

SERVICE QUALITY OF THE PUBLIC SECTOR BANKS IN TIRUNELVELI DISTRICT

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Abstract

The study primary goal is to evaluate how well public sector banks serve their customers in the Tirunelveli District. The survey has been carried out among the account holders of the public sector banks using a well structured questionnaire to assess the five service quality aspects. The structured SERVQUAL questionnaire was used to choose thirty two statements which were then changed to make them exact and most appropriate for evaluating the quality of services provided by the public sector banks. In order to conduct the survey 150 customers were chosen using a stratified random sample method. The results shows that there is a discrepancy between the expected and perceived level of service quality of the public sector banks. The study findings reveals that public sector banks have been working hard to improve the efficiency and existence of their business operations despite rising competition on one front and a loss of market share on the other.

Introduction

Services consists of a variety of intangible activities offered as a high end solution to the customer problems and are as a continual improvement of ongoing interaction between service provides and customers. To acquire a competitive edge in the service sector service quality is essential. Nowadays service quality is a crucial

concept in today's market because an organization cannot survive long if its customers are dissatisfied. Since the customer is the king of the market. It is the bank's responsibility to protect their interest and fulfill their expectations with the products they are provided. This occurs when a customer anticipates and receiving a certain level of service but actually receives more than he anticipated. In today's economy banking sector plays a important role in the process of mobilizing deposits to the productive sectors of the economy. Thus banks as a service sector should constantly be able to meet their needs and demands successfully and efficiently inorder to retain them. At this juncture the researcher aims to study about the service quality of the public sector banks in Tirunelveli District.

Statement of the Problem :

Many businesses are being forced to evaluate their customer service strategy by highly informed customers and increasing standard of living. The cost of obtaining new customers is higher than the cost of maintaining existing one. So many businesses are focusing more of their efforts on keeping their existing customers. Additionally the quality of the services provided to customers determines their level of happiness and marketers are increasingly using this factor as a tactics to help them complete more successfully in the market. Service quality is crucial criteria for customers to evaluate service providers performance. A bank can acquire a competitive edge and establish enduring relationships with its clients by offering top class services. Service quality has been suggested as a strong predictor of customer satisfaction and customer retention. In this study the researcher aims to study about the service quality of the public sector banks in Tirunelveli District. The study primary goal is to assess how well public sector banks serve their customers and how they are perceived by them in Tirunelveli District.

Aims of the Research

1. To define the components of public sector bank's service quality.

Research Methodology

The SERVQUAL survey has been carried out among the account holders of the public sector banks using a well structured questionnaire. The account holders of public sector banks were surveyed using a well defined and structured questionnaire as part of the SERVQUAL survey which evaluates the five service quality aspects. To measure the service quality of the public sector banks, 32 statements were chosen from the structured SERVQUAL questionnaire format and adjusted to make them exact and appropriate for measuring service quality of public sector banks. Out of these banks 30 customers from the public sector banks were chosen making a total of 150 customers based on stratified random sampling method. The questionnaire that captures client expectations specifies the level of expectations for each category. After performing the survey a five point likert scale is utilized to determine the level of expectations and the level of perceptions connected with each service quality criteria.

Limitations of the study

1. Only 150 respondents were used in this study to determine the five service quality dimensions.
2. The most prevalent service quality attributes such as tangibility reliability assurance, responsiveness and empathy were examined.

Result and Discussions

Table 1
Perception Scores under Tangibility dimension

| Sl. No | Attributes | Mean Score | SD | Rank |
|--------|---|------------|------|------|
| 1. | Infrastructural facilities are adequately available | 4.13 | .86 | I |
| 2. | Physical appearance of the staff is professional | 3.75 | .99 | VII |
| 3. | Visually likeable features | 3.93 | .96 | II |
| 4. | Location is easily reachable | 3.84 | 1.09 | III |
| 5. | Pollution- free location | 3.82 | .91 | IV |
| 6. | Usage of latest technology in providing services | 3.78 | .99 | VI |
| 7. | Availability of parking space for vehicles | 3.73 | .98 | IX |

| | | | | |
|-----|--|------|------|------|
| 8. | Easy access to information | 3.62 | 1.13 | X |
| 9. | Banks exhibits attractive and genuine advertisements | 3.79 | .98 | V |
| 10. | Attractive presentation of the office building | 3.74 | .96 | VIII |

Source: Computed data

Table 1 clearly discloses the mean and standard deviation of the customers with regard to perception towards tangibility aspects of public sector banks. Infrastructural facilities are adequately available occupies the first rank, visually likeable features occupies the second rank, location is easily reachable occupies third rank, pollution- free location occupies the fourth rank, occupies the fifth rank, Usage of latest technology in providing services occupies the sixth rank, physical appearance of the staff is professional occupies the seventh rank, attractive presentation of the office building occupies the eighth rank, Availability of parking space for vehicles occupies the ninth rank and Easy access to information occupies the tenth rank.

Table 2
Perception Scores under Reliability Dimension

| Sl. No | Attributes | Mean Score | SD | Rank |
|--------|--|------------|------|------|
| 1. | Services done right at the first time | 3.72 | 1.12 | IV |
| 2. | Provide services within time it was promised to be completed | 3.83 | .96 | I |
| 3. | Insists on error free records | 3.63 | 1.07 | V |
| 4. | Bank has competitive pricing compared to other banks | 3.78 | .92 | III |
| 5. | Provision of documentary confirmations for banking services | 3.81 | 1.09 | II |

Source: Computed data

Table 2 clearly highlights the mean and standard deviation of the customers with regard to reliability aspects of Public sector banks. Provide services within time it was promised to be completed occupies the first rank, Provision of documentary confirmations for banking services ranks second, Bank has competitive pricing compared to other banks occupies the third rank, Services done right at the first time occupies the fourth rank and Insists on error free records occupies the fifth rank.

Table 3
Perception Scores under Responsiveness Dimension

| Sl. No | Attributes | Mean Score | SD | Rank |
|--------|--|------------|-----|------|
| 1. | Staff assures when exactly the services will | 3.87 | .96 | I |

| | | | | |
|----|---|------|------|-----|
| | be performed | | | |
| 2. | Quick response to questions and queries by staff | 3.76 | 1.03 | IV |
| 3. | Instant response to phone calls by front office staff | 3.83 | .99 | III |
| 4. | Customer service ensured round the clock | 3.68 | .98 | V |
| 5. | Organised time table | 3.85 | .88 | II |

Source: Computed data

Table 3 clearly discloses the mean and standard deviation of the respondents with regard to responsiveness aspects of Public sector banks. Staff assures when exactly the services will be performed occupies the first rank, Organised time table occupies the second rank, instant response to phone calls by front office staff occupies the third rank, quick response to questions and queries by staff occupies the fourth rank and Customer service ensured round the clock occupies the fifth rank.

Table 4
Perception Scores under Assurance Dimension

| Sl. No | Attributes | Mean Score | SD | Rank |
|--------|---|------------|------|------|
| 1. | Trustworthy and honest employees | 3.89 | .99 | II |
| 2. | Knowledgable and competent employees capable of solving customers' problems | 3.82 | 1.06 | VII |
| 3. | The bank is widely acknowledged | 3.94 | .93 | I |
| 4. | Bank is well liked and prominent | 3.87 | 1.01 | IV |
| 5. | Bank is unique compared to the others | 3.80 | .91 | VIII |
| 6. | Bank staff give assurance regarding the delivery of the services | 3.83 | .96 | VI |
| 7. | Data privacy of every customer is guaranteed | 3.88 | .94 | III |
| 8. | Promising staff confirming the provision of efficient service | 3.86 | .90 | V |

Source: Computed data

Table 4 clearly reveals the mean and standard deviation of the customers with regard to assurance aspects of Public sector banks. The bank is widely acknowledged occupies the first rank, Trustworthy and honest employees occupies the second rank, Data privacy of every customer is guaranteed occupies the third rank, Bank is well liked and prominent occupies the fourth rank, Promising staff confirming the provision of efficient service occupies the fifth rank, Bank staff give assurance regarding the delivery of the services occupies the sixth rank, Knowledgable and competent employees capable of solving customers' problems occupies the

seventh rank and Bank is unique compared to the others occupies the last rank.

Table 5
Perception Scores under Empathy Dimension

| Sl. No | Attributes | Mean Score | SD | Rank |
|--------|--|------------|------|------|
| 1. | Each customer gets individual attention | 3.76 | .97 | V |
| 2. | Customer-friendly service hours | 3.77 | 1.08 | IV |
| 3. | Concerned and understanding staff members | 3.81 | .96 | I |
| 4. | Seek to recognize and understand customers' needs and their problems | 3.79 | .89 | III |
| 5. | Bank keeps its customer's best interest in mind | 3.80 | .98 | II |

Source: Computed data

Table 5 clearly demonstrates the mean and standard deviation of the customers with regard to empathy aspects of Public sector banks. Concerned and understanding staff members occupies the first rank, Bank keeps its customer's best interest in mind ranks second, Seek to recognize and understand customers' needs and their problems ranks third, Customer-friendly service hours occupies the fourth rank and Each customer gets individual attention occupies the fifth rank.

Suggestion

Customers are only loyal when bank has a thorough understanding of their needs. Since it is impossible for banks to understand customer problems without sufficient information about them. It is advised that the selected public sector banks should continue to tract the customers and gain a thorough understanding of the customer problems.

Conclusions

The findings of the study brings to light that there exists a significant gap between the expected and perceived levels of service quality of public sector banks. The researcher suggests measures such as high quality customer service proper communications, customer contact programmes customer complaint monitoring cell, improving reliability and understanding the customs to improve the service quality of

the public sector banks and position themselves more effectively in the market place.

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