



SERVICE QUALITY AND CUSTOMER SATISFACTION OF SELECTIVE PRIVATE BANKS WITH REFERENCE TO SPSR NELLORE DISTRICT

C. Prakash*

* Asst. Professor, Rao's Institute of Management Studies

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Abstract

The main objective of this study is to study the impact of service quality measurements on customer satisfaction. This study places and builds up an instrument of service quality and analyzes the relationship between perceived service quality dimensions and customer overall satisfaction. The results shows that the most imperative service quality practice on consumer satisfaction is satisfaction as it is seen as a prevailing service quality. The results uncover that the service quality measurements of tangibles, satisfaction, reliability, assurance and empathy impacting the customers satisfaction, while the compassion is contrarily and fundamentally affecting the customers satisfaction. Therefore, this present examination reasoned that service quality is the essential furthermore most imperative component that impacts the general consumer satisfaction. This finding fortifies the requirement for banks directors to put an accentuation on the hidden measurements of service quality particularly on satisfaction and ought to begin with enhancing service quality so as to raise general consumer satisfaction.

Introduction

In the aggressive environment of the post liberalization period in which, budgetary segment changes have essentially deregulated the business sectors, it has gotten to be basic to saddle the best customer situated practices and recognition and to disguise them for giving increased the value of the respondents through the employees. In banking, the nature of customer services holds essential noteworthiness, especially the connection of supported business development not at all like alternate commercial ventures occupied with the creation of substantial merchandise.

Banks are one of a kind as in they create and convey the service promptly at the service conveyance focuses.

This overwhelmingly affects customer's conduct, which makes respondents excessively touchy to the nature of service.

Amazing service quality is not an ideal aggressive procedure which may, or may not be received to separate one bank from another: today it is crucial to corporate gainfulness and survival. The connection between service quality and consumer satisfaction has been submitted to extraordinary investigation by driving service quality analysts and additionally the connections between quality, consumer satisfaction, customer maintenance and productivity. In this way, the achievement of the bank relies on the fulfillment of customers however it came to through the method for nature of the services given to the customers.

Review of the previous studies

Consumer satisfaction was the customers' assessment of services after buy rather than their desire (Oliver, 1997; Zeithaml and Bitner, 2000). Pastry specialist and Crompton (2000) shielded fulfillment as an individual affair and mindset related the nitration between individual desire and real get. Consumer satisfaction was the general assessment to services. It was the reflection customers make to their past buy.

Fulfillment is a purchaser's buy view of the distinction between the normal and saw estimation of an exchanges. Zeithaml and Bitner (2000) characterized consumer satisfaction as the "customers" assessment of an item or service as far as whether that item or service has that their needs and desires. Caruana (2002) is a client's post buy assessment and full of feeling reaction to the general item or service experience.

Devlin (2001) brought up that "customers see almost no distinction in the services offered by retail banks and any new offering is immediately coordinated by contenders." Jamal and Naser (2003) found that social and center elements of bank's nature of service seemed, by all accounts, to be connected to consumer satisfaction. The point of view suggests that fulfilled customers made great quality judgments about services, in light of the



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fact that such customers' judge things in higher quality because of positive influence they have encountered (Gilbert, et. al., 2004).

Blodgett et al., 1997 recognized that the consumer satisfaction is a key to an association's prosperity and long haul intensity. The consumer satisfaction in the present study is measured by the variables drawn from the past studies (Anderson et al., 1994, Fornell 1992, Oliver and Desarbo 1988, Teas 1993 and Nielsen, 2004).

Customer satisfaction (CS): Customer satisfaction is a marketing term that measures how products or services supplied by a company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses.

Variables in customer satisfaction (CS) on private banks like tangibles, responsiveness, reliability, assurance and empathy.

The customers are asked to rate these variables at five point scale according to their order of perception.

Objectives of the study

The objectives of the study are,

- To review the progress of private banking sector in India and SPSR Nellore district (Nellore city).
- To examine the relationship between profile variables and level of satisfaction of customers.
- To offer suggestions to improve customer satisfaction.

Research methodology

Among the different districts in Andhra Pradesh, the SPSR Nellore district (Nellore city) has been purposively selected followed by private sector banks and customers for the present study. The 200 customers of Axis bank, HDFC bank, ICICI bank and Yes bank have been selected for the present study by adopting non probability convenience sampling technique. The service quality is assessed based on five dimensions namely, tangibility, reliability, Responsiveness, assurance and empathy. All questions are measured on 5-point likert scale where "1=Highly Satisfied", "2= Moderately Satisfied", "3= Satisfied", "4= Dissatisfied", and "5=Highly Dissatisfied". In order to accomplish the objectives, the descriptive statistics, correlation analysis and multiple regressions have been applied.

Formulation of hypotheses

H₀: Service quality does not influence customer satisfaction.

H₁: Service quality influences customer satisfaction.

Analysis and findings:

The demographic details of respondents on the various parameters like gender, Age, Education, Occupation and Income was described in Table.

Table -1

Particulars	Gender			Age (Years)			Educational Qualification			
	Male	Female	Total	20-40	40-60	Total	Inter	UG	PG	Total
Frequency	147	53	200	132	68	200	23	94	83	200
Percent (%)	73.50	40.15	100	66.00	34.00	100	11.50	47.00	41.50	100
Particulars	Occupation			Monthly Income (Rs.)						
	Business	Salaried	Total	Below 20,000	above 20,000	Total				
Frequency	97	103	200	73	127	200				
Percent (%)	48.50	51.50	100	36.50	63.50	100				

Socio-Economic Characteristics of Customer

Source: Author Compilation

The socio-economic characteristics of customers of private sector banks were analysed and the results are presented in Table-1. The results show that about 73.50 per cent of the customers are males and the rest of 40.15



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per cent of the customers are females. The results indicate that about 46.25 per cent of the customers belong to the age group of 30-40 years followed by 20-40 years (66 per cent) and 40-60 years (34 per cent). It is clear that the majority of the customers (47.00 per cent) are UG followed by PG (41.50 per cent) and Inter (11.50 per cent). It is apparent that about 51.50 per cent of the customers are salaried and business (48.50 per cent). It is observed that about 63.50 per cent of the customers belong to the monthly income group of above Rs.20,000 and remaining 36.50 per cent below Rs. 20,000.

Table -2

Particulars	Mean	Standard Deviation	Standard Error
Tangibles	4.00	1.41	1.00
Responsiveness	4.50	2.12	1.50
Reliability	3.00	1.41	1.00
Assurance	3.50	0.71	0.50
Empathy	3.50	2.12	1.50

Service Quality Dimensions and Reliability
Source: Author Compilation

The descriptive statistics of mean and standard deviation of service quality dimensions and overall satisfaction of customers were worked out and the results are presented in Table-2. The customers of private sector banks perceive responsiveness (M=4.50) is to be the most dominant service quality followed by tangibles (M=4.00), reliability (M=3.00), assurance (M=3.50) and empathy (3.50) in the order of importance based on the mean values of each service quality dimension. Meanwhile, the most of the customers are highly satisfied with the service quality of private sector banks.

Table -3

Regression Statistics								
Multiple R	0.95							
R Square	0.9033							
Adjusted R Square	0.8711							
Standard Error	3.1739							
Observations	5							
ANOVA								
	Df	SS	MS	F	Significance F			
Regression	1	282.57778	282.5778	28.05	0.013136			
Residual	3	30.222222	10.07407					
Total	4	312.8						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	137.185	18.931863	7.246259	0.00542	76.93	197.43	76.93	197.43
X Variable 1	-0.6296	0.1188827	-5.29623	0.01314	-1.0079	-0.251	-1.0079	0.2512

Correlation and regression analysis
Source: Author Compilation

The proposed model is adequate as the F-statistic = 28.05 and it is significant at one per cent level ($p < 0.01$). This indicates that there is a statistically significant association between service quality dimensions and overall customer satisfaction. The results show that the service quality dimensions of tangibles, responsiveness,



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reliability and assurance are positively and significantly influencing the customers overall satisfaction, while the empathy is negatively and significantly influencing the customers overall satisfaction at one per cent level in private sector banks. Thus, it indicates that there is a statistically significant link between service quality dimensions and overall customer satisfaction.

Conclusions

In the SPSR Nellore region (Nellore city) private bank customers are satisfied by the execution of their Bankers. To conquer public sector banks made part of starts most recent two decades that satisfaction in the consumer loyalty too. Public sector banks additionally take after the same methodology is been kept up they turn into the gigantic danger to the Public sector banks.

The result shows that the most critical service quality practice on consumer loyalty is responsiveness as it is seen as an overwhelming service quality. The satisfactions uncover that the service quality measurements of tangibles, responsiveness, unwavering quality and affirmation are emphatically and essentially affecting the customer's satisfaction, while the compassion is contrarily and altogether impacting the customer's satisfaction. In this way, this present exploration presumed that service quality is the essential furthermore most vital component that impacts the general consumer loyalty. This finding fortifies the requirement for banks administrators to put an accentuation on the basic measurements of service quality particularly on responsiveness and ought to begin with enhancing service quality so as to raise general consumer loyalty.

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