
Perception of Customers on Service Quality of Commercial Banks in Madurai

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Abstract

The concept of banking industry has drastically changed in modern times from a business dealing with money transactions to a business, related to information on financial transactions. This implies that information technology plays a vital role in providing better services to customers at a lower cost. The expectations of the customers from the banking industry are manifold and ever increasing. The perceptions and expectation of the customers of banks regarding their service quality vary from person to person. The study entitled customer perception to the services of commercial banks in Madurai city is carried out in the Temple city which is the second largest one in Tamil Nadu. Field work for this study was carried out by the researcher himself. The researcher had used the interview schedule for collecting data from bank customers.

Keyword: *perceptions, banks, customer and service.*

Introduction

Today banks have permeated into our life more the ever before. There was a time when the urbanites alone had the privilege of enjoying the banking services. Now banks have spread far and wide in the nook and corner of the country. Besides performing their traditional business oriented function catering to the needs of the vast masses of rural and urban people, they are also engaged in the country's economic reconstruction and development. They cater to the needs of agriculturists, industrialists, traders and to all the other sections of the society. They accelerate the economic growth of the country and steer the wheels of the economy towards its goal of "self reliance in all sectors".

The concept of banking industry has drastically changed in modern times from a business dealing with money transactions to a business, related to information on financial transactions. This implies that information technology plays a vital role in providing better services to customers at a lower cost. Particularly, in the emerging competitive global banking scenario, technology management holds the key to success. The future leaders in banking will be those who can successfully integrate their technology acumen with their business strategies. The expectations of the customers from the banking industry are manifold and ever increasing. Both managers and the employees of banking sector realize that only through innovative thinking they can contribute significantly to the profitability and sustenance of the banking industry.

The perceptions and expectation of the customers of banks regarding their service quality vary from person to person. In this paper an attempt is made to analyze the perception of customers on service quality of commercial (public and private sector) banks. This paper presents to measure the perception of customers on the service quality and to find out the extent of perception of customers on the service quality of commercial banks. Besides it also

includes to measure the inter relationship between personal variables and the perception of customers on all dimensions of commercial banks service quality.

Methodology

The present study is based on both primary and secondary sources. The primary data was collected from the customers of commercial banks by sample survey through structural interview schedule. The secondary data were collected from books, journals, newspapers, periodicals, reports, Internet and the like.

Period of the Study

The study covers a period from 2014-2015 to 2015-2016.

Sample Design

The study entitled customer perception to the services of commercial banks in Madurai city is carried out in the Temple city which is the second largest one in Tamil Nadu. Twenty four public sector banks and fifteen private sector banks function in Madurai district. On the whole twenty branches were selected from public and private sector banks respectively.

Measure of Perception of Customers on Service Quality of Commercial Banks

The perception of the customers regarding the dimensions namely, tangibility, reliability, responsiveness, assurance, accessibility, empathy, financial, technology, agency and miscellaneous of the commercial banks are analyzed with the help of a scaling technique. For analyzing each type of dimension, the opinions of the respondents on six given statements have been elicited on a five – point scale. By consolidating the scores obtained by every customer for each statement with the help of the five point scale viz., five means *high* and one means *low*, the total scores have been computed. The total scores secured by the respondents show the significance of each statement used to measure the ten dimensions mentioned above. The total scores calculated for the ten categories of services show the level of the significance of each category of service from the viewpoint of the customers of the study. Besides the total scores, the mean, median and standard deviation also show the level of perception of the respondents on various categories of the services of the commercial banks.

Perception on Tangibility Dimension

The perception of the customers on the tangibility dimension has been ascertained by taking into account the opinion of respondents on the factors like “parking space in the bank premises”, “space and layout of counters adequacy”, “availability of bank stationery”, “sign boards indicating of timings at appropriate counters”, “upholstery and convenience” and “bank staff adequacy”.

Table 1 shows the perception of respondents on this dimension towards the public and private sector banks’ services.

TABLE 1
Perception on Tangibility Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|---|---------------------|----|-----|----|----|-------------|----------------------|-----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Parking space in the bank premises | 41 | 33 | 72 | 58 | 46 | 715 | 11 | 37 | 41 | 84 | 77 | 571 |
| 2 | Space and layout of counters adequacy | 46 | 62 | 66 | 45 | 31 | 797 | 35 | 62 | 110 | 19 | 24 | 815 |
| 3 | Availability of bank Stationery | 76 | 67 | 53 | 14 | 40 | 875 | 93 | 55 | 61 | 18 | 23 | 927 |
| 4 | Sign boards indicating of timings at appropriate counters | 30 | 63 | 94 | 24 | 39 | 771 | 41 | 72 | 38 | 32 | 67 | 738 |
| 5 | Upholstery and convenience | 35 | 67 | 55 | 62 | 31 | 763 | 80 | 102 | 10 | 51 | 07 | 947 |
| 6 | Bank staff adequacy | 27 | 47 | 115 | 16 | 45 | 745 | 67 | 63 | 81 | 15 | 24 | 884 |

Source: Computed from primary data
Note: 5 – High and 1 – Low

The perception of customers in public sector banks that the “availability of bank stationery” gets the maximum score of 875 followed by the factor on “space and layout of counters adequacy”. The factors on “sign boards indicating of timings at appropriate counters”, “upholstery and convenience”, “bank staff adequacy” and “parking space in the bank premises” occupied the third, fourth, fifth and sixth places respectively.

Regarding the private sector banks the factor “upholstery and convenience” occupied the first place scoring the intensity value of 947. The factors “availability of bank stationery”, “bank staff adequacy”, “space and layout of counters adequacy”, “sign boards indicating of timings at appropriate counters” and “parking space in the bank premises” occupied the second, third, fourth, fifth and sixth places respectively.

Perception on Reliability Dimension

The perception on the reliability dimension for both the public and private sector banks is measured with the help of factors like “uniform level of service at all times”, “rendering promised service”, “clarity of entries in the pass book”, “safe bank transactions”, “prompt services” and “appropriate and updating of the account statements” vide table 2.

TABLE 2
Perception on Reliability Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|--|---------------------|----|-----|----|----|-------------|----------------------|----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Uniform level of service at all times | 49 | 68 | 33 | 76 | 24 | 792 | 52 | 11 | 118 | 46 | 23 | 773 |
| 2 | Rendering promised service | 25 | 45 | 117 | 42 | 21 | 761 | 32 | 67 | 53 | 91 | 7 | 776 |
| 3 | Clarity of entries in the pass book | 57 | 36 | 68 | 54 | 35 | 776 | 10 | 71 | 116 | 20 | 33 | 755 |
| 4 | Safe bank transactions | 60 | 61 | 80 | 29 | 20 | 862 | 83 | 79 | 81 | 0 | 7 | 981 |
| 5 | Prompt services | 16 | 42 | 127 | 51 | 14 | 745 | 93 | 58 | 52 | 47 | 0 | 947 |
| 6 | Appropriate and updating of the account statements | 29 | 67 | 103 | 45 | 06 | 818 | 90 | 20 | 55 | 59 | 26 | 839 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

The factors on reliability intensity value of 862 followed by the factor “appropriate and updating of the account statements (818)”. The factors “uniform level of service at all times (792)”, “clarity of entries in the pass book (776)”, “rendering promised service (761)” and “prompt services (745)” occupied the third, fourth, fifth and sixth positions respectively.

It can be seen that the perception of the factors on reliability dimension in private sector banks indicated that “safe bank transactions” occupied the first place with a score of 981 followed by the factor “prompt services (947)”. The factors, “appropriate and updating of the account statements (839)”, “rendering promised service (776)”, “uniform level of service at all times (773)” and “clarity of entries in the pass book (755)” occupied the third, fourth, fifth and sixth places respectively.

Perception on Responsiveness Dimension

The perception of customers on responsiveness dimension for both the public and private sector banks has been studied with the help of six factors namely, “interest and willingness of the bank staff to clarify doubts and queries”, “emergency and reflex response”, “attitude of the bank staff if a scheduled appointment is not kept up by the customer”, “grievance care and the follow up actions”, “rendering of services when approached” and “service without sulking” vide table 3.

TABLE 3
Perception on Responsiveness Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|---|---------------------|----|-----|----|----|-------------|----------------------|-----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Interest and willingness of the bank staff to clarify doubts and queries | 02 | 79 | 72 | 49 | 48 | 688 | 13 | 44 | 134 | 26 | 33 | 728 |
| 2 | Emergency and reflex response | 04 | 20 | 135 | 40 | 51 | 636 | 33 | 32 | 123 | 29 | 33 | 753 |
| 3 | Attitude of the bank staff if a scheduled appointment is not kept up by the customers | 06 | 40 | 128 | 57 | 19 | 707 | 01 | 39 | 115 | 57 | 38 | 658 |
| 4 | Grievance care and the follow up actions | 01 | 68 | 81 | 72 | 28 | 692 | 27 | 46 | 119 | 48 | 10 | 782 |
| 5 | Rendering of services when approached | 13 | 51 | 113 | 51 | 22 | 732 | 24 | 107 | 82 | 30 | 07 | 861 |
| 6 | Service without sulking | 18 | 59 | 101 | 40 | 32 | 741 | 10 | 89 | 96 | 47 | 08 | 796 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

The factor “service without sulking (741)” got the maximum score followed by the factor that “rendering of services when approached (732)”. The factors that the “attitude of the bank staff if a scheduled appointment is not kept up by the customers (707)”, “grievance care and the follow up actions (692)”, “interest and willingness of the bank staff to clarify doubts and queries (688)” and “emergency and reflex response (636)” occupied the third, fourth, fifth and sixth ranks respectively.

The perception of the factors on responsiveness dimension in private sector banks indicated that the “rendering of services when approached” occupied the first place scoring the intensity value of 861. The factors “service without sulking (796)”, “grievances care and the follow up actions (782)”, “emergency and reflex response (753)”, “interest and willingness of the bank staff to clarify doubts and queries (728)” and “attitude of the bank staff if a scheduled appointment is not kept up by the customer (658)” occupied the second, third, fourth, fifth and sixth places respectively.

Perception on Assurance Dimension

The perception of customers on assurance dimension on the commercial banks is measured with the opinion on factors such as “staff’s skill in computer technology”, “staff attitude and courtesy”, “conveying of information in customer known languages”, “instilling customer confidence”, “continuous service during business hours” and “staff response to grievances” vide table 4.

TABLE 4
Perception on Assurance Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|--|---------------------|-----|-----|----|----|-------------|----------------------|-----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Staff's skill in computer technology | 20 | 69 | 80 | 38 | 43 | 735 | 22 | 149 | 36 | 43 | 0 | 900 |
| 2 | Staff attitude and courtesy | 18 | 66 | 59 | 87 | 20 | 725 | 31 | 84 | 117 | 11 | 7 | 871 |
| 3 | Conveying of information in customer known languages | 29 | 101 | 42 | 60 | 18 | 813 | 56 | 21 | 124 | 49 | 0 | 834 |
| 4 | Instilling customer confidence | 26 | 61 | 90 | 30 | 43 | 747 | 12 | 122 | 91 | 18 | 7 | 864 |
| 5 | Continuous service during business hours | 2 | 64 | 89 | 78 | 17 | 706 | 52 | 42 | 82 | 50 | 24 | 798 |
| 6 | Staff response to grievances | 13 | 55 | 108 | 43 | 31 | 726 | 43 | 54 | 128 | 0 | 25 | 840 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

The factor “conveying of information in customer known languages” occupied the first place with a score of intensity value of 813 followed by the factor “instilling customer confidence (747)”. The factors, “staff’s skill in computer technology (735)”, “staff response to grievances (726)”, “staff attitude and courtesy (725)” and “continuous service during business hours (706)” occupied the third, fourth, fifth and sixth places respectively.

The perception of the factor on assurance dimension in private sector banks indicated that the “staff’s skill in computer technology” occupied the first place scoring the intensity value of 900. The factors, “staff attitude and courtesy (871)”, “instilling customer confidence (864)”, “staff response to grievances (840)”, “conveying of information in customer known languages (834)”, and “continuous service during business hours (798)” occupied the second, third, fourth, fifth and sixth places respectively.

Perception on Accessibility Dimension

The perception of the customers of the accessibility dimension on the public and private sector banks has been ascertained by getting their opinion on factors like “staff accessibility and contact”, “branch manager and higher officials’ accessibility”, “staff accessibility over telephone”, “service counters accessibility”, “proximity of the bank location” and “bank branch adequacy in other areas”. The details are presented vide table 5.

TABLE 5
Perception on Accessibility Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|--|---------------------|----|-----|----|----|-------------|----------------------|-----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Staff accessibility and contact | 08 | 39 | 114 | 31 | 58 | 658 | 39 | 54 | 118 | 23 | 16 | 827 |
| 2 | Branch manager and higher officials' accessibility | 18 | 63 | 48 | 48 | 73 | 655 | 41 | 24 | 60 | 72 | 53 | 678 |
| 3 | Staff accessibility over telephone | 32 | 26 | 61 | 55 | 76 | 633 | 12 | 64 | 80 | 75 | 19 | 725 |
| 4 | Service counters accessibility | 29 | 57 | 103 | 17 | 44 | 760 | 12 | 96 | 108 | 26 | 08 | 828 |
| 5 | Proximity of the bank location | 56 | 41 | 47 | 82 | 24 | 773 | 42 | 102 | 72 | 27 | 07 | 895 |
| 6 | Bank branch adequacy in other areas | 45 | 44 | 120 | 18 | 23 | 820 | 01 | 23 | 128 | 38 | 60 | 617 |

Source: Computed from primary data
Note: 5 – High and 1 – Low

The perception score of customers of the various factors on accessibility dimension in public sector banks indicates that the “bank branch adequacy in other areas” occupied the first place with score of 820 followed by the factor “proximity of the bank location (773)”. The factors “service counters accessibility (760)”, “staff accessibility and contact (658)”, “branch manager and higher officials’ accessibility (655)”, and “staff accessibility over telephone (633)” occupied the third, fourth, fifth and sixth places respectively.

The perception of the factors on accessibility dimension of private sector banks indicates that the “proximity of the bank location” occupied the first place with a score of 895 followed by the factor “service counters accessibility (828)”. The factors, “staff accessibility and contact (827)”, “staff accessibility over telephone (725)”, “branch manager and higher officials’ accessibility (678)” and “bank branch adequacy in other areas (617)” got the third, fourth, fifth and sixth places respectively.

Perception on Empathy Dimension

The perception on the empathy dimension is measured with the help of factors like “understanding the specific needs of customers”, “individual attention to the customers”, “convenient banking hours”, “customer discrimination”, “bank’s efforts to know the customer and his needs” and “staff’s polite approach with customers”. The details can be seen vide table 6.

TABLE 6
Perception on Empathy Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|---|---------------------|----|----|----|----|-------------|----------------------|-----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Understanding the specific needs of customers | 07 | 73 | 84 | 50 | 36 | 715 | 21 | 42 | 154 | 09 | 24 | 777 |
| 2 | Individual attention to the customers | 01 | 87 | 62 | 43 | 57 | 682 | 62 | 48 | 63 | 62 | 15 | 830 |
| 3 | Convenient banking hours | 29 | 75 | 73 | 30 | 43 | 767 | 03 | 102 | 70 | 44 | 31 | 752 |
| 4 | Customer discrimination | 51 | 56 | 76 | 35 | 32 | 809 | 08 | 60 | 67 | 91 | 24 | 687 |
| 5 | Bank's efforts to know the customer and his needs | 11 | 54 | 69 | 50 | 66 | 644 | 09 | 54 | 123 | 39 | 25 | 733 |
| 6 | Staff's polite approach with customers | 01 | 97 | 51 | 59 | 42 | 706 | 30 | 91 | 103 | 08 | 18 | 857 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

It could be inferred that the perception of the customers of the factors on empathy dimension in public sector banks indicated that the “customer discrimination” occupied the first place with a score of 809 followed by the factor “convenient banking hours (767)”. The factors, “understanding the specific needs of customers (715)”, “staff’s polite approach with customers (706)”, “individual attention to the customers (682)” and “bank’s efforts to know the customer and his needs (644)” occupied the third, fourth, fifth and sixth places respectively.

It could be observed that the empathy dimension in private sector banks indicates that the “staff’s polite approach with customers” got the maximum score of 857 followed by the factor “individual attention to the customers (830)”. The factors, “understanding the specific needs of customers (777)”, “convenient banking hours (752)”, “bank’s efforts to know the customer and his needs (733)” and “customer discrimination (687)” held the third, fourth, fifth and sixth places respectively.

Perception on Financial Dimension

The perception of customers on the financial dimension had been studied with the help of six factors namely, “reasonability of the rate of interest paid”, “justification of the rate of interest charged”, “fair draft commission”, “affordability of the safety locker rent”, “less commission for funds transfer” and “reasonability of housing loan rate of interest”. The analysis is presented vide table 7.

TABLE 7
Perception on Financial Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|--|---------------------|----|----|----|----|-------------|----------------------|----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Reasonability of the rate of interest paid | 27 | 69 | 52 | 59 | 43 | 728 | 01 | 64 | 108 | 54 | 23 | 716 |
| 2 | Justification of the rate of interest charged | 18 | 63 | 48 | 71 | 50 | 678 | 11 | 86 | 68 | 54 | 31 | 742 |
| 3 | Fair draft commission | 18 | 72 | 54 | 80 | 26 | 726 | 37 | 21 | 77 | 79 | 36 | 694 |
| 4 | Affordability of the safety locker rent | 28 | 85 | 71 | 26 | 40 | 785 | 31 | 38 | 78 | 44 | 59 | 688 |
| 5 | Less commission for funds transfer | 16 | 70 | 58 | 64 | 42 | 704 | 02 | 21 | 92 | 64 | 71 | 569 |
| 6 | Reasonability of housing loan rate of interest | 20 | 60 | 67 | 75 | 28 | 719 | 01 | 12 | 152 | 45 | 40 | 639 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

The perception of the factor on financial dimension in public sector banks indicated that the “affordability of the safety locker rent” occupied the first place scoring the intensity value of 785. The factors “reasonability of the rate of interest paid (728)”, “fair draft commission (726)”, “reasonability of housing loan rate of interest (719)”, “less commission for funds transfer (704)” and “justification of the rate of interest charged (678)” had obtained the second, third, fourth, fifth and sixth places respectively.

The perception of customers on these factors on financial dimension in private sector banks indicated that the “justification of the rate of interest charged” occupied the first place with a score of intensity value of 742 followed by the factor “reasonability of the rate of interest paid (710)”. The factors “fair draft commission (694)”, “affordability of the safety locker rent (688)”, “reasonability of housing loan rate of interest (639)” and “less commission for funds transfer (569)” were given the third, fourth, fifth and sixth places respectively.

Perception on Technology Dimension

The perception of customers on technology dimension of commercial banks was measured with the help of the perception of the respondents on factors such as “adoption of computers technology to provide service”, “provision of ATM”, “provision of e-banking”, “provision of core banking”, “provision of mobile banking” and “provision of online banking security”. The details are shown vide table 8.

TABLE 8
Perception on Technology Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|---|---------------------|----|-----|----|----|-------------|----------------------|-----|----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Adoption of computers technology to provide service | 60 | 50 | 69 | 39 | 32 | 817 | 80 | 67 | 79 | 17 | 07 | 946 |
| 2 | Provision of ATM | 53 | 69 | 61 | 21 | 46 | 812 | 89 | 100 | 09 | 15 | 37 | 939 |
| 3 | Provision of e-banking | 39 | 61 | 86 | 37 | 27 | 798 | 88 | 15 | 64 | 31 | 52 | 806 |
| 4 | Provision of core banking | 43 | 31 | 83 | 54 | 39 | 735 | 49 | 31 | 72 | 61 | 37 | 744 |
| 5 | Provision of mobile banking | 35 | 09 | 108 | 44 | 54 | 677 | 78 | 23 | 72 | 10 | 67 | 785 |
| 6 | Provision of online banking security | 35 | 33 | 55 | 81 | 46 | 680 | 70 | 30 | 73 | 10 | 67 | 776 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

It could be observed from table that the perception of the factor on technology dimension in public sector banks indicated that the “adoption of computers technology to provide service” got the maximum score of 817 followed by the factor, “Provision of ATM (812)”. The factors, “provision of e-banking (798)”, “provision of core banking (735)”, “provision of online banking security (680)” and “provision of mobile banking (677)” occupied the third, fourth, fifth and sixth places respectively.

The table explains that the perception of the factor on technology dimension of private sector banks indicated that the “adoption of computers technology to provide service” had the first place with scores of intensity value of 946 followed by the factor “Provision of ATM (939)”. The factors, “provision of e-banking (806)”, “provision of mobile banking (785)”, “provision of online banking security (776)” and “provision of core banking (744)” were ranked the third, fourth, fifth and sixth places respectively.

Perception on Agency Dimension

The perception on the agency dimension of commercial banks is measured with the help of aspects like “payments and collection of subscriptions, dividends, salaries, pensions, etc.”, “purchase and sales of securities”, “acting as executor, administrator and trustee”, “acting as attorney”, acting as cash exchanger” and “acting as financial planners, investment advisors and brokers”. The analysis can be seen vide table 9.

TABLE 9
Perception on Agency Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|--|---------------------|-----|----|----|----|-------------|----------------------|----|-----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Payments and collection of subscriptions, dividends, salaries, pensions, etc., | 18 | 76 | 63 | 57 | 36 | 733 | 40 | 51 | 85 | 67 | 07 | 800 |
| 2 | Purchase and sales of securities | 29 | 84 | 60 | 30 | 47 | 768 | 39 | 52 | 126 | 25 | 08 | 839 |
| 3 | Acting as executor, administrator and trustee | 14 | 114 | 18 | 48 | 56 | 732 | 02 | 66 | 118 | 57 | 07 | 749 |
| 4 | Acting as attorney | 19 | 43 | 87 | 60 | 41 | 689 | 30 | 60 | 85 | 45 | 30 | 765 |
| 5 | Acting as cash exchanger | 16 | 75 | 85 | 35 | 39 | 744 | 30 | 23 | 130 | 37 | 30 | 736 |
| 6 | Acting as financial planners, investment advisors and brokers | 0 | 111 | 48 | 26 | 65 | 705 | 31 | 56 | 105 | 34 | 24 | 786 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

The perception of customers of the factors on agency dimension of public sector banks indicated that the “purchase and sales of securities” was accorded the first place with score of intensity value of 768 followed by the factor, “acting as cash exchanger (744)”. The factors, “payments and collection of subscriptions, dividends, salaries, pensions, etc., (733)”, “acting as executor, administrator and trustee (732)”, “acting as financial planners, investment advisors and brokers (705)” and “acting as attorney (689)” came to possess the third, fourth, fifth and sixth places respectively.

It is observed that the perception of customers of the factor on agency dimension in private sector banks indicated that the “purchase and sales of securities” was adjudged with the highest score of 839 followed by the factor, “payments and collection of subscriptions, dividends, salaries, pensions, etc., (800)”. The factors, “acting as financial planners, investment advisors and brokers (786)”, “acting as attorney (765)”, “acting as executor, administrator and trustee (749)” and “acting as cash exchanger (736)” had taken up the third, fourth, fifth and sixth places respectively.

Perception on Miscellaneous Dimension

The perception of customers on miscellaneous dimension of commercial banks had been studied vide table 10 with the help of six factors such as “valuables safe custody”, “letter of credit”, “traveller’s cheques”, “dealing in foreign exchange business”, “leasing finance” and “factoring”.

TABLE 10
Perception on Miscellaneous Dimension – Rating Scale

| Sl. No | Factors | Public Sector Banks | | | | | | Private Sector Banks | | | | | |
|--------|--------------------------------------|---------------------|-----|-----|----|----|-------------|----------------------|----|----|----|----|-------------|
| | | 5 | 4 | 3 | 2 | 1 | Total Score | 5 | 4 | 3 | 2 | 1 | Total Score |
| 1 | Safe custody of valuables | 05 | 117 | 51 | 38 | 39 | 761 | 42 | 66 | 96 | 30 | 16 | 838 |
| 2 | Letter of credit | 26 | 47 | 82 | 29 | 66 | 688 | 31 | 88 | 94 | 14 | 23 | 840 |
| 3 | Traveller's cheques | 29 | 22 | 101 | 55 | 43 | 689 | 39 | 61 | 76 | 37 | 37 | 778 |
| 4 | Dealing in foreign exchange business | 13 | 62 | 91 | 30 | 54 | 700 | 09 | 66 | 61 | 77 | 37 | 683 |
| 5 | Leasing finance | 13 | 69 | 73 | 40 | 55 | 695 | 01 | 90 | 64 | 15 | 80 | 667 |
| 6 | Factoring | 13 | 93 | 53 | 44 | 47 | 731 | 09 | 88 | 61 | 25 | 67 | 697 |

Source: Computed from primary data

Note: 5 – High and 1 – Low

The perception of the customers of the factors on miscellaneous dimension in public sector banks indicated that the “safe custody of valuables” was given the first place with a score of 761 followed by the factor, “factoring (731)”. The factors “dealing in foreign exchange business (700)”, “leasing finance (695)”, “traveller’s cheques (689)” and “letter of credit (688)” held the third, fourth, fifth and sixth places respectively.

The perception of the factors on miscellaneous dimension in private sector banks indicated that the “letter of credit” got the maximum score of 840 followed by the factor, “safe custody of valuables (838)”. The factors, “traveller’s cheques (778)”, “factoring (697)”, “dealing in foreign exchange business (683)” and “leasing finance (667)” possessed the third, fourth, fifth and sixth places respectively.

Overall View of the Perception Scores

The average, standard deviation and coefficient of variance have been calculated to ascertain the significance of the ten categories of service vide table 11.

TABLE 11
Perception Scores for Various Dimensions

| Sl. No | Various dimensions | Public Sector Banks | | | Private Sector Banks | | |
|--------|--------------------|---------------------|--------------------|--------|----------------------|--------------------|--------|
| | | Mean | Standard deviation | CV (%) | Mean | Standard deviation | CV (%) |
| 1 | Tangibility | 18.66 | 5.090 | 27.28 | 19.53 | 4.685 | 23.99 |
| 2 | Reliability | 19.02 | 5.062 | 26.61 | 20.28 | 5.172 | 25.50 |
| 3 | Responsiveness | 16.78 | 4.730 | 28.19 | 18.31 | 4.340 | 23.70 |
| 4 | Assurance | 17.81 | 5.560 | 31.22 | 20.43 | 4.227 | 20.69 |
| 5 | Accessibility | 17.20 | 5.925 | 34.45 | 18.28 | 4.259 | 23.30 |
| 6 | Empathy | 17.29 | 5.074 | 29.35 | 18.54 | 4.800 | 25.89 |
| 7 | Financial | 17.36 | 5.688 | 32.77 | 16.19 | 5.088 | 31.43 |
| 8 | Technology | 18.08 | 6.505 | 35.98 | 19.98 | 7.238 | 36.23 |
| 9 | Agency | 17.48 | 6.176 | 35.33 | 18.70 | 5.319 | 28.44 |
| 10 | Miscellaneous | 17.06 | 5.581 | 38.58 | 18.01 | 5.030 | 27.93 |
| 11 | Over all | 176.74 | 48.052 | 27.19 | 188.26 | 39.068 | 20.75 |

Source: Computed from primary data

The perception of customers of public sector banks indicated that the reliability dimension was given the first place (Mean 19.02, Standard Deviation 5.062 and Coefficient of Variance 26.61) followed by the perception of tangibility dimension. The perception of dimensions technology, assurance, agency, financial, empathy, accessibility, miscellaneous and responsiveness had the third, forth, fifth, sixth, seventh, eighth, ninth and tenth places respectively.

The perception of customers of private sector banks indicated that the assurance dimension merited the first place (Mean 20.43, Standard Deviation 4.227 and Coefficient of Variance 20.69) followed by perception of reliability dimension. The perception of dimensions technology, tangibility, agency, empathy, responsiveness, accessibility, miscellaneous and financial held the third, fourth, fifth, sixth, seventh, eighth, ninth and tenth places respectively.

Extent of Perception of Customers on Various Service Quality Dimensions of Commercial Banks

To find out the extent of the perception of the customers of public and private sector banks on each and over all dimensions, the average score, standard deviation and coefficient of variance have been computed. The spread of perception of public and private sector banks fell under three categories viz., low, medium and high.

Low Below (Arithmetic Mean – Standard Deviation)

High Above (Arithmetic Mean + Standard Deviation)

Medium From (Arithmetic Mean – Standard Deviation) To
(Arithmetic Mean + Standard Deviation)

The overview of the respondents' perception scores of different dimensions is presented vide table 12.

TABLE 12
Overview of Perception Scores for Different Dimensions

| Sl. No | Various Dimensions | Public Sector Banks | | | Private Sector Banks | | |
|--------|--------------------|---------------------|--------|------|----------------------|--------|------|
| | | Low | Medium | High | Low | Medium | High |
| 1 | Tangibility | 39 | 162 | 49 | 24 | 194 | 32 |
| 2 | Reliability | 41 | 168 | 41 | 24 | 184 | 42 |
| 3 | Responsiveness | 56 | 154 | 40 | 24 | 180 | 46 |
| 4 | Assurance | 43 | 174 | 33 | 25 | 205 | 20 |
| 5 | Accessibility | 60 | 142 | 48 | 25 | 213 | 12 |
| 6 | Empathy | 51 | 150 | 49 | 32 | 197 | 21 |
| 7 | Financial | 45 | 155 | 50 | 60 | 150 | 40 |
| 8 | Technology | 34 | 178 | 38 | 36 | 167 | 47 |
| 9 | Agency | 52 | 162 | 36 | 41 | 178 | 31 |
| 10 | Miscellaneous | 53 | 157 | 40 | 37 | 164 | 49 |
| 11 | Overall | 50 | 171 | 29 | 24 | 204 | 22 |

Source: Computed from primary data

A majority of customers in the public sector banks of all dimensions came under the medium category. As regards to the overall perception 171 (68.4%) customers came in the medium perception category, 50 (20.0%) customers were in the low perception category and 29 (11.6%) customers were found in the high perception category.

Regarding the perception on the private sector banks' services, a majority of customers of all dimensions remained under the medium category. With regard to overall perception 204

(81.6%) customers were in the medium perception category, 24 (9.6%) customers occupied the low perception category and 22 (8.8%) customers were in the high perception category.

Summary

Commercial Banks – Dimension wise

- ❖ An analysis of the overall banks indicated that in the case of perceived level, the dimension on reliability scored the highest average and in the dimension on accessibility, the highest average score was witnessed in the case of desired level. The service quality gap was estimated as the highest in the case of the dimension on miscellaneous factor.

Public Sector Banks – Dimension wise

- ❖ In the case of public sector banks, on the perceived level, the dimension on reliability constituted the highest average score and on the desired level the accessibility dimension had scored the highest average. The service quality gap was found to be highest in the case of accessibility.

Private Sector Banks – Dimension wise

- ❖ In the case of private sector banks, in terms of perceived and desired levels the service quality was found to be higher on assurance dimension in terms of average. The quality gap was highest in the case of miscellaneous factor.

Perceived Level – Commercial Banks – Individual Factor wise

- ❖ In the case of tangibility dimension the factor on “availability of bank stationery” constituted the highest average, while the factor on “parking space in the bank premises” constituted the highest coefficient of variation. For the reliability dimension, the factor on “safe bank transactions” constituted the highest score. In terms of responsiveness dimension the factor on “rendering of services when approached” constituted the highest average while these two formed the least coefficient of variation. In terms of assurance dimension, the factor on “conveying of information in customer known languages” constituted the highest mean score while the factor on “continuous service during business hours” scored the highest coefficient of variation. In terms of accessibility, “proximity of the bank location” recorded the highest score while the factor on “branch manager and higher officials’ accessibility” got the highest coefficient of variation. On the empathy dimension, the factor on “staff’s polite approach with customers” recorded the highest score while the factor on “individual attention to the customers” had the highest variation. In terms of financial dimension, the factor on “affordability of the safety locker rent” marked the highest score while the factor on “less commission for funds transfer” recorded the highest variation. In terms of technology dimension, the factor on “adoption of computers technology to provide service” had the highest score. In terms of agency dimension the factor on “purchase and sales of securities” scored the highest average. In terms of miscellaneous dimension, the factor on “safe custody of valuables” constituted the highest score while these three factors formed the least coefficient of variation.

Perceived Level – Public Sector Banks – Factor wise

- ❖ In the dimension on tangibility, the factor on “availability of bank stationery”, on the reliability the factor on “safe bank transactions”, on the responsiveness the factor on “service without sulking”, and in the case of assurance, the factor on “conveying of

information in customer known languages” recorded the highest scores. In the case of accessibility the factor on “bank branch adequacy in other areas”, on the empathy the factor on “customer discrimination”, on the financial dimension the factor on “affordability of the safety locker rent” and in the case of technology the factor on “adoption of computers technology to provide service” were found to have the highest score. In the case of agency dimension the factor on “purchase and sales of securities” and in the case of miscellaneous the factor “safe custody of valuables” constituted the highest scores. A majority of these factors constituted the least coefficient of variation.

Perceived Level – Private Sector Banks – Factor wise

- ❖ In the dimension on tangibility, the factor on “upholstery and convenience”, on the reliability the factor on “safe bank transactions”, on the responsiveness the factor on “rendering of services when approached” and in the case of assurance, the factor on “staff’s skill in computer technology” had the top most scores. In the case of accessibility, the factor on “proximity of the bank location”, on the empathy dimension the factor on “staff’s polite approach with customers”, on the financial aspect the factor on “justification of the rate of interest charged” and in the case of technology the factor on “adoption of computers technology to provide service” recorded the highest scores. In the case of agency, the factor on “purchase and sales of securities” and in the case of miscellaneous the factor on “letter of credit” marked the highest average scores. Most of these factors constituted the least coefficient of variation.

Suggestions

1. The banks must update upon the recent technology like core banking and ATM facilities.
2. Data service reliability should be continuously obtained and updated. This will enhance their service quality to a large extent.

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