.661	<0.001
EMP_2 : The bank has operating house convenient to all its customers	3.70	0.856	8.958	<0.001
EMP_3 : The has employees who give you personal attention	3.72	0.881	8.911	<0.001
EMP_4 : The bank has your best interest at heart	3.75	0.713	11.523	<0.001
EMP_5 : The employees of bank understand your specific needs	3.75	0.713	11.523	<0.001

V. CONCLUSION

With the recognition of service quality as an important avenue for development, during the last few years, scope and significance of service quality has been considerably widened while largely it strike remains a key tool for enhancing customer satisfaction and retention its value is being increasingly acknowledged. The advanced economies and advancing economies of the world are now dominated by services, and virtually all companies view service as critical to retaining their customers today and in future. The expectations of customers are on the increase especially customers who belong to young generation. Hence banks have to revise their traditional practices and adapt themselves to satisfy the needs of young customers. Employees need to be trained in such way that individual attention must to be provided to customers. The top management must invest considerable part of time and other resources to ensure the development of employee. The quality of service delivery results in customer satisfaction and their retention as it reinforces the perception that the value of the service received is greater than the price paid for it. As per the study there is not much gap between all the dimensions, this shows that SIB bank is a better service provider in all the dimensions.

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