



A STUDY ON CUSTOMER'S PERCEPTION ON SERVICE QUALITY AND SATISFACTION ON RETAIL BANKING SECTOR

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Abstract

The customer perception and their satisfaction are obtained through Likert's five point scale which ranges from strongly agree to strongly disagree. In the case of satisfaction also the scale varies from highly satisfied to highly dissatisfied. Since, it is in Likert's five point scale the researcher applied 't' test to measure the responses and to rank them. In the case of the 't' test the researcher used 3 as the hypothesized mean which is the middle value of Likert's five point scale. The application of 't' test clearly presented in the following table.

Keywords: Customer Perception, Service Quality, Retail Banking.

INTRODUCTION

In service based industry customer satisfaction is the major factor for success of the organization. In that customer service is of highest priority. Customer service can be provided by well-equipped employees. In banking industry customers are more directly connected with the employees for any banking transactions. Therefore, Banks should provide for training its front desk staffs in order to provide quality service to their customers.

OBJECTIVES

The present study is aimed at finding out perception of customers through different dimension and density of satisfaction levels. More specifically we can furnish the objectives as follows

- To identify the influencing factors responsible for satisfaction or dissatisfaction of the bank customers.

METHODOLOGY

To achieve the objectives of the study 540 surveys were sent (through questioners) to 15 retail sector banks situated in districts of Chennai. Therefore all the questionnaires were returned having response rate of 100%. The questionnaire using 5-Scale Likert (1 Strongly satisfied, 2 Satisfied, 3 Neutral 4 Strongly dissatisfied 5 Dissatisfied) design to test the impact of all the variables.

CUSTOMER PERCEPTION ON TANGIBILITY

The 't' test is applied to the four variables of tangibility and the following results are obtained.

TABLE - 1
CUSTOMER PERCEPTIONS ON TANGIBILITY

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
1. Bank has modern equipments.	540	3.9019	1.04606	.04502	20.034	.000	2
2. Bank materials related to services (Pamphlets) are visually appealing.	540	3.6074	.93258	.04013	15.135	.000	3
3. Location of bank is convenient to customers.	540	4.0241	.97908	.04213	24.306	.000	1
4. Bank has convenient working hours.	540	3.5648	1.01082	.04350	12.985	.000	4

Source : Computed data

From the above table it is informed that the mean value of the four variables ranges from 3.56 to

4.02, 't' values lie within the range 12.985 to 24.306. As the 't' values are found to be statistically significant and

the mean values are above 3. It implies that the customers are public and private sector banks strongly agree for the convenient location of the bank. It is followed by modern equipment available in the bank and the bank selected materials as well as convenient working hours in the bank. The customer perceived the

physical appearance of the bank in the above order preference.

CUSTOMER PERCEPTION ON RELIABILITY

The 't' test is applied to the four variables of reliability and the following results are obtained.

TABLE - 2
CUSTOMER PERCEPTIONS ON RELIABILITY

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
5. Bank provides services on time.	540	3.4963	.78364	.03372	14.717	.000	3
6. Bank maintains the customer records accurately.	540	4.0500	.78205	.03365	31.200	.000	1
7. ATM has sufficient money.	540	3.3963	1.17266	.05046	7.853	.000	4
8. Bank provides continuous services to customers.	540	3.5574	1.04021	.04476	12.452	.000	2

Source : Computed data

The above table shows that the mean value of the four variables ranges from 3.3963 to 4.05, 't' values lie within the range 7.853 to 31.200. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly agree for the bank maintains the customer records accurately. It is followed by the bank provides continuous services to their customers and the selected bank provides services on

time as well as maintain the ATM has sufficient money for their customers. The customer perceived the quality of services consistently trustworthiness and good reliability of the bank in the above order preference.

CUSTOMER PERCEPTION ON RESPONSIVENESS

The 't' test is applied to the four variables of responsiveness and the following results are obtained.

TABLE - 3
CUSTOMER PERCEPTIONS ON RESPONSIVENESS

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
9. Employees in the bank provide prompt services to customers.	540	3.4204	.82805	.03563	11.797	.000	2
10. Bank has adequate number of counters to provide services.	540	3.1926	1.07421	.04623	4.166	.000	4
11. Bank provides good credit facilities.	540	3.4944	.83186	.03580	13.812	.000	1
12. Bank manager is easily approachable.	540	3.2056	1.34025	.05767	3.564	.000	3

Source : Computed data

From the above table it is revealed that the mean value of the four variables ranges from 3.1926 to 3.4944, 't' values lie within the range 3.564 to 13.812. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly agree for the bank provides good credit facilities to their

customers. It is followed by the bank employees are provides continuous and prompt services to their customers. And the selected bank provides services by the adequate number of counters and also the bank manager is easily approachable. The customer perceived the quality of reacting quickly and positively of the bank in the above order preference.

CUSTOMER PERCEPTION ON ASSURANCE

The 't' test is applied to the four variables of

assurance and the following results are obtained.

TABLE - 4
CUSTOMER PERCEPTIONS ON ASSURANCE

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
13. Attitude of staff gives confidence to customers.	540	3.2241	1.02825	.04425	5.064	.000	3
14. Bank employees are polite, friendly and show respect towards their customers.	540	3.1259	1.19479	.05142	2.449	.015	4
15. Staffs are well trained to perform their services.	540	3.4296	.88936	.03827	11.226	.000	2
16. Customer grievances are handled efficiently.	540	3.4556	.94362	.04061	11.219	.000	1

Source : Computed data

It is revealed from the above table that the mean value of the four variables ranges from 3.1259 to 3.4556, 't' values lie within the range 2.449 to 11.226. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly agree for the bank efficiently handled the customer grievances. It is followed by the bank employees are well trained to perform their services. And the selected bank employees

are giving confidence to the customers in respect of their attitude. And also the bank employees are polite and friendly. The customer gave the declaration regarding the assurances of the employees positively.

CUSTOMER PERCEPTION ON EMPATHY

The 't' test is applied to the four variables of empathy and the following results are obtained.

TABLE - 5
CUSTOMER PERCEPTIONS ON EMPATHY

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
17. Bank provides individual attention to customers.	540	3.4148	.82525	.03551	11.681	.000	3
18. Bank takes care of the specific needs of their customers.	540	3.3056	.89171	.03837	7.963	.000	4
19. Bank provides special services for elderly/disabled customers.	540	3.4222	.99697	.04290	9.841	.000	2
20. Transparency of bank operation builds customers confidence.	540	3.4463	.95292	.04101	10.883	.000	1

Source : Computed data

From the above table it is shown that the mean value of the four variables ranges from 3.3056 to 3.4463, 't' values lie within the range 7.963 to 11.681. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly agree that the transparency of bank operation builds customers' confidence. It is followed by the bank employees are

provides special services to the elderly and disabled customers. And the selected bank employees give individual attention to their customers for satisfaction. And also the bank employees are taking care of the specific needs of the customers in a friendly manner. The customer perceived that the employees are having the ability to understand their needs and wants in the above order preference.

CUSTOMER PERCEPTION ON TECHNOLOGY

Technology and the following results are obtained.

The 't' test is applied to the four variables of

TABLE - 6
CUSTOMER PERCEPTIONS ON TECHNOLOGY

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
21. Bank provides e-banking services to customers.	540	4.1630	.92948	.04000	29.075	.000	1
22. Bank deals with user friendly ATM transactions.	540	4.1204	.84095	.03619	30.959	.000	2
23. Bank provides electronic fund transfer facility (EFT).	540	3.8926	.91551	.03940	22.656	.000	3
24. Bank's site is secured for credit card holders.	540	3.7889	1.03190	.04441	17.765	.000	4

Source : Computed data

It is revealed from the above table that the mean value of the four variables ranges from 3.7889 to 4.1630, 't' values lie within the range 17.765 to 30.959. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly agree for the bank provides good e-banking services to their customers. It is followed by the bank deals with user friendly ATM transactions. And the selected bank provides electronic fund transfer facility and also the

bank's site provides more security to the credit card holders. The customer perceived the technology of the bank in the above order preference.

CUSTOMER PERCEPTION ON CONFIDENCE BUILDING

The 't' test is applied to the four variables of Confidence building and the following results are obtained.

TABLE - 7
CUSTOMER PERCEPTIONS ON CONFIDENCE BUILDING

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
25. Bank provides safe transactions.	540	4.2093	.86506	.03723	32.484	.000	1
26. Bank provides safe net banking facilities.	540	4.1204	.90471	.03893	28.777	.000	2
27. Bank restricts unauthorised access.	540	3.7944	.78976	.03399	23.376	.000	3
28. Bank has multi-level security control.	540	3.5981	.94348	.04060	14.732	.000	4

Source : Computed data

The above table clearly mentioned that the mean value of the four variables ranges from 3.5981 to 4.2093, 't' values lie within the range 14.732 to 32.484. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly agree for the bank provides safe transactions to their customers. It is followed by the bank provides safe net banking facilities related to services and also restricts the unauthorized access. And the selected bank provides to their customers regarding the multilevel security control

for building the confidence. The customer perceived the confidence building of the bank in the above order preference.

CUSTOMER SATISFACTION

The concept of customer satisfaction is more important for service organizations, such as banks, as many of them subscribe to the fact that higher customer satisfaction will lead to greater customer loyalty (Boulding et al., 1993). "Customer satisfaction" not only means a happy customer, but rather more than that.

The 't' test is applied to the eleven variables of customer satisfaction and the following results are obtained.

TABLE - 8
LEVELS OF CUSTOMER SATISFACTION

Particulars	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)	Rank
29. Safe and secured services	540	3.8630	.74088	.03188	27.067	.000	1
30. Fast and efficient counter services	540	3.3519	1.01670	.04375	8.042	.000	5
31. Updation of technology	540	3.6259	1.05017	.04519	13.850	.000	2
32. Value added services	540	3.4074	.93417	.04020	10.134	.000	4
33. Staff customer relationship	540	3.2370	.98755	.04250	5.578	.000	8
34. Transparent transactions	540	3.3093	.98161	.04224	7.321	.000	6
35. Cost and quality of services	540	3.4148	.91684	.03945	10.514	.000	3
36. Customer friendly approach	540	3.2500	1.09583	.04716	5.301	.000	7
37. Effective grievance mechanism	540	3.1815	.98242	.04228	4.293	.000	9
38. Periodic feedbacks from customers	540	3.0833	1.10929	.04774	1.746	.081	10
39. Customer centric approach	540	3.0519	1.06430	.04580	1.132	.258	11

Source : Computed data

It is evident from the above table that the mean value of the eleven variables ranges from 3.0519 to 3.8630, 't' values lie within the range 1.746 to 27.067. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks strongly satisfied for the bank provides safe and secured services to their customers. It is followed by the bank update the technology for providing good quality services. And also the customers are strongly satisfied with the cost and value added services. In this study also reveals that the bank provides efficient counter services and transparent services to their customers. The above table also mentions that the bank maintains the friendly approach

and also maintain the staff customer relationship in the selected area. It is followed by the customers are satisfied regarding the effective grievance mechanism of the bank and getting periodic feedback from the customers. Finally the respondents are satisfied for the bank regarding the customer centric approach followed by the bank. In this study, the researcher concluded that the customers are highly satisfied for the bank provides various types of services.

CUSTOMER PERCEPTION ON LOYALTY

The 't' test is applied to the four variables of Loyalty and the following results are obtained.

TABLE - 9
CUSTOMER PERCEPTIONS ON LOYALTY

Particulars	N	Mean	Std. Deviation	Std. Error Mean	T	Sig. (2-tailed)	Rank
40. Customers intent to frequently to visit the banks due to efficient service.	540	3.3241	.96726	.04162	7.786	.000	4
41. Level of satisfaction makes the customers to recommend to others.	540	3.5130	.97740	.04206	12.196	.000	2
42. Customer does not have the intent to change the bank.	540	3.5407	1.09824	.04726	11.442	.000	1
43. Demanding augmented services to increase the reputation of the banks.	540	3.4019	.88672	.03816	10.531	.000	3

Source : Computed data

The above table clearly mentioned that the mean value of the four variables ranges from 3.3241 to 3.5407, 't' values lie within the range 7.786 to 12.196. As the 't' values are found to be statistically significant and the mean values are above 3. It implies that the customers are public and private sector banks do not have the intent to change the bank. It is followed by the satisfaction level makes the customers to recommend to others and also the customers are demanding augmented services to increase the reputation of the bank. Finally the customers are intending to visit the banks due to efficient services provided by the bank.

CONCLUSION

It finds that the customers are strongly satisfied with safe and secured services, update the technology, cost and value added services, counter services, transparent services, friendly approaches, good staff-customer relationship, effective grievance mechanism and also satisfied with customer centric approach followed by the bank. From the study it is identified that the customer doesn't have the intent to change the bank and satisfaction level makes the customers to recommend to others and also demanding augmented services.

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