

Information Seeking and Service Quality of Public Sector Banks in Dindigul

Dr. T. MEHARAJAN

Assistant Professor
Madurai Kamaraj University (DE), Madurai
Tamilnadu, India

Dt. P. S. VENKATESWARAN

Professor
PSNA College of Engineering and Technology, Dindigul
Tamilnadu, India

S. ARAVIND

Librarian i/c, G.T.N. Arts College, Dindigul
Tamilnadu, India

Abstract:

The purpose of conducting this research is to study the information Seeking and service quality of public sector banks in Dindigul. This research is mainly based on primary data which has been collected through a well-structured questionnaire. The questionnaire has been distributed to 250 respondents on different locations. To develop reputation and gain customer loyalty, a study of the performance of the banks is done to see if the perception of service quality has an effect on the banks. It is also an eye-opener for the banks to see the gap between customer expectation and perceptions regarding the quality of services provide which should further act as a motivation which results, increases reputation and to achieve customer loyalty. The banks have to prepare their marketing plans and strategies on the basis of the customers segment to reap the competitive advantages. The paper aims to study the gap score of public sector banks in Dindigul.

Key words: Service quality, Expectations, Perceptions, Banking, Dindigul.

Introduction:

Service quality has been identified as a critical success factor for organizations to build their competitive advantage and increase their competitiveness. Pioneering work by Parasuraman et al. (1985) led to a list of ten determinants (reliability; responsiveness; competence; access; courtesy; communication; credibility; security; understanding the customer; and tangibles) of service quality as a result of their focus group studies with service providers and customers which subsequently resulted in the development of the SERVQUAL instrument with these ten attributes distilled into five overall dimensions of service quality. (Parasuraman et al., 1988, 1991):

The five dimensions of SERVQUAL are

- (1) Tangibles, which pertain to the physical facilities, equipment, personnel and communication materials;
- (2) Reliability, which refers to the ability to perform the promised services dependably and accurately;
- (3) Responsiveness, which refers to the willingness of service providers to help customers and provide prompt service;
- (4) Assurance, which relates to the knowledge and courtesy of employees and their ability to convey trust and confidence; and
- (5) Empathy, which refers to the provision of caring and individualized attention to customers. SQ is a multi-dimensional concept (Jamal & Naser, 2002); it means different things to different people (Bennington & Cummane, 1998). Gronroos(1984) pioneered this concept and defines service quality as a set of perceived judgments resulting from an evaluation process where customers compare their expectations with the service they perceive to have received. He suggests that it may be split into two facets – technical quality (what is done) and functional quality (how it is done). These two facets

may be further interpreted to suggest that the service must be effective (doing the right things) in satisfying the specific needs of the customer as well as executing the service efficiently (doing things right).

Service Quality Measurement:

Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994a; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996).

Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al., 1985; Lewis and Mitchell, 1990). However the study of service quality did not come into its own as an area of marketing importance until research in the early 1980s established that attitude was a significant part of service quality. The earliest concern for what has become to be known as service quality appeared in 1976. Anderson, et al (1976) recognized importance of selection as a priority for obtaining and retaining customers. Churchill and Suprenant (1982) were among the earliest to hold the view later shared by others that service quality was an attitude.

Parasuraman, et al (1988) brought about a major modification that changed the dimensions that could be used to measure service quality perceptions. Three of the original ten elements-tangibles, reliability, and responsiveness- remained

unchanged. The other seven original elements were combined into two elements. Those elements known as competence, courtesy, credibility, and security were combined to form one of the new elements known as assurance, and the elements of access, communications, and understanding the customer were combined to form the new element known as empathy.

Research Methodology:

The study is based on a survey conducted in Dindigul with the help of Primary data and Secondary data. The secondary data was collected from various possible records like books, magazines, periodicals and websites. Purposive sampling technique is adopted and 250 respondents constituted the sample for the survey. The questionnaire was a SERVQUAL consisting of 22 statements in 5 key dimensions namely tangibles, reliability, responsiveness, assurance and empathy. The list of service attributes based on different service dimensions are ranked and rated by the customer to identify the importance of each service attributes. After the data has been collected, it was entered into SPSS 20 and analysed.

Data Analysis and Interpretations

Each questionnaire item was scored on seven point numerical scale, where 1 = highly dissatisfied, 2 = Dissatisfied, 3 = neither satisfied nor dissatisfied, 4 = satisfied, 5 = highly satisfied, were asked to respond to the statements in the SERVQUAL model. Likert (1932) developed the principle of measuring attitudes by asking people to respond to a series of statements about a topic, in terms of the extent to which they agree with them, and so tapping into the cognitive and affective components of attitudes. Likert-type or frequency scales use fixed choice response formats and are designed to measure attitudes or

opinions. These ordinal scales measure levels of agreement/disagreement.

Socio Economic variables of the respondents:

49.3 percent of the respondents are in the age group of 15-30 years. 19.8 percent, 30-45 years old; 55.4 percent of the respondents are married. 26.4 percent, unmarried; 18.2 percent, Single. 49.8 percent of the respondents are Diploma holders. 13.7 percent, below 10th standard; 22.1 percent, up to Higher Secondary; 6.9 percent Graduates, 5.5 percent, Post Graduates. 5.5 percent, Diploma holders. 20.9 percent of the respondents are self employed; 39.4 percent, Private; 21.1 percent, Government Employees; 14.1 percent, Agriculture; 4.5 percent, professionals. 51.5 percent of the respondents are in the 10001-20000 rupees monthly income group. 30.3 percent, below 10000; 18.2 percent, 20001 and above. 9.2 percent of the respondents are having 4-6 members in their family. 26.4 and 24.4 percent of the respondents are having 0-3 and 6 & above family members respectively.

Table 1: Analysis of Gap Score

S.No	Attribute	Perception(P)	Expectation(E)	P-E
1	Reliability:			
	Banks promise to do something by a certain time, they do.	4.5	3.6	0.9
	Bank will show a sincere interest in solving it.	4.3	3.1	1.2
	Bank will perform the service right the first time	4.1	3.2	0.9
	Banks provide the service at the time they promise to do so.	4.7	4.2	0.5
	Error free records	4.6	3.7	0.9
2	Assurance			
	Instills confidence	4.4	3.3	1.1
	Employees are always well mannered	4.3	4.1	0.2
	Employee have enough Knowledge	4.7	3.5	1.2
3	Tangibility			

	Modern looking equipment	4.4	3.4	1.0
	The physical facilities	3.9	3.6	0.3
	Tidy manifestation of employee	4.1	3.4	0.7
	Materials associated with the service	4.4	3.5	0.9
4	Empathy:			
	Gives individual attention	4.7	3.8	0.9
	Convenient working hours	4.5	3.7	0.8
	Gives personal attention	4.1	3.4	0.7
	Best interest in heart	4.7	3.8	0.9
5	Responsiveness:			
	Prompt service to customers.	4.5	3.7	0.8
	Banks will always be willing to help customers.	4.3	3.2	1.1
	Tell you about performance of service	4.6	3.7	0.9
	Willingness to help	4.1	3.8	0.3
	Not busy to respond queries	4.5	3.7	0.8

The table 1 shows the various dimensions of the service quality. In this table perceptions and expectation of the customers are taken for the study and also to calculate the service gap i.e. (expectations-perceptions)

Table 2- Average Gap Score of Public Sector Banks (Unweighted)

S.No	Dimensions	Gap score
1	Average score for Reliability	0.802
2	Average score for Assurance	0.435
3	Average score for Tangibility	0.427
4	Average score for Empathy	0.902
5	Average score for Responsiveness	0.662
	Total	3.22
	Average un-weighted score	0.6456

In table 2 the average gap score of public sector bank customers are recorded in it. This shows that each dimension has different point of view of customers. Each point in all dimensions has its own importance and also to calculate its average.

Table 3- Highest & Lowest Gap Score Of Public Sector Banks

Attributes	Dimensions	Gap score
Highest score		
Bank will show a sincere interest in solving it	Reliability	1.3
Employee have enough Knowledge	Assurance	1.3
Modern looking equipment	Tangibility	1.2
Gives individual attention	Empathy	1.0
Banks will always be willing to help customers.	Responsiveness	1.1
Lowest Score		
Banks provide the service at the time they promise to do so.	Reliability	0.4
Employees are always well mannered	Assurance	0.5
The physical facilities	Tangibility	0.4
Best interest in heart	Empathy	0.3
Prompt service to customers	Responsiveness	0.2

Table 3 represents the attributes having the highest and lowest scores observed from the table. These attributes shows that there is highest and lowest gap between customer expectation and perceptions of bank services. Highest scores indicate that the customers are not satisfied with the services provided by the bank. Hence it was observed that the more gaps are identified in reliability, assurance etc where as the lowest score indicates that the customers are satisfied with the services provided by the bank. Hence it was observed that the fewer gaps are identified in empathy and responsiveness.

FINDINGS

Customers' expectations of service quality in banks are high and perceived quality of service is quite lower across public sector banks. For Public sector banks the most prominent gap is in reliability, empathy, responsiveness dimension of the service quality. Banks have to understand the shifting needs of customers, their objectives and opportunities to create value. Banks should have a strong customer relationship management system that would specify the importance of the customer and able to be aware of their needs.

Conclusion

This study observes the perception level of customers towards the service quality by the public sector banks with the popular and extensively used instrument SERVQUAL consisting of five dimensions of service quality. The banking business is becoming more and more multifaceted as a result of liberalization and globalizations. With hostile marketing strategies for making business opportunities, banks have developed innovative products, keeping in view the needs of different classes of individual customers. Banks may pursue a feedback system to know the customers' expectations for improving the level of customer satisfaction to the maximum level. Responses on service reliability should be continuously obtained from customers. This will improve their service quality to a large extent.

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