# A PROJECT REPORT ON

**“A STUDY ON WEALTH MANAGEMENT AND SERVICE QUALITY AT KCC BANK”**



# Submitted in the Partial Fulfillment of the Degree of Bachelor of Business Administrationin

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**Swami Vivekanand Government College Ghumarwin**



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DECLARATION

I **MUSKAN SHARMA** hereby declare that the project report was submitted by me under the supervision and guidance of PROFESSIOR NARESH KUMAR , project guide college of **SWAMI VIVEKANAND GOVERMENT COLLEGE GHUMARWIN** in partial fulfillment of BBA 6th semester. I further declare that I am solely responsible for omission and commission of errors if any.

Signature

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DATE -

ACKNOWLEDGMENT

“Acknowledgement is an art, one can write glib stanzas without meaning a word, on other hand one can make a simple expression of gratitude” I take the opportunity to express my gratitude to all of them who in some or other way helped me to accomplish this challenging training in “**KCC BANK ANU BRANCH”** no amount of written expression is sufficient to show my deepest sense of reference to Principal Mr. Ramkrishan, Coordinator Professor Mr. Rajender Kumar and Assistant Professor MRS. NARESH KUMAR(Project Guide). I also express deepest gratitude to my family for their blessing and good wishes.

I am very thankful Mr. NATISH KUMAR (HR Manager) for their everlasting support and guidance on the group of which i have acquired a new field of knowledge. A special appreciative thank you in accorded to all staff of “**KCC ANU BRANCH (HP**)”for their positive support.I also acknowledge with a deep sense of reverence, my gratitude towards my parents and my friends who directly or indirectly help me.

MUSKAN SHARMA

**CERTIFICATE**

This is to certify that the report entitled “**A STUDY ON WEALTH MANAGEMENT AND SERVICE QUALITY AT KCC BANK**” for the award of the degree of bachelor of business administration (**BBA**) from Swami Vivekanand Govt. Degree College Ghumarwin (H.P.), is a record to project report carried out by MUSKAN SHARMA **BBA 6TH Sem. UNI.Roll No.5190350016** under my supervision and guidance, no part of this report has been submitted to any other Degree/Diploma and this report may be taken for evaluation.

**Sign. of Student Sign. of Guide**

**Sign. Of coordinator (BBA)**

**Date :**

**Place-Ghumarwin**

# EXECUTIVE SUMMARY

During the Project Report on THE KANGRA CENTRAL COOPERATIVE BANK Branch ANOO HAMIRPUR´. During my Summer Internship Project; I implemented many concepts of marketing in the real life situation. This project work helped me to apply theoretical knowledge into practical aspects on collected data which was a worthy experience and during the discussion with company guide I realized that how important the project report is for the company and me. I also realized how teamwork, goal orientation and managing interpersonal relationships are integral part of professional life; therefore this will definitely help me to develop qualities required for executive. In addition, I understood products of my company and its targeted customers. Also I got information what are the basic categories of bank products. The customers which were not aware about the scheme says that KCC bank should improve their promotional area through different media like T.V. radio. Print media, PR and through IMC (Integrated Marketing Approach) and most of them votes for IMC. More than 80% of the customers were satisfied with location and condition of the Bank and more than 50% were satisfied with the process of disbursement, but maximum of the customers were dissatisfied with the behavior of the employees, they give suggestions to that the KCC Bank employees should change and improve their behavior towards their customers, from my findings I found that this behavior of employees is due to daily routine work load from which they got stressed. I recommend the bank to change the location of the employees from one branch to another and give them more and more incentives and also to employ more employees from which work load gets less and the employees will not feel any pressure and they will not feel any stress. Most of the customers choose KCC Bank because of simple procedures and more number of branches and the interest rates regarding their business was suitable according to them. Most of the customers rank good about KCC bankMy research is conducted to find out “WEALTH MANAGEMENT AND SERVICE QUALITY OF KCC BANK”

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**CHAPTER -1: INTRODUCTION**

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  3. Service quality of bank
  4. RATER model
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# COMPANY INTRODUCTION

Came into existence on 17th March 1920 (License No. RPCD.09/2009-10).Indora Banking Union was merged and 2nd Branch of the Bank opened at Nurpur in Jan’1956.Palampur Banking Union was merged and 3rd Branch of the Bank opened at Palampur in Jan’1957.Nanaon Banking Union was merged and 4th Branch of the Bank opened at Hamirpur in Oct’1958.The Bank suffered losses because of the partition in 1947 to the tune of Rs.10.64 Lacs. In Mar 1962, the bank suffering from the setback of partition was granted Rs.4.09 Lacs by the Govt. Govt also provided Interest Free Relief Loan of Rs.3.98 Lacs and Govt of India Loan of Rs.4.97 Lacs @ 3.87% in 1962 In 1971-72.The Bank entered into the deposit mobilisation scheme of Pong Dam Area aggressively and secured maximum share of Deposit Bank Deposits increased from Rs. 256 Lacs in 1971-72 to Rs. 1054 Lacs in 1973-74.

# Corporate Tie-up

“ Sometime we have to reach out in new directions in order to change and grow"

# Life Insurance Companies:

**\*** Life Insurance Company of India Ltd.

* DHFL Pramerica Life Insurance Co.
* Bajaj Allianze Life Insurance Co.

# General Insurance Companies:

**\*** National Insurance Company Ltd.

\* Bajaj Allianz General Insurance Company Ltd.

# Health Insurance Companies

**\*** Religare Health Insurance Company Ltd.

# Honda

Bank has entered into an MOU with Honda Motors for financing Motor Cycles

# Tata Motors

Bank has entered into an MOU with Tata Motors for financing Tata Vehicles

# AXIS, KCC and ICICI Bank

The Bank has also corporate tie-up with AXIS, KCC and ICICI Bank for remittance and collection purposes

# COMPANY PROFILE

**T**he Kangra Cooperative Bank Ltd. started in a very humble way as a small Thrift/Credit Society in March, 1960 by a few friends of Distt. Kangra of Himachal to help out the people of Himachal residing in Delhi to uplift their economic conditions and tide over the financial hardships. Dedication, sincerity and honesty of these members/associates brought rich fruits and this Thrift/Credit Society grew up into a big society within twelve years after its formation and successful running was converted into a primary urban Cooperative Bank in 1972 by RBI and was permitted to carry out banking activities including acceptance of deposits from public (non-members) by opening their Saving, Current and RD A/c’s. Twenty three years there from in June 1995 it was granted a license to carry out the banking business by the Reserve Bank of India . Thereafter, it was granted license to open branches and consequently eight more branches were added in February, May, December 1996, June 1998

,October 2008, July 2009 , April 2014 and the last one in July 2014. In may 1970 it purchased Paharganj building and reconstructed the same in 1993. In october, 1997 it purchased the present premises at Janakpuri to set up administrative, arbitration and recovery department and HO. Central accounts and Personnel department are functioning from this building. It has a meeting room. One branch also function here. The main branch along with its service branch, is situated in its own three storied building at Paharganj. It purchased another Building in April 2008 At Jagatpuri where its one of the existing Branches has already been functioning.It has a board meeting room. The latest audited financial position of the bank as on 31st March, 2017 is as **follows:-**

|  |  |  |
| --- | --- | --- |
| http://www.kangrabank.com/images/tick.jpg | Membership | 41459 |
| http://www.kangrabank.com/images/tick.jpg | Clientele other than members | 136594 |
| http://www.kangrabank.com/images/tick.jpg | Share money | 31.08  crores |
| http://www.kangrabank.com/images/tick.jpg | Reserve/Other funds | 62.61  crores |
| http://www.kangrabank.com/images/tick.jpg | Working Capital | 1046.57  Crore |
| http://www.kangrabank.com/images/tick.jpg | Deposits | 924.22  crores |
| http://www.kangrabank.com/images/tick.jpg | Advances | 493.40  crores |
| http://www.kangrabank.com/images/tick.jpg | Net Profit Before Tax | 14.16  crores |
| http://www.kangrabank.com/images/tick.jpg | Net Profit After Tax | 9.58  crores |
| http://www.kangrabank.com/images/tick.jpg | Net NPA | 2.19% |
| http://www.kangrabank.com/images/tick.jpg | CRAR | 12.51% |

Bank enjoys Grade ‘A’ audit classification since long. Govt. of NCT of Delhi gave to the Bank "Best Bank Award" for the years 2004-05, 2007-08, 2009-10 and 2011-12.

AGBM and elections, audit etc are held on regular intervals. Bank is giving dividend to its Share-holders regularly and lastly declared @ 18% the highest declared/paid so far. Bank has also introduced three schemes of welfare nature for its shareholders . First one is If from the membership of the Bank existing as on 31.12.2013, any member dies, his nominee will be given a death grant of Rs. 25000/- from Member Welfare Scheme and if he has taken any loan, then loan amount up to Rs. 75000/- will be exempted from interest. Any member enrolled after 31.12.2013 if dies before attaining a membership of ten years, his nominee will be given a death grant of Rs. 15000/- from Member Welfare Scheme and loan up to Rs. 50,000/-, if taken, will be exempted from interest.Any member enrolled after 31.12.2013 if dies after completing membership of ten years, his nominee will be given a death grant of Rs. 25000/- from Member Welfare Scheme and loan up to Rs. 75000/-,if taken, will be exempted from interest, the second one is where scholarship @ Rs.150/- and Rs.200/- per month is given to the brilliant wards of the members and staff and the the third one is to give one time incentive

to those wards of members / staff who get 90 % marks in Board examination. Amount of incentive is Rs.3100/- and Rs.5100/- for 10th and 12th class respectively.

All the branches are fully computerized with CBS. The implementation of CTS, NEFT/RTGS, ATM have already been done .Board of Directors has also prepared a “Vision Document” for 2014-15 to 2016-17 according to which various targets have been fixed

|  |  |
| --- | --- |
| http://www.kangrabank.com/images/tick.jpg | Membership has been planned upto 41000 |
| http://www.kangrabank.com/images/tick.jpg | Efforts will be made to maintain the highest  percentage of dividend | |
| http://www.kangrabank.com/images/tick.jpg | Clientele 1.40 lacs | |
| http://www.kangrabank.com/images/tick.jpg | Share Money upto 30 crores | |
| http://www.kangrabank.com/images/tick.jpg | Deposits to increase 850 crores from 548 crores | |
| http://www.kangrabank.com/images/tick.jpg | Advances to increase 560 crores from 355 crores. | |
| http://www.kangrabank.com/images/tick.jpg | To increase working capital from Rs. 635 cr. to Rs. 1000 cr. | |
| http://www.kangrabank.com/images/tick.jpg | To increase the Net Worth of the bank to Rs.55 crores | |
| http://www.kangrabank.com/images/tick.jpg | ATM Card Holders Upto 15000 | |
| http://www.kangrabank.com/images/tick.jpg | To purchase two buildings | |
| http://www.kangrabank.com/images/tick.jpg | To be eligible for scheduled status | |
| http://www.kangrabank.com/images/tick.jpg | To computerize HO and CRD | |
| http://www.kangrabank.com/images/tick.jpg | To open two branches. | |
| http://www.kangrabank.com/images/tick.jpg | To strengthen HO working | |
| http://www.kangrabank.com/images/tick.jpg | To get "A" RBI inspection rating | |
| http://www.kangrabank.com/images/tick.jpg | To hold minimum two customer meetings in a year, six in three years in different parts | |
| http://www.kangrabank.com/images/tick.jpg | To open onsite ATMs in all branches | |
| http://www.kangrabank.com/images/tick.jpg | To make customer service quick and satisfactory | |
| http://www.kangrabank.com/images/tick.jpg | To arrange minimum two lectures in a year on important topics such as investments, NPA, customer service, credit appraisal, KYC norms, CRAR, ALM, Internal Control, Profitability etc. | |

|  |  |
| --- | --- |
| http://www.kangrabank.com/images/tick.jpg | To maintain net NPA 0% and gross NPA not more  then 4.5% |

All the branches of the bank remain open for six days a week with full day banking service on Saturday. For the convenience of its customers it is having agency arrangement with KCC Bank which enables the bank to issue Demand Drafts on KCC branches across the country, to arrange collection of out-station cheques within a week or ten days. Bank is also maintaining

|  |
| --- |
| For its employees bank has introduced several good schemes  like cover of mediclaim insurance, covering expenses upto 3.00 lacs requiring hospitalization of the employee, his or her spouse & upto two childrens. Facility of housing loan upto fifty lacs is also available for the staff. |
| It has in place well defined service rules which ensures career growth to its employees. It also celebrates annual day in which awards for best branch, workers etc. are also given. |
| In order to improve the knowledge of the staff guest lectures are also arranged on important topics related to the banking  activities from time to time. |

# BUSINESS FOCUSES:

KCC Bank's mission is to be a best cooperative Bank. The objective is to build sound customer franchises across distinct businesses so as to be the preferred provider of banking services for target retail and wholesale customer segments, and to achieve healthy growth in profitability, consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity, corporate governance and regulatory compliance. KCC Bank's business philosophy is based on four core values - Operational Excellence, Customer Focus, Product Leadership and People.

# MISSION STATEMENT OF KCC BANK

To emerge as the most trusted, admired, sought after world class financial institution, and to be the most preferred destination for every customer and investor and a place of pride for its employees.

# VISION STATEMENT OF KCC BANK

To be a top- class Bank of its class to achieve sustained growth of Business and Profitability, fulfilling socio-economic obligations, excellence in customer service, through up gradation of skills of staff, their effective participation and making use of state-of-the–art – technology.

# BUSINESS STRATEGY

Increasing market share in India’s expanding banking

Delivering high quality customer service

Maintaining current high standards for asset quality through disciplined credit risk management

Develop innovation products and services that attract targeted customer and address inefficiencies in the Indian financial sector.

# SERVICES OFFERED

Deposit Product Loan Product

Service Product Deposit Product

|  |  |  |
| --- | --- | --- |
| Saving Product | Interest Type | Payable Frequency |
| Saving Bank Account | Compounded | Half Yearly |
| Fixed Deposit | Simple | Monthly/Quarterly/Half Yearly/On Maturity |
| Term Deposit | Compounded | Monthly/Quarterly/Half Yearly/On Maturity |

|  |  |  |
| --- | --- | --- |
| Recurring  Deposit | Compounded | Monthly |

In case of Fixed Deposit Schemes, the customer has the option to withdraw the Interest Amount as per the agreed frequency. In case of Term Deposit & Recurring Deposit Schemes the Total Matured Amount will be payable on maturity only with a option to discontinue the Deposit subject to penal clauses.

Loan Products

|  |  |
| --- | --- |
| Co-Op. Socities | Individuals |
| Agriculture | Agriculture |
| Non Farm Sector | Non Farm Sector |
| Personal Vehicle | Personal Vehicle |
| Weavers/Industrial/Housing | Housing |
| Cash Credits | Cash Credits |

# INTRODUCTION TO SERVICE QUALITY IN BANKS

In the days of intense competition, the banks are no different from any other consumer marketing company. It has become essential for the service firms in general and banks in particular to identify what the customer's requirements are and how those customer requirements can be meet effectively. In the days where product and price differences are blurred, superior service by the service provider is the only differentiator left before the banks to attract, retain and partner with the customers. Superior service quality enables a firm to differentiate itself from its competition, gain a sustainable competitive advantage, and enhance efficiency .The benefits of service quality include increased customer satisfaction, improved customer retention, positive word of mouth, reduced staff turnover, decreased operating costs, enlarged market share, increased profitability, and improved financial performance. The construct of service quality has therefore been a subject of great interest to service marketing researchers. Service quality has been defined by various experts in various ways as: 'Service Quality is the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received.'

According to Gefan „Service quality is the subjective comparison that customers make between the qualities of service that they want to receive and what they actually get.' Parasuraman says, 'Service quality is determined by the differences between customer's expectations of services provider's performance and their evaluation of the services they received. Service quality is 'the delivery of excellent or superior service relative to customer expectations‟. ‘Service quality is determined by the differences between customer's expectations of services provider's performance and their evaluation of the services they received. Service quality is 'the delivery of excellent or superior service relative to customer expectations‟. Service quality is recognized as a multidimensional construct. While the number of dimensions often varies from researcher to researcher, there is some consensus that service quality consists of three primary aspects: outcome quality, interaction quality, and physical service environment quality. Outcome quality refers to the customer's assessment of the core service which is the prime motivating factor for obtaining the services (e.g. money received from ATM). Interaction quality refers to the customer's assessment of the service delivery process, which is typically rendered via a physical interface between the service

provider, in person, or via technical equipment, and the customer. It includes, for instance, the consumer's evaluation of the attitude of the service providing staff.

The physical service environment quality dimension refers to the consumer's evaluation of any tangible aspect associated with the facilities or equipment that the service is provided in/ with. It includes, for example, the physical conditions of an ATM machine.

The most popular dimensions of service quality--features five dimensions: tangibles, reliability, responsiveness, empathy, and assurance. The tangibles dimension corresponds to the aforementioned physical environment aspect, the reliability dimension corresponds to the service outcome aspect, and the remaining three represent aspects of interaction quality. Both the costs and the revenue of firms are affected by repeat purchases, positive word-of-mouth recommendation, and customer feedback. Moreover, there is strong evidence that service quality has either a direct influence on the behavioral intentions of customers and/or an indirect influence on such intentions, mediated through customer satisfaction. RATER is an instrument that might be used to define and measure banking service quality and to create useful quality-assessment tools.

The RATER may finally provide the following benefits to the KCC bank:

1. It is the first approach to add and mix the customers‟ religious beliefs and cultural values with other quality dimensions.
2. It provides for multi-faced analysis of customer satisfaction.
3. It links quality with customers‟ satisfaction and service encounter.
4. It provides information at several levels, already organized into meaningful groupings.
5. It is a proven approach, which results in usable answers to meet customers’‟ needs.
6. It is empirically grounded, systematic and well documented. Banks managers can use the

# RATER model and its dimensions first to identify the following issues:

**RESPONSIVENES**

**TANGIBILITY**

**RELIABILITY**

**EMPATHY**

**ASSURANCE**

Fig 1. DIMENSIONS OF SERVICE QUALITY

# DIMENSIONS OF SERVICE QUALITY:

TANGIBILITY: This dimension deal with modern looking equipments and visual appealing part of banks.

RELIABILITY: This dimension has a direct positive effect on perceived service quality and customer satisfaction in banking institutions. Banks must provide error free service and secure online transactions to make customers feel comfortable.

RESPONSIVENESS: Customers expect that the banks must respond their inquiry promptly. Responsiveness describes how often a bank voluntarily provides services that are important to its customers. Researchers examining the responsiveness of banking services have highlighted the importance of perceived service quality and customer satisfaction.

ASSURANCE: Customer expects that the bank must be secured and the behavior of the employees must be encouraging.

EMPATHY: individual attention, customized service and convenient banking hours are very much important in today‟ s service.

In order to achieve better understanding of service quality in banking sector, the proposed five service quality dimensions are conceptualized to illustrate the overall service quality of the banking in relation to customers‟ and providers perspective.

Banking was in the sector featuring medium goods and higher customer producer interactions, since in banking, consumers and service providers interact personally and the use of goods is at a medium level. Hence, in banking, where there are high customer-producer producer interactions, the quality of service is determined to a large extent by the skills and attitudes of people producing the service.

In the case of services, because customers are often either direct observers of the production process or active participants, how the process is performed also has a strong influence on the overall impression of the quality of service. A well-performed service encounter may even overcome the negative impression caused by poor technical quality as well as generate positive word-of-mouth, particularly if customers can see that employees have worked very hard to satisfy them in the face of problems outside their control. Employees are part of the process, which connects with the customer at the point of sale, and hence employees remain the key to success at these service encounters or “moments of truth”. It is these encounters with customers during a service that are the most important determinants of overall customer satisfaction, and a customer‟ s experience with the service will be defined by the brief experience with the firm‟ s personnel and the firm‟ s systems. The rudeness of the bank‟ s customer service representative, the abruptness of the employee at the teller counter, or the lack of interest of the person at the check deposit counter can alter one‟ s overall attitude towards the service, perhaps even reversing the impression caused by high technical quality.

Another important service quality factor, competence, is defined by whether the bank performs the service right the first time, whether the employees of the bank tell customers exactly when services will be performed, whether the bank lives up to its promises, whether customers feel safe in their transactions with the bank and whether the employees show a sincere interest in solving the customers‟ problems. In short, this dimension is related to the banks‟ ability to perform the promised service accurately and dependably. Performing the service dependably and accurately is the heart of service marketing excellence. When a company performs a service carelessly, when it makes avoidable mistakes, and when it fails to deliver on promises made to attract customers, it shakes customers‟ confidence in its capabilities and undermines its chances of earning a reputation for service excellence.

It is very important to do the service right the first time. In case a service problem does crop up, by resolving the problem to the customer‟ s satisfaction, the company can significantly improve customer retention. However, companies fare best when they prevent service problems altogether and fare worst when service problems occur and the company either ignores them or does not resolve them to the customer‟ s satisfaction.

Performing the service accurately is perhaps the most important factor in service quality excellence. The cost of performing the service inaccurately includes not only the cost of redoing the service but also the cost associated with negative word-of-mouth generated by displeased customers. In case of services, the factory is the field. Again, services are intangible and hence the criteria for flawless services are more subjective than the criteria for defect- free tangible goods. Hence for most services, customers‟ perceptions of whether the service has been performed correctly, and not provider- established criteria, are the major

determinants of reliability.

The service quality factor tangible is defined by whether the physical facilities and materials associated with the service are visually appealing at the bank. These are all factors that customers notice before or upon entering the bank. Such visual factors help consumers form their initial impressions. A crucial challenge in service marketing is that customers cannot see a service but can see the various tangibles associated with it - all these tangibles, the service facilities, equipment and communication materials are clues about the intangible service. If unmanaged, these clues can send to the customer‟ s wrong messages about the service and render ineffective the marketing strategy of the company. On the other hand, improving quality through tangibles means attention to the smallest details that competitors might consider trivial. Yet, these visible details can add up for customers and signal a message of caring and competence.Customers may reveal new aspects of service quality in banking that are important to them, and these would have to be in corporated in the scale so as to further explore the concept of service quality in the banking arena.

# CHAPTER-2: REVIEW OF LITERATURE

**Vinita Kaura, (2013):** examined the effect of service quality in various private banks. Thedimensions of service quality are employee behavior, tangibility and information technology. Dimensions of service convenience are decision convenience, access convenience, transaction convenience, benefit convenience and post‐benefit convenience. For public sector banks, except tangibility, all antecedents have positive impact on customer satisfaction. For private sector banks except tangibility and benefit convenience all antecedents have positive impact on customer satisfaction. Significant difference in beta coefficient is found between public and private sector banks regarding employee behavior, decision convenience, access convenience and post‐benefit convenience.

# Research limitations/implications

* This study has taken into account a specific category of retail banking customers. Thus, it limits generalization of results to other banking populations.

# Practical implications

* This study highlights the importance of service quality, service convenience and price in satisfying customers. Bank managers can focus on these factors to satisfy customers. **Originality/value**
* The paper emphasizes the significance of service quality, price

and SERVCON on customer satisfaction for Indian banking sector. It compares the multiple regression models for public and private sector banks.

Study was done on impact of service quality in commercial banks on the customer satisfaction an empirical study (Oct, 11): the objective of this study is to understand the various customers’ perception about the service quality factors and satisfaction level towards the banks. Survey method, data collection from the customer based on various demographics like rural –urban area, education standards, income level, occupation deference, age groups etc. outcomes are the existence of close bond between the services quality factors and customer satisfaction level .the impact of service quality factors o customer’s satisfaction varies with the demography of the customer.

Kumbhar, Vijay (2011): *Service quality perception and customers’ satisfaction in internet banking service.* Present research is based on empirical evidences collected through the customers’ survey regarding to the customers perception in internet banking services provided by public and private sector banks. It is efforts to examine the relationship between the demographics and customers’ satisfaction in internet banking, relationship between service quality and customers’

satisfaction as well as satisfaction in internet banking service provided by the public sector bank private sector banks. Present research shows that, demographics of the customers’ are one of the most important factors which influence using internet banking services. Overall results show that highly educated, a person who are employees, businessmen and belongs to higher income group and younger group are using this service, however, remaining customers are not using this services. Results also show that overall satisfaction of employees, businessmen and professionals are higher in internet banking service. There is significant difference in the customers’ perception in internet banking services provided by the public and privates sector banks. Private sector banks are providing better service quality of internet banking than service provided by the public sector banks. Therefore, public sector banks should improve their internet banking services according to the expectations of their customers.

Avinandan Mukherjee &Prithwiraj Nath (2006):- The role of trust encompasses the exchanges and interactions of a retail bank with its customers on various dimensions of online banking. Specifically lays stress on the bank‐to‐customer exchanges taking place through the technological interface. Hypothesizes shared value, communication and opportunistic behavior as antecedents to trust. Trust and commitment also have a causal relationship. Proposes and empirically tests five hypotheses with a sample of 510 Internet users of various profiles in India. Develops a structural equation model (Lisrel) and establishes all hypotheses. Observes that shared value is most critical to developing trust as well as relationship commitment. Communication has a moderate influence on trust, while opportunistic behavior has significant negative effect. Also finds higher perceived trust to enhance significantly customers’ commitment in online banking transaction. An important contribution concerns how trust is developed and sustained over different levels of customer relationship in online banking. The future commitment of the customers to online banking depends on perceived trust

Kumar, S Arun; Mani, B Tamil; Mahalingam, S; Vanjikovan,

M. (2010): This paper examines the service quality dimensions of Indian private banks dealing with retail banking. Overall service quality level acts as an antecedent for customer satisfaction. The factors extracted give perceived service quality dimensions which correlate with overall attitudinal loyalty. Overall service quality further tested for any significant relationship with attitudinal loyalty, which is considered to be an important component of retaining valued customers. The data has been collected from 100 valued customers of two private retail banks of Tiruchirapalli. A questionnaire elicited information on socio-demographic variables along with SERVQUAL dimensions of service quality added with three extra contemporary validated variables and attitudinal loyalty variables. The results suggest that responsiveness and reliability of service quality

dimensions determine customer satisfaction more than the assurance, empathy and tangible aspects (SERVQUAL score analyzed using Factor Analysis and Multiple Regressions). Overall perceived service quality fosters customer’s attitudinal loyalty through latent customer satisfaction (Tested using Chi-Square Statistics and Correlation Analysis). Increase in service quality of the banks can satisfy and develop attitudinal loyalty which ultimately retains valued customers.

# CHAPTER-3:RESEARCH METHODOLOGY

3.1 Objectives of the study

3.2 Scope of the study

3.3 Identification of problem

3.4 Research design

3.5 Research instrument

3.6 Sample design

3.7 Sample size

3.8 Data source and data collection

3.9 Relevance of the study

3.10 Limitation of the study

* 2. **OBJECTIVES OF THE STUDY**

The main objective of this project is to create a frame work of service quality to be provided by the organization.

Objective details are mentioned below:

* + - To examine the essential dimensions of service quality i.e. RATER-Reliability, assurance, tangibles, empathy and responsiveness of KCC Bank and its effect on customer’s satisfaction.
    - To find out the level of perception of the customers from the service quality offered by the bank.
    - To identify the dimension of service quality needs improvement so that the quality of service of KCC bank is enhanced.

# SCOPE OF THE STUDY

The scope of this research is to identify the service quality of KCC bank. This research is based on primary data and secondary data. This study only focuses on the dimensions of service quality i.e. RATER. It aims to understand the skill of the company in the area of service quality that are performing well and shows those areas which require improvement. The study was done taking two branches of KCC bank into consideration. The survey was restricted to the bank customers in Hamirpur only

# IDENTIFICATION OF PROBLEM

The project was carried out in the light to highlights the type of quality of services which are provided by the bank to their customers .Today in this competitive world it is very important for the sustainability in the market to provide the best quality of services to the customers and also being different from other competitors in the market. KCC Bank is a rapidly growing private bank and requires the strong customer base , customers loyalty towards bank, so the bank need to take care of all the services which they provided to the customers for the overall development by focusing on functional, behavioral and technical aspects which helps to meet the present as well as future challenges.

# 

# RESEARCH DESIGN

A clear definition of the problem at hand makes research design easier. The research design itself serves as a framework for the study, guiding the collection and analysis of the data. A good research design minimizes the damages of haphazard collection of information because it is like a road map, which guides us where we want to go .In simple words “Research Design is the framework or plan for a study that guides the collection and analysis of the data’’.A research design is framework or blueprint for conducting the marketing research project.

The research design is exploratory till identification of service quality parameters. Later it becomes descriptive when it comes to evaluating customer perception of service quality of the banks.

Although the data description is factual, accurate and systematic, the research cannot describe what caused a situation. Thus, descriptive research cannot be used to create a causal relationship, where one variable affects another. In other words, descriptive research can be said to have a low requirement for internal validity. The description is used for frequencies, averages and other statistical calculations. Often the best approach, prior to writing descriptive research, is to conduct a survey investigation. Qualitative research often has the aim of description and researchers may follow-up with examination of why the observation exists and what the implication of the findings are.

# RESEARCH INSTRUMENT

Structured non-disguised questionnaire was used to collect data from the customers the reason for collecting such type of questionnaire was the sake of respondents so that they find it easy to understand the question and respond accordingly. The questionnaire consisted of closed ended .The questionnaire consists of two parts .the first part consists of three questions concerning the demographic information of the respondent such as name, age, educational, qualifications and income. The second part consisting of 18 questions exploring the respondent’s perception about the service quality of KCC bank.

# SAMPLE DESIGN

This study is not concerned with the whole universe hence; it becomes necessary to take sample from the universe to understand the characteristics.

* + - Sampling units: Customers of KCC Bank
    - Sample Technique: Convenient sampling
    - Research Instrument : Structured Questionnaire

# 

# SAMPLE SIZE

The work is a case of KCC bank, one of the biggest banks among the cooperative banks in Himachal Pradesh.. The survey was conducted in the Hamirpur in the branche of KCC bank with 50 customers as respondent.

# DATA SOURCE AND DATA COLLECTION

**Primary Data:** The primary data was collected by means of a survey. Questionnaires were prepared and customers of the banks at two branches were approached to fill up the questionnaire. the questionnaire contains 20 questions which reflect on the type and quality of services provided by the banks to the customers .the response of the customer and the recorded on a grade scale of strongly disagree, disagree, uncertain, agree and strongly agree for each question. The filled up information was later analyzed to obtain the required interpretation and the findings.

**Secondary Data :** In order to have understanding of the service quality of bank a depth study was done from the various books, a lot of data is also collected from the official website of the banks and the articles from various search engines like Google, yahoo search etc.

# RELEVENCE OF THE STUDY:

The study would try to put some light on the existing service provided by the banks, perception and the actual service quality of the bank. The results of the study would be able to recognize the lacunae in the system and thus provide key areas where improvement is required for better performance and success ratio. In the days of intense competition, superior service is the only differentiator left before the banks to attract, retain, and partners with the customers. Superior service quality enables a firm to differentiate itself from its competition, gain, a sustainable competitive advantage, and enhance efficiency.

# LIMITATION OF THE STUDY:

* + - The study is only for the KCC Bank confined to a particular location and a very small sample of respondents. Hence the findings cannot be treated as representative of the entire banking industry.
    - The study can also not be generalized for public and private sector banks of the country.
    - Respondents may give biased answers for the required data. Some of the respondents did not like to respond.
    - Respondents tried to escape some statements by simply answering “neither agree nor disagree” to most of the statements. This was one of the most important limitations faced, as it was difficult to analyze and come at a right conclusion.

# CHAPTER-4: DATA ANALYSIS AND INTERPRETATION

Data Analysis has been done through tables in the Excel and representation of data has been done through graph sheets for easy representation. The response of the customers is represented by graphs as below:

Ques. Age

|  |  |  |
| --- | --- | --- |
| **AGE**  **CATEGORY** | **FREQUENCY** | **PERCENTAGE** |
| **18-23 Years** | **7** | **14** |
| **24-29 years** | **20** | **40** |
| **30-35 years** | **11** | **22** |
| **35 years and above** | **12** | **24** |
| **TOTAL** | **50** | **100** |

45%

40%

35%

30%

25%

20%

15%

10%

5%

0%

40%

22%

24%

14%

18-23years 24-29 years 30-35 years 35 years and above

**Fig 2.Age of the respondent**

**INTERPRETATION**

It can be seen from the above table and graph that

* + - * 14% respondent’s age are 18-23 years
      * 40%respondent’s age are 24-29 years
      * 22% respondent’s age are 30-35 year
      * 24% respondent’s age are 35 years and above Ques. Educational Qualification

|  |  |  |
| --- | --- | --- |
| **CATEGORY** | **FREQUENCY** | **PERCENTAGE** |
| **UNDER GRADUATE** | **13** | **26** |
| **GRADUATE** | **20** | **40** |
| **POST GRADUATE** | **17** | **34** |
| **TOTAL** | **50** | **100** |

**Fig 3.Education qualification of respondents**

45%

40%

40%

35%

34%

30%

26%

25%

20%

15%

10%

5%

0%

undergraduate

graduate

post graduate

**INTERPRETATION**

It can be seen from the above graph that:

* + - 26% respondent are under graduate
    - 40%respondent’s are graduate
    - 34% respondent’s are post graduate

**TANGIBILITY DIMENSION OF SERVICE QUALITY (Question1 to 4)**

**Physical facilities, equipment, and appearance of personnel**

**Ques.1 KCC bank has modern looking equipment.**

# TABLE NO.1

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **STRONGLY DISAGREE** | **5** | **10** |
| **DISAGREE** | **25** | **50** |
| **UNCERTAIN** | **16** | **32** |
| **AGREE** | **4** | **8** |
| **TOTAL** | **50** | **100** |

**Mean = 2.38**

# Standard deviation=0.77

60%

50%

50%

40%

32%

30%

20%

10%

10%

8%

0%

Stronglydisagree

disagree

uncertain

agree

**INTERPRETATION**

KCC Bank has modern-looking and hi-tech equipment. Here analysis shows that most of the respondents’ disagreed with this statement. Among the total respondent 50% disagreed, 32% were neutral, and 8% agreed. After analysis I found that majority of the respondents believes that bank has no-hi-tech equipments.

# Ques.2. The bank’s physical features are visually appealing. TABLE NO.2

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **4** | **8** |
| **UNCERTAIN** | **29** | **58** |
| **AGREE** | **17** | **34** |
| **TOTAL** | **50** | **100** |

**Mean=3.26**

# Standard deviation=0.599

70%

60% 58%

50%

40%

34%

30%

20%

10%

8%

0%

disagree

uncertain

agree

**INTERPERTATION**

KCC bank’s has physical features visually appealing. From this statement I found that17 persons agreed, 29 persons were uncertain, 4 persons disagreed. This means 58%people were uncertain about this statement. Out of the respondents only 8%disagreed and no one strongly agreed or disagreed with this. 34% people agreed that KCC Bank’s has physical features visually appealing.

# Ques.3.The bank’s reception desk employees are smart appearing.

**TABLE NO.3**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **5** | **10** |
| **UNCERTAIN** | **21** | **42** |
| **AGREE** | **18** | **36** |
| **STRONGLY AGREE** | **6** | **12** |
| **TOTAL** | **50** | **100** |

# Mean=3.46

**Standard deviation=0.828**

45%

42%

40%

36%

35%

30%

25%

20%

15%

10%

10%

6%

5%

0%

Disagree

uncertain

agree

strongly agree

**INTERPRETATION**

KCC bank’s employees are appearing smart. Here analysis shows that majority were neutral. Among the total respondent 21 respondent were neutral, 18 people agreed and 6 respondent strongly agreed. The rest disagreed. From the analysis I found that some respondent agreed with this statement but most of the respondent thinks the employees of the KCC bank appear smart.

# Ques.4.Materials associated with the service (such as pamphlets or statement) are visually appealing.

**TABLE NO .4**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **7** | **14** |
| **UNCERTAIN** | **22** | **44** |
| **AGREE** | **18** | **36** |
| **STRONGLY AGREE** | **3** | **6** |
| **TOTAL** | **50** | **100** |

# Mean=3.34Standard deviation=0.798

50%

45%

40%

35%

30%

25%

20%

15%

10%

5%

0%

44%

36%

14%

6%

Disagree uncertain agree strongly agree

**INTERPRETATION**

Materials associated with the service are visually appealing. Here 36% respondents agreed with this statement and 6% strongly agreed with this statement. 44% were neutral that is most and 14% disagreed. There was no respondent who strongly disagreed. Hence, in general it can be concluded that materials associated with the services such as pamphlets or statements are visually appealing.

RELIABILITY DIMENSION OF SERVICE QUALITY

(Questions 5 to 8):

**Ability to perform the promised service dependably and accurately**

**Ques.5 when the bank promises to do somethingby a certain time, it does so.**

# TABLE NO.5

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **STRONGLY DISAGREE** | **2** | **4** |
| **DISAGREE** | **26** | **52** |
| **UNCERTAIN** | **5** | **10** |
| **AGREE** | **14** | **28** |
| **STRONGLY AGREE** | **3** | **6** |
| **TOTAL** | **50** | **100** |

**Mean=3.04Standard deviation=1.21**

60%

52%

50%

40%

30%

28%

20%

10%

10%

4%

~~6%~~

0%

strongly agree

disagree

uncertain

agree

strongly agree

**INTERPRETATION**

My sample size was 50. Here analysis shows that among the total respondents 26 respondents disagreed and 14 respondents agreed with this question. Also I found that 5 people were neutral and 2 people strongly disagreed. Hence I concluded that majority of them disagreed that the bank when promises to do something by certain time, it does so.

# Ques. 6 When you have a problem, the bank shows a sincere interest in solving it.

**TABLE NO.6**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **3** | **6** |
| **UNCERTAIN** | **14** | **28** |
| **AGREE** | **26** | **52** |
| **STRONGLY AGREE** | **7** | **14** |
| **TOTAL** | **50** | **100** |

# Mean=3.74

**Standard deviation=0.777**

60%

52%

50%

40%

30%

28%

20%

14%

10%

6%

0%

Disagree

uncertain

agree

srrongly agree

**INTERPRETATION**

When you have a problem, KCC bank shows sincere interest in solving it. After analyzing this statement I found that most of the respondents agreed i.e. 52% respondents agreed. Also I found that 28% were neutral with this statement and 6% were committed with disagree. There was no one who strongly disagreed. Hence KCC bank can be said to be reliable.

# Ques.7 The bank performs the service right the first time. TABLE NO.7

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **STRONGLY DISAGREE** | **2** | **4** |
| **DISAGREE** | **8** | **16** |
| **UNCERTAIN** | **17** | **34** |
| **AGREE** | **17** | **34** |
| **STRONGLY AGREE** | **6** | **12** |
| **TOTAL** | **50** | **100** |

**Mean=3.36**

# Standard deviation=1.00

40%

35%

34%

34%

30%

25%

20%

16%

15%

12%

10%

5%

4%

0%

Strongly

disagree

disagree

uncertain

agree

strongly agree

**INTERPRETATION**

Total sample size was 50. Here analysis shows that among the total respondents 17 people agreed with this statement. They think that KCC bank performs the services right the first time. 6 people strongly agreed with this statement. Also 17 people were neutral and the rest of the respondents disagreed and strongly disagreed.

# Ques.8 The bank insists on error free records.

**TABLE NO.8**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **5** | **10** |
| **UNCERTAIN** | **10** | **20** |
| **AGREE** | **23** | **46** |
| **STRONGLY AGREE** | **12** | **24** |
| **TOTAL** | **50** | **100** |

# Mean=3.84

**Standard deviation=0.91**

50%

45%

40%

35%

30%

25%

20%

15%

10%

5%

0%

46%

24%

20%

10%

Disagree uncertain agree strongly agree

**INTERPRETATION**

Bank insists on error free records. KCC bank has proved from my analysis that it surely insist on error free records as 46% respondents agreed with this statement and 24% strongly agreed. Only 10% respondents disagreed and no one strongly disagreed.

RESPONSIVENESS DIMENSION OF SERVICE QUALITY

(Question 9 to 12):

Willingness to help customers and provide prompt services

# Ques. 9 Employees in the bank tells you exactly when the services will be performed.

**Table no: 9**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **STRONGLY DISAGREE** | **6** | **12** |
| **DISAGREE** | **8** | **16** |
| **UNCERTAIN** | **13** | **26** |
| **AGREE** | **18** | **36** |
| **STRONGLY AGREE** | **5** | **10** |
| **TOTAL** | **50** | **100** |

# Mean=3.18Standard deviation=1.20

40%

36%

35%

30%

26%

25%

20%

16%

15%

12%

10%

10%

5%

0%

strongly

disagree

diagree

uncertain

agree strongly agree

**INERPRETATION**

Employees in the bank tell you exactly when the services will be performed. Majority of the respondents agreed with this statement. 26% respondents were uncertain. At the same time 16% disagreed and 12% strongly disagreed with this statement.

# Ques. 10 Employees in the bank give you prompt service. Table no: 10

|  |  |  |
| --- | --- | --- |
| SCALE | FREQUENCY | PERCENTAGE |
| DISAGREE | 5 | 10 |
| UNCERTAIN | 16 | 32 |
| AGREE | 27 | 54 |
| STRONGLY  AGREE | 2 | 4 |
| TOTAL | 50 | 100 |

**Mean=3.52**

# Standard deviation=0.735

60%

54%

50%

40%

32%

30%

20%

10%

10%

4%

0%

disagree

uncertain

agree

strongly agree

**INTERPRETATION**

Most of the respondents agreed with this statement. According to my analysis, employees in KCC Bank give prompt service. Among the total respondents agreed respondents were 27 and strongly agreed were 2. 16 people were neutral and 5 disagreed. There was no respondent who strongly disagreed with this statement.

# Ques.11 Employees in the bank is always willing to help you. Table no: 11

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **UNCERTAIN** | **12** | **24** |
| **AGREE** | **29** | **58** |
| **STONGLY AGREE** | **9** | **18** |
| **TOTAL** | **50** | **100** |

**Mean=3.94**

# Standard deviation=0.65

70%

60% 58%

50%

40%

30%

24%

20%

18%

10%

0%

uncertain

agree

strongly agree

**INTERPRETATION**

Employees in KCC bank are willing to help you. With this statement no one disagreed or strongly disagreed. Strongly agreed were 9 people i.e. 18% respondents strongly agreed, 29 people agreed i.e. 58% respondents agreed and 24% respondents were neutral.

# Ques.12 Employees in the bank is never too busy to respond to your request.

**TABLE NO: 12**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **1** | **2** |
| **UNCERTAIN** | **11** | **22** |
| **AGREE** | **27** | **54** |
| **STRONGLY AGREE** | **11** | **22** |
| **TOTAL** | **50** | **100** |

# Mean=3.96

**Standard deviation=0.72**

60%

54%

50%

40%

30%

22%

22%

20%

10%

2%

0%

Disagree

uncertain

agree

strongly agree

**INTERPERTATION**

Employees in KCC Bank ltd are never too busy to respond to your request. After analyzing this statement I found that most of the respondents agreed with this statement. Among the total respondents 22% strongly agreed and 54% agreed. 11 respondents were neutral and 1 respondent disagreed. No one strongly disagreed.

ASSURANCE DIMENSION OF SERVICE

QUALITY(Question13 to 16)

# Knowledge and courtesy of employees and their ability to inspire trust and confidence

**Ques.13 The employees of the bank is trustworthy.** **TABLE NO:13**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **4** | **8** |
| **UNCERTAIN** | **13** | **26** |
| **AGREE** | **28** | **56** |
| **STRONGLY AGREE** | **5** | **10** |
| **TOTAL** | **50** | **100** |

# Mean=3.68

**Standard deviation=0.767**

60%

56%

50%

40%

30%

26%

20%

10%

10%

8%

0%

Disagree

uncertain

agree

strongly agree

**INTERPRETATION**

The employees of the bank are trustworthy. According to my findings, 54% respondents agreed that employees at KCC bank are trustworthy. 13% respondents were neutral and 8% respondents disagreed with this statement.

# 

# Ques.14 The behavior of employees in the bank instills confidence in you.

**TABLE NO: 14**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **28** | **56** |
| **UNCERTAIN** | **4** | **8** |
| **AGREE** | **13** | **26** |
| **STRONGLY AGREE** | **5** | **10** |
| **TOTAL** | **50** | **100** |

# Mean=2.9

**Standard deviation=1.11**

60% ~~56%~~

50%

40%

30%

26%

20%

10%

8%

0%

Disagree

uncertain

strongly agree

**INTERPRETATION**

The behavior of employees in KCC bank instills confidence in you. Here analysis shows that most of the people disagreed. Among the total respondents 28 respondents disagreed, 13 agreed and 5 strongly agreed. There was no respondent who strongly disagreed. This means 56% respondent disagreed with this statement.

# Ques.15 You feel safe in your transactions withthe bank. TABLE NO: 15

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **5** | **10** |
| **UNCERTAIN** | **16** | **32** |
| **AGREE** | **23** | **46** |
| **STRONGLY AGREE** | **6** | **12** |
| **TOTAL** | **50** | **100** |

**Mean=3.6**

# Standard deviation=0.83

50%

45%

40%

46%

35% 32%

30%

25%

20%

15%

10%

5%

0%

10%

~~12%~~

Disagree uncertain agree strongly agree

**INTERPRETATION**

With this statement most of the respondents agreed. Among the total respondents 23 agreed with this statement and 6 strongly agreed. 32% respondents were neutral and 10% respondents disagreed .But there no one who strongly disagreed.

# 

# Ques.16 Employees in the bank has the knowledge to answer your questions.

**TABLE NO: 16**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **2** | **4** |
| **UNCERTAIN** | **9** | **18** |
| **AGREE** | **26** | **52** |
| **STRONGLY AGREE** | **13** | **26** |
| **TOTAL** | **50** | **100** |

# Mean=4

**Standard deviation=0.78**

60%

52%

50%

40%

30%

26%

20%

18%

10%

4%

0%

Disagree

uncertain

agree

strongly agree

**INTERPRETATION**

From my analysis I found that 54% respondents agreed that employees of KCC bank have complete knowledge to answer their questions. 26% respondents strongly agreed to this statement and only 4% disagreed. 18% neither agreed nor disagreed.

**EMPATHY DIMENSION OF SERVICE QUALITY**

**(Question17 to 20):**

# Caring and individualized attention that firm provides to its customers.

**Ques.17 The bank gives you individual attention.** **TABLE NO. : 17**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **26** | **52** |
| **UNCERTAIN** | **12** | **24** |
| **AGREE** | **10** | **20** |
| **STRONGLY**  **AGREE** | **2** | **4** |
| **TOTAL** | **50** | **100** |

# Mean=2.76

**Standard deviation=0.91**

60%

52%

50%

40%

30%

24%

20%

20%

10%

4%

0%

disagree

uncertain

agree

strongly agree

**INTERPRETATION**

KCC bank is not able to give individual attention to its customers as out of the total respondents 54% disagreed with this statement. 12% of the respondents were neutral and only 12% agreed and 2% strongly agreed. From this finding it can be concluded that it is unable to give individual attention to its customers

# Ques.18 The bank has operating hours convenient to all its customers.

**TABLE NO: 18**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **DISAGREE** | **2** | **4** |
| **UNCERTAIN** | **14** | **28** |
| **AGREE** | **27** | **54** |
| **STRONGLY AGREE** | **7** | **14** |
| **TOTAL** | **50** | **100** |

# Mean=3.76

**Standard deviation=0.74**

60%

54%

50%

40%

30%

28%

20%

14%

10%

4%

0%

disagree

uncertain

agree

strongly agree14%

**INTERPRETATION**

KCC bank has operating hours convenient to all its customers. Out of 50 respondents, 27 respondents agreed with this statement and only 2 respondents disagreed. Also 7 respondents strongly agreed that the bank has operating hours convenient to its customers.

# Ques.19 The bank has your interests best at heart.

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PERCENTAGE** |
| **STRONGLY DISAGREE** | **3** | **6** |
| **DISAGREE** | **5** | **10** |
| **UNCERTAIN** | **10** | **20** |
| **AGREE** | **25** | **50** |
| **STRONGLY AGREE** | **7** | **14** |
| **TOTAL** | **50** | **100** |

**Mean=3.56**

# Standard deviation=1.05

60%

50%

50%

40%

30%

20%

20%

14%

10%

10%

6%

0%

Strongly

disagree

disagree

uncertain

agree

strongly agree

**INTERPRETATION**

KCC bank has your best interests at heart. Here analysis shows that 25 respondents agreed and 7 respondents strongly agreed with this statement. 20% were neutral and the rest disagreed and strongly disagreed.

# Ques.20 The employees of the bank understands your specific needs.

**TABLE NO: 20**

|  |  |  |
| --- | --- | --- |
| **SCALE** | **FREQUENCY** | **PRECENTAGES** |
| **DISAGREE** | **5** | **10** |
| **UNCERTAIN** | **21** | **42** |
| **AGREE** | **20** | **40** |
| **STRONGLY AGREE** | **4** | **8** |
| **TOTAL** | **50** | **100** |

# Mean=3.5

**Standard deviation=0.814**

45%

42%

40%

40%

35%

30%

25%

20%

15%

10%

10%

~~8%~~

5%

0%

Disagree

uncertain

agree

strongly disagree

**INTERPRETATION**

Employees of KCC bank understand specific needs. With this statement most of the respondents were neutral. Among the total respondents 20 respondents agreed and 4 respondents strongly agreed. 5 respondents disagreed with this statement.

# MEASURING SERVICE QUALITY DIMENSIONS:

Measuring the quality of a service can be a very difficult exercise. Unlike product where there are specific specifications such as length, depth, width, weight, and color etc. a service can have numerous intangible or qualitative specifications.

Parasuraman, Zeithaml, and Berry (1985) provide a list of determinants of service quality: access, communication, competence, courtesy, credibility, reliability, responsiveness, security, understanding, and tangibles. A total of five consolidated dimensions of service quality are:

Tangibles (ques.1 to 4) - physical facilities, equipments and appearance of personnel.

Reliability (ques.5 to 8) - Ability to perform the promised service dependably and accurately.

Responsiveness (ques.9 to 12) – Willingness to help customers and provide prompt services.

Assurance (ques.13 to 16) – (including competence, courtesy, credibility and security) Knowledge and courtesy of employees and their ability to inspire trust and confidence.

Empathy (ques.17 to 20) – (including access, communication and understanding the customer) Caring and individualized attention that firm provides to its customer.

In order to calculate which dimension of service quality is performing well, a sample of the questions are used in the questionnaire. Using the questionnaire, obtain the score for each of the 20 statements. After analysis of the data, Overall score to each statement is given on a scale of 1 to 5 i.e. 1 is given to strongly disagreed i.e. the lowest score, then 2= disagreed, 3= uncertain, 4= agreed and 5= strongly agreed.

Sum the score for each dimension of service quality to obtain a final score which tells which dimension is performing well and which dimension needs improvement

* 1. **The scores for each dimension are summed up and a final score is obtained:**

|  |  |
| --- | --- |
| SERVICE QUALITY DIMENSION | POINTS |
| 1.TANGIBILITY(1 TO 4) | 11 |
| 2.RELIABILITY (5 TO 8) | 13.5 |
| 3.RESONSIVENESS (9 TO  12 ) | 16 |
| 4.ASSURANCE (13 TO 16) | 14 |
| 5.EMPATHY (17 TO 20 ) | 13 |

**CHAPTER -5: FINDING AND SUGESSTIONS**

5.1 Findings

5.2 Suggestions

# FINDINGS OF THE STUDY

The **Reliability** dimension of service quality is better as compared to empathy and tangibility**(13.5**). Still the score is low. For most services, customer‟ s perceptions of whether the service has been performed correctly, and not provider-established criteria, are the major determinants of reliability. Customers of the bank hesitate to rely on the bank. Whenever they have a problem, the bank shows sincere interest in solving it but the services are not performed by a certain time as promised. The employees should take this problem seriously and take steps to remove this.

* + - The score of **Tangibility** dimension of service quality of KCC bank is the lowest**(11)**. The service quality factor tangible is defined by whether the physical facilities and materials associated with the service are visually appealing at the bank. These are all factors that customers notice before or upon entering the bank. Customer expectations regarding visual appealing of KCC is very high. From my study I found that Physical facilities and modern looking equipment are not sufficient in KCC bank. Respondents were uncertain about the neat appearance of the reception desk employees. So they should work on that and try to fulfill the gap.
    - As score for **Assurance** is at second place after responsiveness**(14)**, so the customers of KCC bank are very confident and feel safe while transacting with the bank. Moreover the enough to answer all the questions employees

of the bank have proved to be trustworthy. Employees are also educated enough to answer all the questions.

* + - According to my findings, the score of **Empathy** is not satisfactory but not unsatisfactory also**(13)**. KCC bank is unable to give individual attention to its customers and is unable to understand specific needs of its customers. But still bank has taken steps to satisfy its customers by keeping operating hours convenient to its customers and keeping their interest best at heart.
    - In KCC bank, the score of **Responsiveness** is highest so they are focusing on prompt service, employees are willing to help the customers and say the exact time when the services will be performed**(16)**. Employees at bank give their customers first preference and are always ready to help them. Overall KCC bank‟ s responsiveness dimension of service quality is the highest.
    - According to the customer perception, KCC bank is highly responsive. Customers are assured while transacting with the bank. The reliability

dimension is lower than the first to dimension. They feel that the bank is unable to give them individual attention and its equipments are not modern and sufficient for the bank.

* + - There is not much gap between all the dimensions, this shows that KCC BANK is a better service provider in all the dimensions i.e. reliability, assurance, tangibility, responsiveness and empathy. As a result of which, the customers are satisfied with the service offered by KCC bank.

# SUGGESTIONS

* + - * Reliability is an obvious place to start. Customers of the bank want to know their resources are safe and within trustworthy institutions. A way to ensure this peace of mind would be to take steps to ensure bank employees are well trained, so each bank associate is able to offer complete and comprehensive information at all times. Consistent policies combined with a knowledgeable staff will foster a high degree of institutional cohesion and reliability.
      * Responsiveness, again when associated with a well- trained staff and timely answers to service-related questions, would make significant inroads into causing KCC bank be regarded as responsive. Staff should be encouraged to present relevant options to banking customers in a manner that does not resemble salesmanship so much as a desire to serve.
      * Intangibles please customers just as much as tangibles in the banking industry. People tend to visit the same branch of a bank over and over again. Usually, this is a location close to their home or their workplace. It is natural that customers become comfortable and habituated to these branch banks, for the same reason they develop familiarity with a neighborhood supermarket or convenience store. It makes sense that bank employees would be encouraged to learn to recognize these regular customers, learn their names, and begin to identify their basic service requirements.
      * Learning to understand customers‟ needs will allow bank associates to offer enhanced services, perhaps lowering customers‟ banking costs and increasing their investment potential. This could also open up the possibility of increased profits for banks, for when perceived as more service and customer oriented, they will, in effect, become a useful and pleasant way to “shop.”
      * Keeping the bank with up-to-date technologically are important factors. Modern equipments, new improved technology should be replaced with the old ones. If the staff inside is pleasant and well-informed, in an aesthetically pleasing environment, then customer satisfaction will be high.

# CONCLUSION

Based on the study conducted it can be concluded that responsiveness, assurance and reliability are the critical dimensions of service quality of KCC bank and they are directly related to overall service quality. The factors that may delight customers tend to be concerned more with the intangible nature of the service, commitment, attentiveness, friendliness, care, and courtesy.

The employees give prompt services, always are ready to answer the questions and are trustworthy. The main sources of dissatisfaction appear to be cleanliness, up to date technology modern equipments, and neatly dressed up employees. The Tangibility dimension of service quality of KCC bank is highly disappointing and serious steps are needed to be taken to enhance this dimension. Customers of the bank are dissatisfied with the empathy dimension. To satisfy these customers, the management can take some attempts, noted earlier as recommendations.

The study brings about the areas which require urgent attention of the employees, the management, and the policy makers of the industry. These are areas in which customers are hugely dissatisfied with the services of the banks against their expectation. This high degree of dissatisfaction resulting from the services received clearly questions the design of services or subsequent response of the bank employees. These limitations are too serious to be avoided as these question the front-line people dealing with the customers and the approach of the management in taking customers seriously.

The management should understand the benefits of service quality. It include increased customer satisfaction, improved

customer retention, positive word of mouth, reduced staff turnover, decreased operating costs, enlarged market share, increased profitability, and improved financial performance. In the days of intense competition, superior service is the only differentiator left before the banks to attract, retain and partner with the customers. Superior service quality enables a firm to differentiate itself from its competition, gain a sustainable competitive advantage, and enhance efficiency. Thus, improving service quality leads to the customer satisfaction and, ultimately, to customer loyalty.

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**QUESTIONNAIRE**

**A STUDY ON WEALTH MANAGEMENT AND SERVICE QUALITY AT KCC BANK**

Respected Sir/Madam,

I am Muskan Sharma student of BBA (6TH Sem.) with specialization in Finance of the department of BBA, Swami Vivekananda Govt. Degree College Ghumarwin, pursuing a project report on “**A STUDY ON WEALTH MANAGEMENT AND SERVICE QUALITY AT KCC BANK**”.

1. Name………………………………
2. Occupation………................
3. Age………………………
4. Income……………………………
5. Address……………………….

**Educational qualification:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **QUESTIONS** | **Strongly disagree** | **Disagree** | **Neither agree or disagree** | **Agree** | **Strongly agree** |
| **1. KCC Bank has modern looking equipment**. |  |  |  |  |  |
| **2. The bank’s physical features are visually appealing.** |  |  |  |  |  |
| **3. The bank’s reception desk employees are neat appearing.** |  |  |  |  |  |
| **4. Materials associated with the service (such as pamphlets or statements) are visually appealing.** |  |  |  |  |  |
| **5. When the bank promises to do something by a certain time, it does so.** |  |  |  |  |  |
| **6. when you have a problem, the bank shows a since interest in solving it.** |  |  |  |  |  |
| **7.The bank erforms the service right the first time.** |  |  |  |  |  |
| **8. The bank insists on error free records.** |  |  |  |  |  |
| **9. Employees in the bank tell you exactly when the**  **service will be performed.** |  |  |  |  |  |
| **10. Employees in the bank give you prompt service.** |  |  |  |  |  |
| **11. Employees in the bank are always swilling to help you.** |  |  |  |  |  |
| **12. Employees in the bank are never too busy to respond to your request.** |  |  |  |  |  |
| **13.The employees of the bank are Trustworthy.** |  |  |  |  |  |
| **14. The behavior of employees in the bank**  **instills confidence in you**. |  |  |  |  |  |
| **15. You feel safe in your transaction with the bank.** |  |  |  |  |  |
| **16. Employees in the bank have the knowledge to answer your questions.** |  |  |  |  |  |
| **17. The bank gives you individual attention.** |  |  |  |  |  |
| **18. The bank has operating hours convenient to all the customers.** |  |  |  |  |  |
| **19. The bank has yours best interest at heart.** |  |  |  |  |  |
| **20.The employees of the bank understand your specific needs.** |  |  |  |  |  |