

Study on Service Quality Analysis of Private Sector Banks of Jorhat, Assam

Abstract

Banking sector provides a valuable contribution towards the society. Private sector banks are facing various challenges from the public sectors bank. This paper is an attempt to analyse the service quality of private sector banks as well as level of customers' satisfaction. 75 customers of different private sector banks located at Jorhat District were selected purposively and the relevant data were collected through a structured questionnaire. The finding of the study is that most of the customers are satisfied with the services provided by these banks.

Keywords: Perception, Expectation, Customers' Satisfaction

Introduction

Service industry plays a very important role in economic and social development of a nation. Banking is an important service industry which provides a valuable contribution to the society. Quality in service is very much important in today's business world, particularly in service sectors. Private sector banks are facing lots of competition so they formulated different strategies to retain their existing customers and attract the new customers. It is also fact that, success of any service industry is basically depending upon their service quality delivered to their customers. Now a days, the measurement of service quality is very much important because it determine the satisfaction and attitude of customers.ISO standards are one of the measurement tools of service quality, where quality is defined as the totality of features and characteristics of a product, process or services(Islam and Ahmed,2005).

Review of Literature

Oliver (1981) said that customer satisfaction is the summary of psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience. Customer satisfaction has also been defined by Hunt (1977) as "an evaluation rendered that the (consumption) experience was at least as good as it was supposed to be." The investments in customer satisfaction, customer relationships and service quality leads to profitability and market share. According to Hallowell(1996), customer satisfaction leads to customer loyalty and this also leads to profitability. If customers are satisfied with a particular high quality service offering after its use, then they can be expected to engage in repeat purchase and even try line extensions and thus market share can be improved.

Levesque and McDougall (1996) have empirically confirmed and reinforced the notion that consistent poor customer experience leads to a decrease in the levels of customer satisfaction and the chances of further willingness to recommend the service (i.e., word-of-mouth advertising or referrals) is lessened.

Statement of the problems

Quality services and quality products are very much essential; otherwise it is impossible to success and survives in today's business world. At present all industries, especially service industries are given more emphasis on service quality and customers satisfaction. Recently a lots of private sector banks have entered in the banking sector and they have faced various competition within the other private banks as well as nationalised banks in various aspect like e-services, service quality, customers expectation etc. Private sector banks as a service industry play a very pivotal role in economic and social development of a nation. In this competition era, if the private sector banks are not able to identify the gaps between the expectation and perceptions of customers, it will not be sustained in the long run.

Relevance of the Study

Banking sector helps the industrial houses, business houses as well as society as a whole. It provides a good numbers of employment

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opportunities to the educated youth of the nation. For the sustainable development of this sector, services and service quality should be appropriate according to the expectation and perception of the customers. But it is seen that, till today, no in-depth study was conducted, particularly about the measurement of service quality of private sector banks in Jorhat. Hence, the study is rational for “Study on Service Quality Analysis of Private Sector Banks of Jorhat, Assam.”

Objectives of the study

The basic objectives of the study are-

1. To find out the factors that influences service quality and customer satisfaction of private banks
2. To measure the satisfaction level of customers of private sector banks.
3. To recommend the suggestions to improve the service quality of private sector banks.

Methodology

The methodology for this study is both descriptive and analytical in nature.

Population

The population for the study comprises all individual customers of private sector banks that operating their business activities in Jorhat.

Sample size

The study focuses on private sector banks operating in Jorhat. 75 customers of different private sector banks were selected purposively and respondents were asked to give decision by visiting the various bank branch located at Jorhat during the month of January to March, 2016.

Data source

A convenient sampling technique is used to select the respondents because the customers are scattered across the district and it is also difficult to get exact numbers of customers. Both primary and secondary data are used to collect the relevant data. The primary data were collected from the customers of private banks through a structured questionnaire containing 15 questions or statements related to service quality and customers satisfaction. The questionnaire is prepared on the basis of past literature. The respondents were asked to rate each statement on the Likert scale of 1 to 5 (1= strongly disagree, 5= strongly agree). To supplement the primary data, the secondary information were collected from various websites and journals.

Data analysis tools

Data were tabulated and analysed by using statistical package for social science (SPSS), 14.0 Version. Based on the standard SERVQUAL dimensions, 15 statements selected as attributes by the researcher are-

Factors	Codes	Attributes
Tangible	S1	Modernequipmentsareavailable
	S2	Bankers are well dressed and neat appearance
	S3	Virtually appealing physical facilities are available
Reliability	S4	Bankers do the works of customers on promise time
	S5	Keep the records accurately
	S6	Show sincere interest in solving the customersprobles

Respon siveness	S7	Bankers provide prompt services to the customers
	S8	Always ready to reply any query of customers
	S9	Always willing to help the customers
Assurance	S10	Customers feel safe in transaction with the bankers
	S11	Bankers have the knowledge to answer any questions
	S12	Sympathy ally try to solve the problems of customers
Empathy	S13	Bankers give individual attentin
	S14	Working hours areconvenient
	S15	Understand the specific needs of the customers

Analysis of data and findings

The demographic profile of sample customers are shown in table-1

Table-1: Demographic Characteristics of Sample Customers (N=75)

Demographics	Frequency	Percentage
Gender		
Male	58	77
Female	17	23
AGE (In Years)		
Below 25 Years	25	33
26-40 Years	36	48
41-60 Years	14	19
Educational Qualification		
10 th Std.	5	7
12 th Std	32	43
Graduate	23	31
Post Graduate	7	9
Professional	8	10
Marital Status		
Single	32	43
Married	43	57
Monthly Income (In Rs)		
Below 50000/	17	23
50001—100000	17	23
Above 100000	41	54
Occupation:		
Service	18	24
Business	37	49
Profession	8	11
Others	12	16

Source: Field survey

From the above table it is cleared that 77% of the respondents are male and only 23% are female. It implies that male customers are more interested to deal with the private banks. Most of the respondents (48%) are in the age group of 26 years to 40 years followed by (33%) in the age group of below 25 years. It indicates that the younger generation is more interested towards private sector banks. Majority (43%) of the respondents are 12th standard followed by graduates (31%). The table also illustrate that most of the respondents (57%) are married. It is also seen that as high as 54% of the customers fall in the monthly income range of above Rs 100000/. As

regards the occupation 49% of the respondents are businessman, 24% are service holders, 8% are

professional and 12% are others occupations.

Descriptive Statistics

Table 2: Analysis of Mean and Standard Deviation

Statements	S.No	Minimum	Maximm	Mean	Std. Deviation
Modern equipments are available	S1	1	5	3.72	1.021
Bankers are well dressed and neat appearance	S2	2	5	4.07	.811
Virtually appealing physical facilities are available	S3	2	5	3.88	.788
Bankers do the works of customers on promise time	S4	1	5	2.77	1.085
Keep the records accurately	S5	2	4	3.08	.882
Show sincere interest in solving the customers problems	S6	2	5	3.52	.891
Bankers provide prompt services to the customers	S7	2	5	3.24	.942
Always ready to reply any query of customers	S8	1	4	2.64	.995
Always willing to help the customers	S9	1	4	3.07	1.031
Customers feel safe in transaction with the bankers	S10	1	5	3.09	1.243
Bankers have the knowledge to answer any questions	S11	1	4	3.03	1.052
Sympathy ally try to solve the problems of customers	S12	1	4	2.75	1.054
Bankers give individual attention	S13	1	4	2.33	1.018
Working hours are convenient	S14	2	5	3.81	.833
Understand the specific needs of the customers	S15	1	4	2.60	.915
Valid N (listwise)	75				

Total Mean value

45.65

Source: field study (Note: the overall mean value is 45.65/15=3.04)

The descriptive statistics has been used to find out the mean and standard deviation of each statement on both perception as well as expectation. The overall mean value is 3.04.

From the above table it is cleared that private sector banks are good at tangible factor. Because, the mean value of all the three statements are higher than the overall mean value. The tangible factor consist of three statements i.e. s1, s2, and s3.

In case of reliability factor the private sector banks are good because the mean value of the statements related to this factor are greater than the overall mean value except the s4 (i.e. Bankers do the works of customers on promise time). This factor consists of s4, s5 and s6. It is also found that in case of responsiveness factor the private sector banks are good because the mean value of the statements related to this factor are greater than the overall mean value except the s8 (i.e. always ready to answer any query of the customers). This factor consists of s7, s8 and s9.

In case of assurance factor private sector banks are not much good because mean value of s11 and s12 are less than the overall mean value. Only the mean value of s10 (i.e. customers feel safe in transaction with the bankers) is greater than the overall mean value.

Private sector banks are not much good at empathy factor because mean value of s13 and s15 are less than the overall mean value. Only the mean value of s14 (i.e. working hours are convenient) is greater than the overall mean value.

From this table it is very much cleared that private sector banks are good at tangible factor reliability factor and responsiveness factor but bad at assurance factor and empathy factor.

Findings

The distributions of customers according to their individual perception with respect to different statements are (Appendix-1)

1. Most of the customer(50%) are satisfied with the services offered by private banks and only 34%

- of the customers are dissatisfied. It is also seen that 16% of the respondents preserve an indifferent attitudes.
- Out of 15 statements there are 6 statements against which more than 50% customers are satisfied. The statements are S1, S2, S3, S6, S9 and S14.
 - Out of 15 statements there are 4 statements against which more than 50% customers are dissatisfied, i.e. S4, S8, S13 and S15.
 - A considerable section of customers preserve indifferent attitudes.

Conclusion

On the basis of the present study concludes that customers are satisfied with the services provided by the private banks. This research explicitly indicates that private banks should give proper importance on assurance and empathy factors. Banks should do the works of the customers on promise time. Bankers should try to answer the query of the customers, should give individual attention to the customers, and should try to understand the real problems of the customers so that customers can meet their expectation. In this competition era, private banks have to concentrate on the customers' satisfaction to retain the existing customers and at the same time have to improve the service quality to attract the new customers.

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Appendix-1 Statement wise response of the customers

Statements	SDA	DA	NT	AG	SA	TOTAL
S1 Modern equipments are available	3(4)	9(12)	7(9)	43(58)	13(17)	75
S2 Bankers are well dressed and neat appearance		4(5)	10(13)	38(51)	23(31)	75
S3 Virtually appealing physical facilities are available		6(8)	10(13)	46(61)	13(18)	75
S4 Bankers do the works of customers on promise time	6(8)	32(43)	14(19)	19(25)	4(5)	75
S5 Keep the records accurately		26(35)	17(23)	32(42)		75
S6 Show sincere interest in solving the customers problems		14(19)	14(19)	41(54)	6(8)	75
S7 Bankers provide prompt services to the customers		22(29)	17(23)	32(43)	4(5)	75
S8 Always ready to reply any query of customers	6(8)	37(50)	10(13)	22(29)		75
S9 Always willing to help the customers	4(5)	25(33)	8(11)	38(51)		75
S10 Customers feel safe in transaction with the bankers	9(12)	19(25)	11(15)	28(37)	8(11)	75
S11 Bankers have the knowledge to answer any questions	6(8)	22(29)	11(15)	36(48)		75
S12 Sympathy ally try to solve the problems of customers	10(13)	23(31)	18(24)	24(32)		75
S13 Bankers give individual attention	16(21)	32(43)	13(17)	14(19)		75
S14 Working hours are convenient		8(11)	10(13)	45(60)	12(16)	75
S15 Understand the specific needs of the customers	4(5)	40(54)	13(17)	18(24)		75
TOTAL	64(6)	319(28)	183(16)	476(42)	83(8)	1125

Source: compiled data, NOTE: SDA= Strongly disagree, DA= Disagree, NT=Neutral, AG=Agree, SA=Strongly agree