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REVIEW ARTICLE

CUSTOMERS' SATISFACTION IN SERVICE QUALITY ASPECTS AMONG PUBLIC SECTORS BANKS AND PRIVATE SECTORS BANKS IN COIMBATORE CITY – AN EMPIRICAL STUDY

*¹Sumathi C. and ²Dr. S. Kousalya Devi,

¹Research Scholar, Department of Management, Coimbatore Institute of Management and Technology, Coimbatore, Tamilnadu, India

²Assistant Professor, PG and Research Department of Commerce, L. R. G. Government Arts College for Women, Tirupur, Tamilnadu, India

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ABSTRACT

The present study prominences on the customer satisfaction in service quality aspects among public sectors banks and private sectors banks in coimbatore city. The major objectives of this study are to identity the expectations (E) of consumers concerning banking facility, to discover perception (P) of consumers concerning service excellence of banks and to associate service excellences (P-E) in public sectors banks and private sectors banks in Coimbatore city. Empirical method adopted with the basic arrangements of SERVQUAL instruments to measure the service Quality of banks. A grouping of convenience and duster sampling techniques were cast-off to select respondents from consumers of two public sectors banks (SBI & Canara Bank) and two private sectors (ICICI & HDFC Banks) in Coimbatore city. Arithmetic mean was calculated with the assistance of SPSS to examine the dates. The outcomes of this study indicate that the service gap is lesser in private sectors banks when compared to public sectors banks which shows that the private sectors bank consumers were extremely satisfied when compared with public sectors bank consumers. Aspects more subjugated by private sectors banks throughout the whole SERVQUAL excluding in the circumstance of assurance in which the public sectors banks have healthier results. Both the type of banks must find resolutions to reduce the prevailing service gaps and increase their customer satisfaction. Public sectors banks in particular increase their performance in order to uphold and preserve its market share in Coimbatore city.

INTRODUCTION

Service quality is a critical factor of effectiveness for establishing and sustaining satisfactory relationships with consumers. Service vendors have comprehended that rivalry competition can be well succeeded by distinguishing the quality. A customer inclined business culture, an outstanding service-system proposal, and effective usage of expertise and information are decisive to loftier service quality. Technological progresses have endowed the world which providing rapid and access to information and amenities to customer in all industries comprising banking. In the recent past, banking industry has financed extensive resources in fetching ICT to consumer. For an emerging nation like India, it is foreseeable to update, renovate and automate banking Industry in order survive with current scenario in the globe. The Indian banking industry is diversified with public sectors banks and private sectors banks; there exists a staff race amid them. Owing to this competitive landscape, banks were enforced to the consumer-centric in order to preserve their prevailing customers and to obtain new ones.

*Corresponding author: Sumathi C.

Research Scholar, Department of Management, Coimbatore Institute of Management and Technology, Coimbatore, Tamilnadu, India

Banks has to satisfy their customers to retire them. The technological improvement has also improved the customers' anticipations on banking services. This study endeavors to identity whether there is a momentous difference between the public sectors banks and private sectors banks placed in Coimbatore city in terms of customer's satisfaction. The consumer satisfaction is dignified with the help of 'SERVQUAL' process model which was developed by Parasuraman, Zeithamal and Berry (1985).

Review of Literature

Customer perception of experiences: It refers to customer impression, awareness and / or consciousness about a company or its offerings. Customer acuity can be well-defined as the judgmental about the eminence and quality of product / service disbursed by them. Perceived quality means consumers judgment towards products / service overall brilliance or dominance. Perceived service quality elements tend to pay a chief role in high skill and expertise technology – involving industry like banking service.

Customers' expectations: Every single consumer has their own knowledge and expertise regarding a product or service

these familiarities can be termed as customer expectations. This is more appropriate when it comes to services industry like banking. The SERVQUAL process model developed by Parasuraman, Zeithaml and Berry begin with client anticipation on services and then associate it with the actual observed experience of customers to discover the level of customer's satisfaction. Expectations are idiosyncratic and are neither stationary nor expectable.

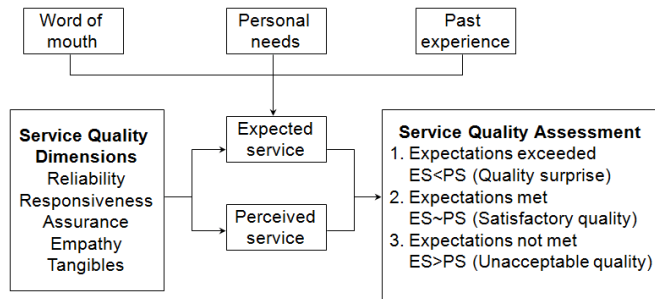


Fig. 1. Aspects of service Quality

Table 1. Explanation of service quality aspects

Aspects	Significance
Assurance	Bank must be secured and employee behavior encouraging
Responsiveness	Immediate response to an enquiry and volunteer service
Empathy	Individual attention, Customaries service and convenient banking hours
Reliability	Can the customer trust the bank and its services
Tangibility	Location and ambience

Customer satisfaction: A customer satisfaction is a vital and pertinent concept. The level of satisfaction will diverge from individual to individual, invention to invention and service to service. There may be some possibilities of gaps between customer expectations and actual perception of experience in any service. This leads to customer dissatisfaction. Hence all the service industry should try to narrow down this gap to increase customer satisfaction. The relationship between expectations perceived service quality and customers satisfaction have been investigated in a number of researches. Customer satisfaction affords a leading meter display of consumer purchase intentions and loyalty. Customer satisfaction data are amid the most recurrently unruffled indicators of market perception. Many studies agreed that consumer's satisfaction and service quality is theoretically divergent, but these two are the major factors influencing procurement intention of customers.

Aspects of SERVQUAL Model: The SERVQUAL model undertakes that service quality is a multispectual concept and in turn contributes to the assessment of the service quality in any setting originally ten aspects of service quality were projected namely dependability, approachability, capabilities, access, consideration, communication, reliability, safety, understanding the customer, and tangibles. And it was a bridge to five such as tangibles, responsiveness, assurances and empathy. Tangibles refer to the appearance of amenities, apparatus, resources, and personnel. Reliability means the performances of the service in a reliable and precise manner. Responsiveness can be termed as the readiness of staff to help customers and offer quick service. Assurance is the staff's

capability to deliver polite and knowledgeable service. Empty refers to the staff's ability to recognize the requirements of the customer.

Customer satisfaction in public/private banks: In a study has recognized that private sector banks are favored by utmost of the customers as they accentuate relationship building with their clients and are better fortified with modern substructure as compared to public sector banks.

Better Services and Products in Public and Private Banks: Surabhi Singh and Renu Arora (2011) have determined that the clientele of nationalized banks are not satisfied with performance of employees and infrastructure, but in instance of private and foreign banks, they are concerned about high charges, convenience and communication. Foreign banks are foremost in providing enhanced services and products when compared to other banks (RBI 2001). Most of the researcher's findings show that customer satisfaction in private sectors banks is reasonably superior to public sector banks in India.

Service Quality: Suresh (2007) revealed that meager service quality in public sectors banks is due to insufficiency in tangibility, lack of responsiveness and empathy but this is not the case in private sectors banks. The performance of privatized state owned banks that compared with other banks has increased by 95% after their privatization. This ensued in larger market share for privatized state – owned banks than before (Lkhodaei et al 2012). Service quality is an important feature of customer's satisfaction in Indian banking industry irrespective of public sector banks and private sectors banks and institute to be sturdily related with tendency to recommend (Monica Bedi 2010). M.J. Vidhyaa (2009) resolved that both SBI and ICICI banks are opposing equality with each other but SBI is marginally lower the line in customer grievances management when compared to ICICI bank.

MATERIALS AND METHODS

Survey method was used for this empirical study; the basic structures of SERVQUAL instruments and aspects developed by Parasuraman and Berry were hired to measure the service quality of banks. The designed Survey questionnaire split into two segments in order to accumulate state from respondents concerning expectations and perceptions of banking service in India. A five points liker scale was hired to assemble information data with 20 sets of question statements congregated under 5 aspects (4 each), 30 respondents from each bank (SBI, Canara bank, ICICI bank and HDFC bank) in Coimbatore City were met and get the questionnaires completed by them. Samples were selected using a grouping of convenience sampling and cluster sampling methods. The respondents are chosen from the customers coming out of the banks, where it would be tranquil to offer them to take part in the research. Arithmetic mean was computed with the help of SPSS version 16.0 for analyzing the data.

Objectives of the Study

- To identify the expectations (E) of customers regarding bank services in public sectors banks & private sectors bank in Coimbatore city.

- To ascertain perceptions (P) of customers regarding service quality in public sector bank and private sectors banks.
- To analyze and compare service gap (P-E) of customers in public sector banks and private sectors banks in Coimbatore City.

Table 2. Social Economic Profiles of the Respondents

Gender	Frequency	Percentage
Male	63	52.5%
Female	57	47.5%
Total	120	100
Age (in years)		
18-25	21	17.5%
26-40	37	30.8%
41-50	33	27.5%
51-60	24	20%
Total	120	100
Educational Qualification		
Post Graduate	28	23.3%
Graduate	64	70%
Higher Secondary	08	6.7%
Secondary or Less	00	0%
Total	120	100
Monthly Family Income		
Less than 10000	32	26.7%
10,001 – 20,000	68	56.6%
20,001 – 30,000	11	9.2%
30,001 – 40,000	08	6.7%
40,001 – 50,000	01	0.8%
Greater than 50,000	00	0
Total	120	100
Status		
Student	08	6.7%
Employed	03	69.2%
Self employed	16	13.3%
Housewife	-	0%
Retired	13	10.8%
Total	120	100

Source: Primary Data

Table no 1 show the majority of 63 respondents were male out of 120 respondents, 37 respondents were in the age group of 26-40, 64 respondents were studied up to Graduate level, 68 respondents family earn a monthly income between 10,001 – 20,000 , 83 respondents were employed.

banks is very high in all the elements which reflects the poor visually appearing services as against private banks.

Reliability: The table service gap regarding reliability aspects is almost equal among public sector and private sectors banks in India as depicted by table 4. According to the survey, fulfillment of promise in time and maintaining error – free record is done well by public sector banks as its service gap is lesser than private sector banks. This may be due to huge expectations on private banks regarding fulfillment of promise in time. Private sector banks were better in ease of showing interest in solving customer's problems and performing right service at the first time. On the whole perceived services of private banks (22.08) is greater than that of public sector bank (22.35) which indicates the private banks were rendering better reliable services.

Responsiveness Analysis of table 5 clearly shows that private sector banks exceed the level of satisfaction of their customers when compared to public sectors banks in respect of responsiveness. Even though the private sector banks have not totally meet all the expectations of its customers, all the four elements pertaining to this aspects of its customers, all the focus elements pertaining to this aspects reflects the superiority of private sector banks over public sector banks. The overall service gap as per the respective customers point of view, the private sector bank (-4.45) satisfy them well as against public sector banks (-4.52).

Assurance The dater derivative from this survey reveals that public sector banks were comparatively better than private sector banks regarding one of the SERVQUAL aspects named assurance. It is found that assurance is the only aspects in which public sector banks exceeds the private sector banks in all perspective (Expectation, perceptions and service gap). When element-wise analysis made, the major contribution for this is given by the customers safety feeling while transacting with banks. Public sector banks customers feel very safe (Service gap is (-0.09) than the private banks customers (Service gap (-1.36). The service gaps for employee behavior and courteous with customers are minimum in private sector banks.

Table 3. Tangibles

Service Quality Aspects	Public Sectors Banks			Private Sectors Banks		
	Expectation (E)	Perception (P)	Gap (P-E)	Expectation (E)	Perception (P)	Gap (P-E)
Modern Looking Equipment	6.80	5.57	-1.23	6.82	5.70	-1.12
Physical Facilities Visually Appearing E	5.86	4.68	-1.18	3.26	3.16	-0.10
Employers have neat appearance	5.83	4.50	-1.33	5.20	4.57	-0.63
Materials Associated Visually Appearing	5.25	3.71	-1.54	5.08	4.85	-0.26
TOTAL	23.74	18.46	-5.28	20.36	18.28	-2.08

Tangibles: Table 3 compare the expectation, perception and service gap among customers of public sector banks and private sectors banks respectively. The private sectors bank have lower service gap -2.08 when compared with public sectors bank [-5.28]. This clearly reveals that private sector banks provide better tangible services. When element-wise analysis made, it is found that the service gap in public sectors

On the other hand the services gaps for safety feeling and employers knowledge to clarify enquire are least in public sector bank.

Empathy When the data in table 7 are analyzed, private sector bank employees were comparatively better than public sector banks in understanding the customers' needs and requirements.

Table 4. Reliability

Service Quality Aspects	Public Sectors Banks			Private Sectors Banks		
	Expectation (E)	Perception (P)	Gap (P-E)	Expectation (E)	Perception (P)	Gap (P-E)
Promises to do in time fulfilled	5.26	4.73	-0.50	6.01	5.37	-0.64
Sincere interest in solving customers problems	6.56	5.31	-1.25	6.24	5.70	-0.54
Perform the right service at the first time	6.33	5.50	-0.83	5.20	4.88	-0.32
Error free record	7.20	6.78	-0.42	7.39	6.85	-0.54
TOTAL	25.35	22.35	-3.03	24.84	22.08	-2.04

Table 5. Responsiveness

Statement	Public Sectors Banks			Private Sectors Banks		
	Expectation (E)	Perception (P)	Gap (P-E)	Expectation (E)	Perception (P)	Gap (P-E)
Bank tell exactly when service will be performed	6.52	4.69	-2.13	4.76	4.46	-0.36
Prompt service	5.55	4.20	-1.35	5.79	4.37	-1.42
Willing to help customers	6.23	5.88	-0.35	4.88	2.98	-1.09
Never be too busy to Respond	4.36	3.67	0.69	5.35	4.52	-0.83
TOTAL	22.66	18.14	-4.52	20.78	15.37	-4.45

Table 6. Assurance

Statement	Public Sectors Banks			Private Sectors Banks		
	Expectation (E)	Perception (P)	Gap (P-E)	Expectation (E)	Perception (P)	Gap (P-E)
Employee behavior instill confidence with customers	5.27	4.72	-0.55	5.30	4.28	-1.02
Feel Safe in transaction	5.72	3.82	-1.09	6.43	5.07	-1.36
Consistently courteous with customers	6.72	5.68	-1.24	5.85	4.12	-1.73
Employees have knowledge to answer customers questions	5.87	5.00	-0.87	5.44	5.04	-0.40
TOTAL	23.58	19.22	-4.36	23.02	18.51	-4.51

Table 7. Empathy

Statement	Public Sectors Banks			Private Sectors Banks		
	Expectation (E)	Perception (P)	Gap (P-E)	Expectation (E)	Perception (P)	Gap (P-E)
Individual attention to customers	4.22	3.22	-1.00	5.39	4.05	-1.34
Convenient Operation hours	5.92	4.55	-1.37	4.29	2.98	-1.31
Give Customers personal services	5.82	4.12	-1.07	5.59	4.80	-0.79
Understand the specific needs of their customers	5.75	4.51	-1.24	4.48	3.17	-1.31
TOTAL	21.71	16.4	-5.31	19.75	15.00	-4.75

Table 8. Overall Service Quality

Service Quality Aspects	Public Sectors Banks			Private Sectors Banks		
	Expectation	Perception	Gap	Expectation	Perception	Gap
Tangibles	23.74	18.46	-5.28	20.36	18.28	-2.08
Reliability	25.35	22.35	-3.03	24.84	22.08	-2.04
Responsiveness	22.66	18.14	-4.52	20.78	15.37	-4.45
Assurance	23.58	19.22	-4.36	23.02	18.51	-4.51
Empty	21.71	16.04	-5.31	19.75	15	-4.75
TOTAL	117.04	94.57	-22.47	108.75	89.24	-19.51

This is going because their total service gap for these aspects is comparatively better than public sector banks. When the element wise analysis made, it is found that private sector banks have contributed much to their customers than by public sector banks in all the elements and in all perspective.

Summary of Findings

- Analysis reveals that the expectations of private banks customers are higher than public sector banks customers.
- The perception of actual service experienced is also greater among private banks customers.

- While the expectations are high, the service gap is least in private sectors banks which clearly denote that the private bank customers were highly satisfied when compared with public sectors bank customers regarding the aspects of tangibles responsiveness and empathy.
- Assurance is the only aspect in which the expectation perception and service gap were better in public sector bank than private sectors banks which denotes that public sectors bank employers are highly capable.
- The service gap in the aspect of reliability is almost equal in both the banks. But the private banks were comparatively better because it covers more expectations. On the whole private banks have lower

service gap and generates greater satisfaction to customers.

Conclusion

Customers' expectations perceptions and service gap of private sector banks is better than that of public sector banks in case of all the service aspects expect the aspects of assurance in which public sector banks exceeds private sector banks. The more expectation in private sector banks is may be due to better interest in operation which them than with public sector banks. Customer's expectations reveal that they believe better satisfaction can be arrived with private sector banks than with public sector banks. As the service gap regarding the aspects of tangibles, responsiveness and empathy were comparatively lower than public sector banks they provide greater satisfaction to their customers. For instance public sectors banks the service gap regarding assurance is reasonably lower than private banks.

Which reveal that the public banks enjoy self-assurance among customers in Coimbatorecity. Service gap is very high in aspects of responsiveness and empathy which exhibits the deficiency of employee's responsiveness especially in providing prompt services. It is very important for the public sector banks to improve responsiveness among employees which is one of the major concerns for customers. In case of private sectors banks, it is important to generate and improve confidence among customers and to give utmost safety to their customers. Eventhough service gap is comparatively better than public sector banks, the private sector banks should be very careful because the public sector banks are being privatized and gaining market share in India. The expectations of customers are increasing in a very high rate; hence banks should give greater determination to meet it.

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