



Service Quality in Banks - A Study With Reference to SBI in Erode City

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ABSTRACT

Quality in service is an indefinable concept because of the intangibles nature of the service offering and the definition of quality may vary from person to person and from situation to situation. Even though a universally accepted definition of quality does not exist till now, most writers on service quality supports a customer's - centered definition with the reservation that customer expectations are not necessarily consistent or predictable. The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2 June 1806. Three years later, the bank received its charter and was re-designed as the Bank of Bengal (2 January 1809). A unique institution, it was the first joint-stock bank of British India sponsored by the Government of Bengal. In this study we have discussed the service quality of SBI in Erode city and also give some valuable suggestions. But to get there need to know about the 5 Service Quality Dimensions. Many actually think that service is just a little part of the marketing mix. Each of the 5 Service Quality Dimensions makes an extra addition to the level and quality of service which the company offers their customers. It also makes the service far more unique and satisfying.

Key Words: Service quality, Customer expectations, Marketing mix.

INTRODUCTION

The commencement of banks in India began in the eighteenth century with General Bank of India in 1786. Among the present day banks, State Bank of India holds the title of the oldest. The State Bank was established in 1806 in Calcutta as the Bank of Bengal. The 18th century was British Era in India. Calcutta being a major business hub and most active trading port was the obvious choice for showing the seeds in India. In 1969, 14 largest commercial and privately owned Banks were nationalized. Then again in 1980, six more banks were nationalized on the pretext of controlling the credit delivery in India. A decade later the new generation IT Banks came into being.

NEED AND SCOPE OF THE STUDY

Research has been conducted in order to critically evaluate and examine the customers' satisfaction towards service quality in SBI Bank. The purpose of this study is also observe and analyze the satisfactions of customer's towards service quality and to find out the problems encountered by the customers. Specifically, this study highlights the importance of service quality of SBI.

STATEMENT OF THE PROBLEM

Service marketers have really understood the competition can be well managed by differentiating through service quality. Significance of service lies in customer service management. The service quality has play a vital role of banking sector. The bank has differ the one bank with another bank quality of good service. On the basis of above state the researcher has to take necessary step to prove the following questions from the above problem the following questions is arise to the customer of the bank.

1. To what extent SBI satisfies its customers?
2. What strategy should be followed by SBI to provide best service?



OBJECTIVES OF STUDY

- To study the overview of SBI and its services.
- To analyses the relationship among service quality dimensions

RESEARCH METHODOLOGY

Survey Method has been followed for the study. Both primary and secondary source of data were used. Well-structured questionnaire was designed to elicit necessary data and details from the customers of SBI Bank. The secondary data were collected from the books, journals, web portals, etc.

Questionnaire

The primary data was collected through the well structured questionnaire consist of bi-polar , optional type and Likert's 5 point scale type questionnaire covered the questions relating to demographic factors of the customers.

Primary Data

Out of 220 questionnaires, only 200 were received as completely filled have been used in the present study. The questionnaires were directly given to respondents. The instructions were clearly given in order to avoid biasness in the responses. It was made sure, in this study, that the data collected through questionnaires were complete in all respects.

Secondary Data

Secondary data was obtained through company profile and information available in text books, journals, internet, and so on.

Statistics Tools

As the question generate direct information the data were analyzed using Statistical tools such as, one sample T-test, descriptive statistics of service quality dimension, and correlations of service quality dimension.

REVIEWS LITERATURE

The literature of previous studies will inform the researcher of the limitations of the study, and thereby, the researcher can take adequate measures to overcome them.

Sandip Gosh Hasra and BL Srivastava (2009) in their study indicated that the bank should pay attention to these dimension of service quality and pay more attention to dimension of assurance- empathy to increase loyalty to a company, willingness to pay, customer commitment and customer trust.

Pim den Hertog et al., (2010) are used to study the research objectives. An analysis has been carried out by applying the above models to identify and compare various strategies adopted so far by the above banks keeping in tune with the selected models.

Ladharetal. (2011) also found the difference between the Canadian and Tunisian customers in their perception of importance of service quality dimensions.

Arun& kumar.G, Dr.S.J.Manjunath (2012) Service quality plays a major role in customer satisfaction and creating brand loyalty in banking sector. The data were analyzed by one sample t-test and regression analysis. The result revealed that all the dimensions which have been used in the study are positively related to customer satisfaction.

Pratul S. Gudadhe (2013) the selected customers seem representative and large enough to generalise the total population although from Rural and Urban banks of Yavatmal district. Generally the customers of SBI of Yavatmal district were the depositors, borrowers and others who avail banking services.

**ANALYSIS SERVICE QUALITY DIMENSIONS**

Consumer Satisfaction is an important element of marketing function which decides the profitability of any concern. In this chapter, an attempt is made to analyse the main factors influencing the service quality dimensions applying one sample T test ,Simple statistical tools like mean, correlations were employed.

Table- 1
One Sample ‘t’ test for Tangibility Dimension

Tangibility (Perception)	Mean	Std. Deviation	Std. Error Mean
ATM Branch	4.29	.953	.067
Branch location	4.22	.850	.060
Visually appealing materials	3.95	1.181	.084

Source: Primary Data

The tangibility dimension of service quality indicates that the customers are strongly agreed with good ATM branch. Similarly, they felt that bank have provided branch location and visually appealing materials to their customers (Table – 1).

Table – 2
One-Sample Test of Tangibility Dimension

Tangibility	t	df	Sig. (2-tailed)
ATM location	19.068	199	.000
Branch location	20.217	199	.000
Visually appealing materials	11.377	199	.000

Source: Primary Data

The t-test values of tangibility dimension are statistically significant at 5 percent level. It is indicated that the bank customers are getting good tangibility services. Hence, it is concluded that the bank provides the goods ATM branch and have the branch location and gives visually appealing materials to their customers. (Table - 2).

Table- 3
One Sample ‘t’ test for Reliability Dimension

Reliability (Perception)	Mean	Std. Deviation	Std. Error Mean
Accurate information	3.99	1.096	.077
Dependable service	4.05	1.138	.080
Redness to solve e-banking problems	4.10	1.042	.074
Effective online facilities	4.23	.943	.067
Updated technology	4.22	.941	.067
Protect personal information	4.29	.904	.064

Source: Primary Data

The reliability dimension of service quality indicates that they customer are strongly agreed with protect personal information. Similarly, they felt that bank have the ability to understand effective on-line facilities and updated technology their customers. (Table – 3)



Table – 4
One Sample ‘t’ test for Reliability Dimension

Reliability	t	Df	Sig. (2-tailed)
Accurate information	12.712	199	.000
Dependable service	13.054	199	.000
Redness to solve e-banking problems	14.932	199	.000
Effective online facilities	18.376	199	.000
Updated technology	18.329	199	.000
Protect personal information	20.095	199	.000

Source: Primary Data

The t-test values of reliability dimension are statistically significant at 5 percent level. It is indicated that the bank customers are getting good reliability services. Hence, it is concluded that the bank provides the goods protect personal information and have the effective online facilities and gives accurate information to their customers. (Table – 4)

Table – 5
One-Sample ‘t’ Test of Tangibility Dimension

Responsiveness (Perception)	Mean	Std. Deviation	Std. Error Mean
Create awareness on e-channels	4.08	.992	.070
Prompt service	4.07	1.054	.075
Willingness to help	4.11	1.072	.076
Service timing	4.19	.983	.069

Source: Primary Data

The responsiveness dimension of service quality indicates that they customer are strongly agreed with timing service. Similarly, they felt that bank have the ability to gives the willingness to help, create awareness on e-channels and prompt service. (Table – 5)

Table – 6
One-Sample Test of Responsiveness

Responsiveness (Perception)	Mean	Std. Deviation	Std. Error Mean
Create awareness on e- channels	15.324	199	.000
Prompt service	14.359	199	.000
Willingness to help	14.574	199	.000
Service timing	17.054	199	.000

Source: Primary Data

The t-test values of dimension are statistically significant at 5 percent level. It is indicated that the bank customers are getting good responsiveness services. Hence, it is concluded that the bank provides the service timing and have the facility to create awareness on e-channels, prompt service and willingness to help their customers (Table – 6)

Table – 7
One-Sample ‘t’ Test of Assurance Dimension

Assurance (Perception)	Mean	Std. Deviation	Std. Error Mean
Confidentially	4.22	.957	.068
Secured website	4.12	1.003	.071
Financial securities	4.24	.898	.063



Knowledgeable employees	4.20	.960	.068
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Source: Primary Data

The assurance dimension of service quality the indicates that they customer are strongly agreed with financial securities. Similarly, they felt that bank have the ability to meet finance confidentially, knowledgeable employees and secured Bank websites. (Table –7)

Table – 8
One-Sample Test of Assurance

Assurance	t	Df	Sig.
Confidentially	18.025	199	.000
Secured Bank Website	15.715	199	.000
Financial securities	19.528	199	.000
Knowledgeable employees	17.604	199	.000

Source: Primary Data

The t-test values of assurance dimension are statistically significant at 5 percent level. It is indicated that the bank customers are getting good assurance services. Hence, it is concluded that the bank provides the goods financial securities and have the confidentially and gives secured Bank website to their customers. (Table – 8)

Table – 9
One-Sample ‘t’ Test of Empathy Dimension

Empathy (Perception)	Mean	Std. Deviation	Std. Error
Individual attention	4.20	.928	.066
Convenient operating hours	4.32	.854	.060
Personal attention	4.19	.974	.069
My bank has my best interest at heart	4.22	.902	.064
Ability to understand customer needs	4.27	1.040	.074

Source: Primary Data

The Empathy dimension of service quality indicates that the customers are strongly agreed with convenient operating working hours. Similarly, they felt that bank have the ability to understand customer needs and gives interested services to their customers (Table – 9).

Table – 10
One-Sample Test of Empathy

Empathy	t	Df	Sig
Individual attention	18.210	199	.000
Convenient operating hours	21.775	199	.000
Personal attention	17.279	199	.000
My bank has my best interest at heart	19.059	199	.000
Ability to understand customer needs	17.262	199	.000

Source: Primary Data



The t-test values of empathy variables are statistically significant at 5 percent level. It is indicated that the bank customers are getting good empathy services. Hence, it is concluded that the bank provides the convenient operating working hours and have the ability to understand customer needs and gives interested services to their customers. (Table -10)

Table – 11

Relationship among Service Quality Dimensions						
Service Quality Dimensions		Tangibility	Reliability	Responsiveness	Assurance	Empathy
Tangibility	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	200				
Reliability	Pearson Correlation	.562**	1			
	Sig. (2-tailed)	.000				
	N	200	200			
Responsiveness	Pearson Correlation	.397**	.627**	1		
	Sig. (2-tailed)	.000	.000			
	N	200	200	200		
Assurance	Pearson Correlation	.374**	.474**	.519**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	200	200	200	200	
Empathy	Pearson Correlation	.424**	.526**	.489**	.684**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	200	200	200	200	200

Source : Primary Data

The service quality dimensions such as tangibility, reliability, responsiveness, assurance and empathy are positively correlated with one another (Table – 11).

Table – 12**Descriptive Statistics of Service Quality Dimensions**

Service Quality Dimension	Mean	Std. Deviation	Minimum	Maximum
Tangibility	12.0900	2.07689	6.00	15.00
Reliability	23.6050	3.85790	12.00	30.00
Responsiveness	16.4350	3.13447	8.00	20.00
Assurance	15.8200	2.68021	6.00	20.00
Empathy	19.6450	3.63387	5.00	25.00

Source : Primary Data

From the above table 12 reliability indicates the highest mean value among service quality dimensions. It shows customers are strongly agree with reliability dimensions service. tangibility dimension show the lowest mean value among service quality dimension it shows the customers are not strongly agree with the tangibility dimension of service quality.



GAP Analysis

Quality paves avenues for expectations. Expectations if not fulfilled make the ways for gap. The multi-faceted attempts for improving service quality have made possible a significant increase in the level of expectations of customers. World class professional excellence, new generation of sophisticated technology and number one physical amenities and facilities have shaped high level of expectations of service users and of the providers. Service quality gap draws priority attention of professionals so that they make it sure that promised quality of services are made available to the customers.

Zeithmal, Berry and Parsuraman (1988) identified four potential gaps which may lead to serious gap between the expectations of users and offering of providers. It is also significant to mention that Lovelock (1994) has enlarged the gap to seven. All the seven gaps can be grouped into two major parts such as internal and external. The delivery gap, and internal communication gap are of external nature. The internal gap occurs between different functions and departments within the organization and therefore Bank call them internal gap. Contrary to it, the external gap is influenced by the four external conditions and therefore Bank call them external gap.

FINDINGS

- The tangibility dimensions of customer are strongly agreed with good ATM location.
- The reliability dimensions of customer agreed with protect personal information.
- The responsiveness dimensions of customer are strongly agreed with timing service.
- The assurance dimensions of customer are strongly agreed with financial securities.
- The empathy dimensions of customer are strongly agreed with convenient operating working hours.

SUGGESTIONS

- The bank has provided service to the customer at present, they have to follow future period also. The bank has to improve the branch location, visually appealing materials of tangibility dimensions of service quality.
- The bank has to improve the accurate information, dependable service, readiness to solve e-banking problems, effective online facilities and updated technology of reliability dimensions of service quality.
- The bank has to improve the confidentiality, secured website, knowledgeable employees of assurance dimensions of service quality.
- The bank has to improve the individual attentions, personal attention, my bank has my best interest at heart and ability to understand customer needs of empathy dimensions of service quality.

CONCLUSION

The study has been undertaken to evaluate the customer satisfaction of service quality in state bank of India in Erode city. During the period of study, the customers are highly satisfied with bank service. The bank has to improve the all dimension of service to some extended level to retain the customer for future period. The bank overall service customers are highly satisfied.

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