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CUSTOMERS "ATTITUDE TOWARDS SERVICE QUALITY OF PRIVATE SECTOR BANKS – A STUDY WITH SPECIAL REFERENCE TO KRISHNAGIRI DISTRICT

KEY WORDS: Service Quality, Satisfaction, Private Banks

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ABSTRACT

Quality of service is very important, especially for the growth and development of service sector business enterprise. Due to the increasing importance of the service sector in the economy, the measurement of service quality became important. Undoubtedly owing to the belief that delivery of high service quality is a must for attaining customers satisfaction and a number of other popular behavioural outcomes, recent years have incensed a flurry of research exploring the interrelationship between service quality, satisfaction and behavioural outcomes. This study was undertaken to know study the Customers' Attitude towards Service Quality of Private Sector Banks in Krishnagiri District.

1. INTRODUCTION

Banking is essentially a service industry. Customer service is the first casualty. Satisfying the customers is the main purpose of every business, but it is generally found that the customers are not satisfied with the existing banking facilities and services. So, that the government of India has been appointed committees from time to time to probe into the nature of customer service. The committee with one identical finding that, the customer service in the Private sector banks was not up to the mark. Hence, necessary steps are being taken to improve the banking system to suit the changing requirement of the customers. All these issues can be addressed by implementation of the right type of technology for the right purpose. The focus on the use of computerization has refused the predominance of its applications from business orientation to customer orientation. It has facilitated the banks to reach to their customers without the physical presence. Computer resources provide anywhere and anytime services. Further, the various committees established by RBI over the year with customer service recommended banks offer excellent customized service and to enhance the satisfaction level of the customers. On the other hand the bank with respect to retaining the existing customers, rendering innovative, technology- base, value-added, customized services to fulfill the customers' expectations and to enhance the customer level of satisfaction for sustainable development of the banks. Service quality is a recent and more dynamic, decisive issue in the marketing thought. It also helps control the competitive position and consequently determines the market share and profits (Shabib, 2002). Therefore, the ability of banks to continue and survive in the market depends on their ability to respond to the requirements of change and interact with the output of it. As the customers' needs and wishes are shaped and formed in the light of their economic, social and civilisation conditions, there is a close relationship between the banks' ability to continue and survive and their ability to produce services that fit in with the increasing and changing needs of the customers. Hence, service organizations, especially banks, work hard to find effective ways to counter external changes in order to survive and they enhance their effectiveness by means of activating their services and creating and developing new ones. Thus, The importance of achieving high levels of quality lies in the number of economic and non-economic benefits resulting from quality commitment and lies in eliminating its problems and the causes of these problem Customer Attitudes are a composite of three elements: cognitive information, affective information and information concerning a consumer's past behavior and future intentions. In other words, attitude consists of thoughts or beliefs, feelings, and behaviors or intentions towards a particular thing, which in this case is usually a good or service. For example, you may have a very positive view of a particular sports car (for example, you believe it performs better than most), it makes you feel good, and you intend to buy it.

Service Quality

Service quality has become ever more important to improving customer satisfaction in the Private sector organization. Private sector organization specially knows that customer satisfaction is one of the most vital factors that contribute in establishment reputation and credit in the Private view. The Private complained about long queues poor service delivery and deficiency physical facilities direct effect on the level of service quality in the Private sector organization.

Private Sector Banks

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and Private sector banks. The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government. The onset of competition from the private players and initiation of banking reforms since early 1990s has led to an increased emphasis on efficient customer service. Various strategies are formulated to retain the customer and the key of it is to increase the service quality level. Private Banks have grown faster and bigger over the two decades since liberalisation using the latest technology, providing contemporary innovations and monetary tools and techniques. Typically, customers perceive very little difference in the banking products offered by private banks dealing in services as any new offering is quickly matched by competitors. Thus the quality of services offered will determine customer satisfaction and attitudinal loyalty. Moreover, the tough competitive arena in which these banks operate today, maintaining the quality of service is a pre-requisite for survival.

II. STATEMENT OF THE PROBLEM

The strategies adopted by the Private Sector Banks are more in tune with those of the foreign banks, where emphasis is given to establishing superior benchmarks of efficiency, focusing on niche customers, providing impressive customer service and bringing about operational efficiencies by using high-end technology. The Private Sector Banks recruit the finest manpower, employ state-of-the-art technologies and are oriented towards building a strong brand image. The Private Sector Banks have made banking more efficient and customer friendly. Undoubtedly, being tech-savvy and full of expertise, the Private Sector Banks have played a major role in the development of the Indian banking industry. The Private Sector Banks always try to introduce new products and make the industries achieve expertise in their respective fields by offering quality service and guidance. Therefore, excellent service performance can improve the bank's ability to lure affluent prospects, elevate the bank's profitability, lower bank operation costs, and create greater customer loyalty. At this juncture, some key questions that the Private Sector Banks have to ask themselves are "What are the factors that influence the customers to select a private bank? What is the extent of perceived service quality and the degree of loyalty of the customers? Is there any gap in the

service performance of the Private Sector Banks? This research makes a modest attempt to find out answers to the above questions. In this context, the researcher has made an attempt to study the Customers' Attitude towards Service Quality of Private Sector Banks in Krishnagiri District.

III.SAMPLING DISTRIBUTION

There are 13 Private Sector Banks are selected in Krishnagiri for this study. In order to collect primary data for the purpose of the study, multi-stage sampling technique is adopted. At the first stage, 13 Private Sector Banks were selected. In the second state, 14 branches were selected out of the 28 branches of the Private Sector Banks. In the final stage, from each of the branches, 30 savings bank account holders and 20 current account holders were selected on the basis of the convenient sampling method. Therefore, the sample size consists of 700 customers (50 Account holders *14 Branches). The following table shows the sampling distribution of the present study.

IV.OBJECTIVES OF THE STUDY

The main objective of this study is to examine the Customers' Attitude towards Service Quality of Private Sector Banks in Krishnagiri District. Besides, the study has the following specific objectives:

1. To outline the conceptual background of the Private Sector Banks in India and Tamil Nadu.
2. To identify the opinion of customers towards various services offered by the Private Sector Banks in Krishnagiri District.
3. To measure the level of awareness, expectation, perception and satisfaction of the customers towards service quality in Private Sector Banks in Krishnagiri District.
4. To analyze the service quality gap in Private Sector Banks in Krishnagiri District
5. To offer suitable suggestions and recommendations for the betterment of service quality in Private Sector Banks in Krishnagiri District

V. HYPOTHESES

The following null hypotheses were formulated and tested:

- H₀₁:** There is no significant relationship between the satisfaction level of the customers belonging to different socio-economic profiles towards various services offered by the select Private Sector Banks.
- H₀₂:** There is no significant relationship between the acceptance levels of the respondents belonging to different demographic profiles towards the perceived level of service quality in the select Private Sector Banks.
- H₀₃:** There is no significant difference in the acceptance levels of the customers between the expected and perceived levels of service performance in the select Private Sector Banks in Krishnagiri District.

VI. ANALYSIS AND INTERPRETATION

The banking system in India is significantly different from that of Other Asian nations because of the country's unique geographic, social, and economic characteristics. The banking industry is facing a rapidly changing market, economic uncertainties, fierce competition and more demanding customers. The changing climate has presented an unprecedented set of challenges.

Simple percentage Classification of Gender

Sl. No:	Gender	No. of Respondents	Percentage
1.	Male	495	70.71
2.	Female	205	29.30
	Total	700	100.00

The above table shows, Out of 700 respondents, majority of the respondent (70.71 per cent) are male in the study area and followed by 29.30 per cent are female.

Classification of Age

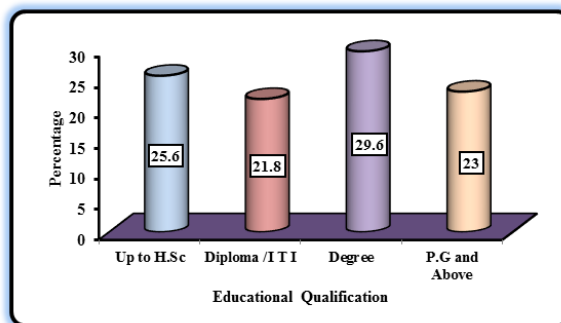
Sl.No:	Age	No. of Respondents	Percentage
1.	Up to 25	160	22.86
2.	26 – 35	59	8.43
3.	36 – 45	241	34.43
4.	Above 45 years	240	34.28
5.	Total	700	100.00

The above table shows predominant age group of the respondents (34.43 per cent) is 36-45 years. A good majority of the remaining respondents are distributed in the age group above 45 years. 22.86% and 8.43% of the respondents are distributed in the age groups up to 25 years and 26-35 years respectively

Education Qualification

Sl. no	Educational Qualification	No. of Respondents	Percentage
1.	Up to H.Sc	179	25.60
2.	Diploma / I T I	153	21.80
3.	Degree	207	29.60
4.	P.G and Above	161	23.00
5	Total	700	100.00

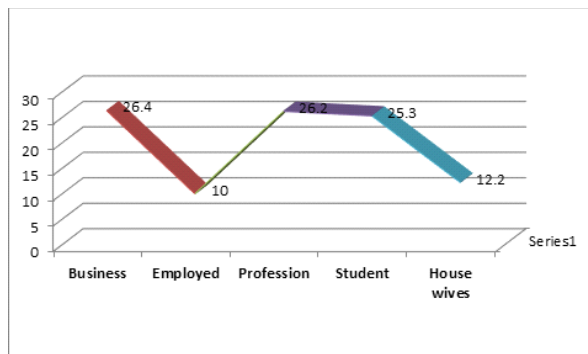
The table clearly shows out of 700 respondents highest literacy rate (29.60%) of the respondents is degree level. 25.60 per cent of the respondents have got up to H.Sc education and 21.80 per cent have got Diploma/ITI education. 23.00 per cent of the respondents have post graduation and above qualifications.



Occupation

Sl.no.	Occupation	No. of Respondents	Percentage
1.	Business	185	26.40
2.	Employed	70	10.00
3.	Profession	183	26.20
4.	Student	177	25.30
5.	House wives	85	12.20
6.	Total	700	100.00

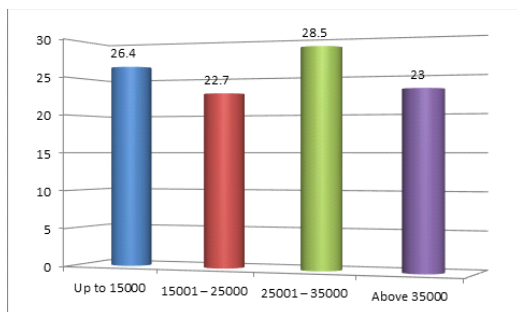
The table shows out of 700 respondents 26.40 per cent of the respondents are businessmen, 10.00 per cent are employed, 26.20 per cent are professionals, 25.30 per cent are students and 12.20 per cent are housewives.



Monthly Income

Sl.no	Income	No. of Respondents	Percentage
1.	Up to 15000	181	26.40
2.	15001 – 25000	159	22.70
3.	25001 – 35000	199	28.50
4.	Above 35000	161	23.00
5.	Total	700	100.00

The table revealed out of 700 respondent 26.40 per cent of the respondents have monthly income up to Rs.15000 and 22.70 per cent have Rs.15001 to Rs.25000 as monthly income. 28.58 per cent of the respondents have monthly income Rs.25001-135000. About 23.00 per cent of the respondents have above Rs.35000 as monthly income.



Bank Wise Classification

Sl.no:	Name of The Banks	No. of Respondents	Percentage
1.	Axis Bank	50	7.14
2.	Catholic Syrian Bank	50	7.14
3.	City Union Bank	50	7.14
4.	Federal Bank	50	7.14
5.	HDFC Bank	50	7.14
6.	ICICI Bank	100	14.28
7.	Ing Vysya Bank	50	7.14
8.	Indus Ind Bank	50	7.14
9.	Karur Vysya Bank	50	7.14
10.	Lakshmi Vilas Bank	50	7.14
11.	South Indian Bank	50	7.14
12.	Tamil Nadu Mercantile bank	50	7.14
13.	Yes Bank	50	7.14
	Total	700	100.00

Source: Primary Data

Out of 700 respondents, the majority (14.28%) of the respondents belong to ICICI Bank, and followed by Axis Bank, HDFC Bank, Federal Bank, City Union Bank, Catholic Syrian Bank, ,Lakshmi Villas Bank, Karur Vysya Bank, Ing Vysya Bank, Tamil Nadu Mercantile bank, Yes Bank, South Indian Bank, Indus Ind Bank, 7.14% respectively.

VIII.CONCLUSION

Banks have to understand the changing needs of customers, their aspirations and expectations to create value. Banks should also have a strong customer relationship management system that would indicate the worth of the customer and be able to understand his needs while interacting with him, so as to cross sell their products. To manage growth and continuity in business, human resources play an important role. The new generation private sector banks and foreign banks enjoy a lead in this regard when compared to PSBs and old generation private sector banks. Skill sets of employees need up gradation so as to make them more comfortable with the latest technology that will increase their comfort level while educating customers to use the same in their day to day dealings. Efficient and knowledgeable employees are always a big boon for any organization. Employees should be trained in technical and behavioral aspects, so that banks can

deliver quick and prompt services. Establishing branches in every possible area would be a better way to progress. This would really help banks to create more accounts and give more reach to the banks.

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