Customer Perception on Service Quality Towards CRM Among Selected Banks in Madurai City

Commerce

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ABSTRACT *Customer satisfaction is the sum total of customer expression of the service quality. To make prompt, adequate and continuous service to their customers. Banks should know the perception of customers on service quality to enable for improvement of quality of services. This paper focus on customer perception on service quality towards CRM among selected banks in Madurai city, Tamil Nadu. The main objective of this paper is to analyze the perception of customers on service quality towards CRM. The required primary data were collected through structured questionnaire and the sample size of respondents was taken from eight selected banks at the rate of sixty customers from each bank. The findings reveal that empathy related variables were accounted for first position factors to decide the service quality perception of customers towards CRM.*

INTRODUCTION

To make prompt, adequate and continuous service to their customers' banks should know the perception of customer on service quality to enable for improvement of quality of services. Even private sector and foreign banks have introduced innovative services. Many consumers expect a variety of services from the banks. Many house hold consumers now prefer to take consumer durable loans (or) buy an instant credit rather than save for a few years to buy the consumer durable. As a result of this growing level of competition, service quality is emerging as an important element in bank's activities. There is a need for the Indian banks to keep pace with their competitors by using service quality techniques for business growth. Customer Relationship Management (CRM) is a fundamental to build a customer centric organization.

REVIEW OF LITERATURE

To study the customer relationship management in banks research works undertaken by eminent persons in the area of service quality and customer relationship management have been reviewed to test the validity of the research. Parasuraman A., Valarie A. Zeithaml and Leonard L. Berry (1988) together presented the Model, 'SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality'.

Mr.K.C.Chakrabarthy (1991) in his article entitled "customer service in banks" has highlighted the quality of customer service holds primal significance, particularly in the context of sustained business growth, unlike other industries engaged in production of tangible goods.Ashok thampy and t.r. madan mohan (1999) submitted a working paper on "segme nted service quality audit (ssqa) for banks: an empirical analysis". Their study revealed that there was a wide variation in perception of service quality across individual customer segments. Choudhury, K., Mukherjee, A and Banerjee, A. (2001) in their study "Relationship Marketing Strategies and Customer Perceived Service Quality - A Study of Indian Banks", carried out an exploratory study in two private sector banks (Prudential Bank and Millennium Bank) and two public sector banks (National Bank and Century Bank).

. Gani. A and Mushtaq A Bhat (2003) in their study titled, "Service Quality in Commercial Banks: A Comparative Study" at-

tempted at studying the service quality in commercial banks with a view to making overall service quality in banks more effective and efficient. Debashish Sathya Swaroop (2003) conducted a study in Delhi to study service quality in banks. He used the Rust and Oliver model to study the service quality in banks. The study revealed that ICICI bank and SBI provided better quality- service.

B.S. Bodia (2004) has made a study on "Service Quality Perception in Banks:An Indian Perspective".. The study reveals that actual delivery of service by both public and private sector banks falls short of expectations of customers on a large majority of the elements of service quality. Pooja Mengi (2009) "Customer Satisfaction with service quality: An empirical study of Public and pvt Sector–banks".. It was found that customers of public sector banks are more satisfied with the service quality than those of pvt-sector banks 100 samples were taken.

OBJECTIVE AND HYPOTHESIS
Objective

To analyze the perception of the customers on service quality towards the customer relationship management.

Hypothesis

Ho : *"There is no significant difference in the service quality level between public sector banks and private banks".*

Statistical tool applied:
factor analysis
RELIABILITY TEST

The cronbach's alpha reliability statistics score is above 0.7 which highlights the overall reliability of the scale is 0.781 reasonably fit.

SAMPLE SIZE

The sample size of the respondents was taken from 8 selected banks at the rate of sixty customers from each bank. Out of 8 banks, four of which are public sector banks and the remaining four are private sector banks. The sample respondents were selected on the basis of stratified random sampling technique.

ANALYSIS AND INTERPRETATION

The data after collection has to be processed and analyzed.

TABLE 1 Service Quality Perception of Respondents

Factors	SBI	Canara	IOB	IB	ICICI	HDFC	Axis	KVB	Total	Rank
Safety Feeling safe in the transaction	389 I	378 II	375 III	361 V	341 VII	333 VIII	362 IV	344 VI	2883	V
Empathy Bank gives individual attention	188 VIII	336 VI	346 IV	328 VII	376 III	337 V	386 II	408 I	2705	XI

Factors	SBI	Canara	IOB	IB	ICICI	HDFC	Axis	KVB	Total	Rank
Convenience Operating hours	183 VIII	322 VII	334 V	331 VI	378 II	334 IV	374 III	390 I	2646	XIV
Customer is made to feel important	198 VIII	326 VII	342 IV	335 VI	395 I	370 II	366 III	340 V	2672	XIII
Reliability Keeping records correctly	416 I	351 VI	388 IV	334 VII	379 V	323 VIII	391 III	396 II	2978	I
Performing Correct Service at First time	334 VII	355 III	337 IV	307 VIII	379 I	336 V	335 VI	378 II	2761	IX
Keeping Promises	291 VIII	355 IV	413 I	317 VII	364 III	332 VI	344 V	400 II	2816	VII
Tangible Physical Facility	296 VI	292 VIII	376 IV	295 VII	384 I	362 V	380 III	382 II	2767	VIII
Upto date Equipment	310 VI	304 VII	368 V	298 VIII	409 I	384 III	400 II	372 IV	2845	VI
Upto date communicated material	355 V	301 VIII	387 II	343 VII	380 III	354 VI	372 IV	405 I	2897	IV
Access Approachability	274 VIII	363 VII	378 IV	370 VI	379 III	377 V	381 II	393 I	2915	III
Information network	325 V	366 III	286 VII	276 VIII	389 I	365 IV	375 II	297 VI	2679	XII
Technology	299 VII	364 V	396 III	408 II	410 I	361 VI	350 VII	387 IV	2975	II
Receptiveness	270 VII	366 IV	402 I	354 V	384 III	277 VII	281 VI	400 II	2734	X
	4128 VIII	4779 VI	5128 III	4657 VII	5347 I	4845 V	5097 IV	5292 II		

Source: Primary Data

From the table 1, in the Safety, feeling safe in the transaction service quality perception of respondents SBI ranked first and Last rank account for HDFC Bank. In the Empathy, Bank gives individual attention service quality perception of respondents KVB ranked first and last rank accounted for SBI. In the Empathy, convenience operating hours service quality perception of respondents KVB ranked first and last rank accounted for SBI.

In the Empathy, customer is made to feel important service quality perception of respondents ICICI ranked first and last rank accounted for SBI. In the Reliability keeping records correctly service quality perception of respondents the SBI ranked first and last rank accounted for HDFC. In the Reliability performing correct service at first time service quality perception ICICI ranked first Bank and last rank accounted for Indian Bank.

In the Reliability keeping promises service quality perception of respondents IOB ranked first and last rank accounted for SBI.

In the Tangible physical facility service quality perception ICICI ranked first and last rank accounted for Canara Bank. In the Tangible up to date equipment service quality perception ICICI ranked first bank and last rank accounted for Indian Bank. In the Tangible up to date communicated material service quality perception KVB ranked first and last rank accounted for Canara Bank. In the Access, approachability service quality perception, KVB ranked first and last rank accounted for SBI. In the Access, information network service quality perception, ICICI ranked first bank and last rank accounted for Indian bank.

In the Access, technology service quality perception ICICI ranked first and last rank accounted for SBI. In the Access, receptiveness service quality perception IOB ranked first and last rank accounted for SBI. In overall service quality perception ICICI ranked first bank and followed by KVB, IOB, Axis Bank, HDFC, Canara, Indian Bank and last rank accounted for SBI.

In overall service quality perception factors the first rank accounted for keeping records correctly and followed by technology, approachability, up to date communicated material, feeling safe in the transaction like and last rank accounted for convenience operating hours.

table : 2 extraction method of principal component analysis

Total Variance Explained				
Component / Factor	Initial Eigen values			Extraction Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total
1	4.637	33.124	33.124	4.637
2	1.875	13.395	46.519	1.875
3	1.491	10.649	57.169	1.491
4	1.203	8.59	65.758	1.203
5	0.829	5.92	71.679	
6	0.708	5.057	76.735	
7	0.635	4.535	81.27	
8	0.506	3.614	84.885	
9	0.463	3.308	88.193	
10	0.429	3.067	91.26	
11	0.397	2.835	94.095	
12	0.317	2.263	96.358	
13	0.297	2.124	98.482	
14	0.213	1.518	100.000	

In the table 2 the sum of squares of the loadings in a column in the factor matrix Eigen values are indicated in the first column for every factor and the per cent of variance explained by each factor. In this case, the first factor is account for 33.124 per cent and the second factor is accounted for 13.395 per cent and third factor is accounted for 10.649 per cent and last the fourth factor is accounted for 8.59 per cent. In overall the model for four factors were accounted for 65.78 per cent which is relatively good model.

Table 3: rotation METHOD: varimax with kaiser normalization

Rotated Component Matrix	Component			
	1	2	3	4
Empathy - Customer is made to feel important	0.815	0.182	0.116	0.071
Empathy - Bank give individual attention	0.804	0.214	0.239	-0.055
Empathy - Convenience operating hours	0.735	0.275	0.3	0.056
Access – approachability	0.112	0.678	0.285	0.142
Access – Technology	-0.08	0.633	0.263	-0.392
Reliability - Keeping records correctly	-0.552	0.333	0.052	0.421
Safety - Feeling safe in the transaction	-0.523	-0.226	0.122	0.514
Tangible - Up to date communicated material	0	-0.04	0.834	-0.177
Tangible - Physical facility	0.228	0.124	0.743	0.068
Tangible - Up to date equipment	0.318	0.07	0.74	0.187
Access – Receptiveness	0.315	0.751	-0.083	0.333
Reliability - Performing correct service at first time	0.04	0.015	0.36	0.682
Reliability - Keeping promises	0.274	0.659	0.294	-0.144
Access - Information network	0.093	0.88	0.005	-0.223

It is concluded from the above factor analysis that the first factor empathy related variables are accounted for 33.124 per cent and second factor accessibility related variables are accounted for 13.395 per cent and third factor Tangibility related variables are accounted for 10.649 per cent and last fourth factor reliability related variables are accounted for 8.59 per cent.

FINDINGS

From the factor analysis on service quality, the first factor empathy related variables were accounted for 33.124 percentage and second factor accessibility related variables were accounted for 13.395 percentage and third factor Tangibility related variables were accounted for 10.649 percentage and last fourth factor reliability related variables were accounted for 8.59 percentage. In overall service quality perception ICICI bank ranked first and followed by KVB, IOB, Axis Bank, HDFC, Canara bank, Indian Bank and last rank accounted for SBI. In overall service quality perception factors, the first rank accounted for keeping records correctly and followed by technology, approachability, up-to-date communicated material, feeling safe in the transaction like and last rank accounted for convenience operating hours.

Suggestions

The study reveals that empathy related variable is placed in the first position in the factor analysis on service quality. In order to improve the service quality of the banking services, bank should give individual attention to customers, customer is made to feel important and convenience operating hours of the banks to be increased for the benefit of the customers. In overall service quality perception private sector banks were on the higher side than public sector banks.

CONCLUSION

The present study concludes that Empathy related variables bank should give individual attention to customers, customer is made to feel important, and convenience operating hours of bank to be increased for improve the service quality of banks towards CRM. In overall service quality perception ICICI bank ranked first and followed by KVB, IOB, Axis Bank, HDFC, Canara bank, Indian Bank and last rank accounted for SBI. In overall service quality perception factors, the first rank accounted for keeping records correctly and followed by technology, approachability, up-to-date communicated material, feeling safe in the transaction like and last rank accounted for convenience operating hours.

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