



MEASURING THE SERVICE QUALITY – A STUDY WITH REFERENCE TO CORPORATION BANK, UDUMALPET

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ABSTRACT

KEYWORDS:

Service Quality, Customer satisfaction, Gap analysis

Bank plays a significant role in the economic development of a country. The banking industry in India is facing certain challenges such as quality service, customer satisfaction, customer retention, customer loyalty. Service quality has become an important tool in the service industry. Service quality is defined as a global judgement, or attitude, relating to the superiority of the service. In today's increasing competitive environment providing service quality is important for any service industry. Now a days banks have recognize that cost of attracting a new customer is much more than retaining existing customers, so bank are more emphasizing upon customer satisfaction. This paper aims to study the customer satisfaction towards service quality in banks. The result of the study revealed that quick and quality service and safe transaction is the major reason for selecting this bank. The highest gap was found in the dimension of tangibility and reliability.

INTRODUCTION

Banking system occupies an important place in a nation's economy. Economic development is a dynamic and continuous process. Banks are the main residue of the economic progress of a country because they highly depend upon the extent of mobilization of resources, investment and an operational efficiency of the various segments of economy. A bank performs a multitude of functions and services which cannot be comprehended into a single definition. For an ordinary man, a bank means a store house of money, for a businessman bank is an institution of finance and for a worker it may be a depository for his savings. Banking institution is necessary in a modern society. In India, money market is still characterized by the existence of both the organized and unorganized segments institutions in the organized money market have grown significantly and are playing an increasingly important role.

Quality is defined as the manner in which service is provided and the way it influences the degree of satisfaction of the customers using that service. Service quality is very important, especially for the growth and development of service sector business enterprises. In the past, quality was measured only for the tangible products because of less dominance of service sector in the economy. Banking is essentially a high contact service industry and there is close

interaction between service provider and the customers in the traditional banking scenario. Service quality in banking imply consistently anticipating and satisfying the needs of expectations of customers. Banks that excel in quality service can have a discrete marketing edge since improved levels of service quality are connected to higher income, increased cross-sell ratios, higher customer retention and expanded market share. Hence, banks focus on service quality as a core competitive strategy.

Parasuraman, Zeithaml and Berry have identified five dimensions of service quality:

1. Tangibility –Physical facilities, equipment and appearance of personnel.
2. Reliability – Ability to perform the promised service dependably and accurately.
3. Responsiveness –Willingness to help customers and provides its customers.
4. Assurance – Knowledge and courtesy of employees and their ability to inspire trust and confidence.
5. Empathy –Caring, Individualized attention to customers.

STATEMENT OF THE PROBLEM

The information technology was revolutionized the business environment and has changed the economic, organizational social and business structure. In the Indian banking industry, the form of development underwent radical changes. Banks need to create and develop the services which can satisfy the consumer needs. Providing good service quality is the major concern of banking sector. Success or failure of a business is determined by customer satisfaction. Customer satisfaction is very important construct in today's market. As the exposure, knowledge and awareness of the customers keep on increasing the expectation of the customers. Service quality is the great differentiator to get and keep the customers' attention. Today customers require more information, comprehensive advice, honesty, consistency, integrity, responsiveness and value for money. Many banks have been introduce new customer friendly measures like anytime and anywhere banking, ATM network and extended business hours in rural areas. The present study is an attempt to measure the level of satisfaction and to assess the service quality of customers towards banks in Bodipatti Branch in Udumalpet Taluk.

OBJECTIVES OF THE STUDY

- To know the demographic profile of the sample customers.
- To identify the preference for selecting the bank.
- To identify the gap between customers expectation and perception of service quality in bank.

Methodology

The study entitled "Customer Satisfaction towards Service Quality in Banks" carried out in the corporation bank at Bodipatti in Udumalpet Taluk. Primary data has been collected through structured questionnaire. 80 respondents were selected adopting convenience sampling technique. Secondary data related to previous studies has been attained from authentic sources like books, online magazines and journals. Statistical tools such as percentage analysis, ranking and gap analysis were used.

REVIEW OF LITERATURE

- Lakshmishree P and Raja P conducted "A Study on Service Quality Gap in Banking Sector, with special reference to State bank of India in Salem city" with the objectives to know the demographic profile of the respondent and identify the gap between customer expectation and their perception of service quality. This study suggested that bank to maintain and continue the service to the customers at present in future also. The bank has to improve the equipment and visually appealing materials of

tangibility dimension. The bank has to improve the customer individual attention, convenient operating hours, personal service, best interest at heart of customers' needs of empathy dimension of service quality.

- Vasanthi T and Gowri D conducted a "Study on Customer Perception towards Service Quality Attributes of Public Sector Banks and Private Sector Banks" with the objectives to find the level of satisfaction towards the services and strategies adopted by public sectors and private sector banks, find the level of satisfaction of customers and significant relationship among service quality attributes between public sectors and private sector banks. The study found that the service quality dimensions in the public sector bank are independent. Private sector banks can look smart and work faster than public sector banks, it is noted that many public sector banks are not enabling complete net banking services. There is a significant difference in the customer perception towards service quality attributes such as technical, transactional and procedural services of public sector banks. In regression analysis, private sector bank has high contribution of 38% in technology based services quality and public sector bank has high contribution of 23% in transactional service quality.
- Thangapandi G and Gobinath K conducted "A study on Customer Service Quality of Banks in Tamilnadu" with the objectives to identify degree of importance attached to various dimension of service quality by the customers, find the gap between customers' expectations and perceptions of quality of services for public, private and foreign banks and understand the perception of the employees of banks and find out the challenges faced by them to deliver expected services. The study found that foreign banks are rated high by the customers in all the service quality dimensions, public sector banks have been rated second in all parameters except that of responsiveness and private banks stands the last in all the parameters. Responsive gap is highest followed by reliability gap, empathy gap, assurance gap and tangibility gap respectively. The study concludes that, the banks should focus on pooling and retention of customers. Large database would create a trust and reliability culture would bring in more customers. Popularizing the bank in the right area adds value to the brand. In the same way foreign banks utilize the proper media resource for promoting their services.

ANALYSIS AND INTERPRETATION**Table – 1 Demographic Profile of the Respondents**

Demographic Factors	Classification	No. of Respondents	Percentage of respondents
Gender	Male	55	68.75
	Female	25	31.25
Age	Below 25 Years	12	15
	25 – 40 Years	42	52.50
	41 – 60 Years	18	22.50
	Above 60 Years	8	10
Educational Qualification	No formal education	4	5
	School level	8	10
	Diploma	15	18.75
	UG	35	43.75
	PG	10	12.50
	Professional	8	10
Occupation	Business	12	15
	Agriculture	35	43.75
	Agricultural Labour	10	12.50
	Unorganized labour	23	28.75
Monthly Income	Less than Rs.10000	25	31.25
	Rs.10000 – Rs.30000	30	37.50
	Rs.30001 – Rs.50000	10	12.50
	Above Rs.50000	15	18.75

Source: Primary data

Table 1 indicates the demographic profile of the respondents. Out of 80 respondents 68.75 percent were male respondents. 52.50 percent of the respondents were in the age group of 25 to 40 years. 43.75 percent of the respondents

were under graduates. 43.75 percent of the respondents were agriculturist and 37.50 percent of the respondents income level ranged between Rs.10000 – Rs.30000 per month.

Table – 2 Gap Analysis Score

Dimensions	Statement	Expectation Score	Perception Score	Gap Score	Average for Dimensions
Tangibility	The physical facilities at banks is visually appealing with modern looking buildings and amenities	5.44	4.21	1.23	1.48
	Materials associated with the service such as pamphlets and folders are visually appealing	4.72	3.52	1.2	
	Bank has modern looking equipment & technology	4.97	2.88	2.09	
	Employees are well dressed, clean/neat and professional appearance	4.15	2.78	1.37	
	Bank staff has the tendency to apologies for a mistake	3.78	1.92	1.86	
	Communication materials in bank are easy to read, informative and useful	5.23	4.05	1.18	
Reliability	Fulfilling the promises to do something within the prescribed time period	5.23	4.10	1.13	1.37
	Performance of services at prompt time	5.51	4.29	1.22	
	Staff at all level considers customer's importance	5.89	3.20	2.69	
	Accurate account transactions	5.12	3.91	1.21	
	Employees show sincere interest in solving customer problems	4.51	3.89	0.62	
Responsiveness	Employees of banks will tell customers exactly when the service will be performed.	4.67	3.91	0.76	1.22
	Willingness to provide advises and suggestions to guide customers	4.92	3.76	1.16	
	Being polite and kind especially when employees are very busy	4.82	3.35	1.47	
	Availability of technical staff to support	4.92	3.41	1.51	

Assurance	The behavior of employees in banks will instill confidence in customers	5.24	3.61	1.63	1.03
	Employees of banks will be consistently courteous and polite with customers	5.68	5.24	0.44	
	Employees provide clear & precise answers for inquiries	4.46	3.21	1.25	
	Bank employees are customer concerned, interested in helping customers, friendly and respectful	5.76	4.96	0.8	
Empathy	Giving individual attention to customers and having the customers best interest in heart	4.89	3.61	1.28	0.96
	The bank employees give you personal attention	4.48	3.93	0.55	
	Bank employees recognize the value of regular customers	4.82	3.42	1.40	
	The employees of banks will deal with customers in a caring fashion	4.06	3.36	0.70	
	Employees devote enough time to their customers	4.12	3.21	0.91	

Source: Primary data

The above analysis reveals that the level of expectation of the service quality of the customers and perceived quality by the customers for dimensions namely tangibility, reliability, responsiveness, assurance and empathy.

Table - 3 Average Gap Score for Banks

S.No	Dimensions	Gap Score
1.	Tangibility	1.48
2	Reliability	1.37
3	Responsiveness	1.22
4	Assurance	1.03
5	Empathy	0.96
TOTAL		6.06
Average Score(Total/5)		1.212

Source: Primary data

Table 3 indicates the average gap scores for bank. The difference between the customer expectation and perception of service is the gap score which is then averaged for each dimension.

Table - 4 Highest Gap Scores of Bank

S.No	Attributes	Dimensions	Gap Score
1.	Bank staff has the tendency to apologies for a mistake	Tangibility	1.86
2.	Staff at all level considers customer's importance	Reliability	2.69
3.	Availability of technical staff to support	Responsiveness	1.51
4.	The behavior of employees in banks will instill confidence in customers	Assurance	1.63
5.	Bank employees recognize the value of regular customers	Empathy	1.40

Source: Primary data

The table 4 indicates that the attributes having the highest gap scores between customer expectations and perceptions of bank services. These includes staff at all level considers customers importance (2.69) [reliability], staff has the tendency to apologies for a mistake (1.86) [tangibility].

Table - 5 Lowest Gap Scores of Bank

S.No	Attributes	Dimensions	Gap Score
1.	Materials associated with the service such as pamphlets and folders are visually appealing	Tangibility	1.2
2.	Fulfilling the promises to do something within the prescribed time period	Reliability	1.13
3.	Employees of bank will tell customers exactly when the service will be performed	Responsiveness	0.76
4.	Employees of bank will be consistently courteous and polite with customers	Assurance	0.44
5.	The bank employees give personal attention	Empathy	0.55

Source: Primary data

The table 5 reveals that the lowest gap score between customer expectations and perceptions of bank services. Employees of bank will be consistently courteous and polite with customers (0.44) [Assurance], the bank employees give personal attention (0.55) [Empathy].

Table – 6 Service Quality Gap

Dimension	Average Gap Score	Rank
Tangibility	1.48	I
Reliability	1.37	II
Responsiveness	1.22	III
Assurance	1.03	IV
Empathy	0.96	V

Source: Primary data

The table indicates that, tangibility shows the least service gap and empathy has the highest service gap.

CONCLUSION

Now a days customers are well exposed to various kinds of facilities offered by banks. They not only expect the safety of money but also the best ways to invest that money to increase their revenue / income. Banks have to realize the changing needs of customers, their aspirations and expectations to create value. Banks should have a strong relationship management system that indicate the worth of the customer and be able to understand their needs while interacting with customer. The present study concludes that quick and quality service and safe transaction is the major reason for selecting this bank. The highest gap was found in the dimension of tangibility and reliability. The bank has to reduce this gap, staff has the tendency to apologies for a mistake and staff at all level considers customers importance.

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