



A STUDY ON CUSTOMER SERVICE QUALITY IN SBI WITH SPECIAL REFERENCE TO MADURAI CITY

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Abstract

Banking sectors are playing an important role in our Indian economic development. Mainly, public banking industry in India is facing many problems and challenges like service quality, customer satisfaction, customer retention, customer loyalty. Service Quality plays a major role in accomplishing customer satisfaction, customer retention and creating brand loyalty in banking sector. State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. This paper is focus on the service quality of State bank of India in Madurai City. For this study SERVQUAL technical instrument which is framed by Parasuraman and Berry (1985) is used for analyzing the data. Five key dimensions of SERVQUAL are Tangibility, Responsiveness, Assurance, Accountability and Empathy.

Keywords: Customer Awareness, Customer Satisfaction and Service Quality.

I. Introduction and Role of SBI in Banking Industry

SBI acquired the control of seven banks in 1960. They were the seven regional banks of former Indian princely states. They were renamed, prefixing them with 'State Bank of'. These seven banks were State Bank of Bikaner and Jaipur (SBBJ), State Bank of Hyderabad (SBH), State Bank of Indore (SBN), State Bank of Mysore (SBM), State Bank of Patiala (SBP), State Bank of Saurashtra (SBS) and State Bank of Travancore (SBT). All these banks were given the same logo as the parent bank, SBI. The bank descends from the Bank of Calcutta, founded in 1806, via the Imperial Bank of India, making it the oldest commercial bank in the Indian subcontinent. The Bank of Madras merged into the other two "presidency banks" in British India, the Bank of Calcutta and the Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India in 1955. The Government of India took control of the Imperial Bank of India in 1955, with Reserve Bank of India (India's central bank) taking a 60% stake, renaming it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India. SBI is one of the largest employers in the country with 209,567 employees as on 31 March 2017, out of which there were 23% female employees and 3,179 (1.5%) employees with disabilities. On the same date, SBI had 37,875 Scheduled Castes (18%), 17,069 Scheduled Tribes (8.1%) and 39,709 Other Backward Classes (18.9%) employees.

II. Review of Literature

Beerli A. Martin, Dandquantana (2004) examined the relationship between perceived quality, customer satisfaction and loyalty in retail banking. According to Lau et al., 2006; Leung & To, 2001, Consumers usually shop at specific stores, because they like the service provided and they are assured of certain service privileges; thus, the performance of salespeople stimulates bonding through trust between them and customers, which affects the latter's perception of the store or brand. In India, Ganguli and Roy (2011) study the impact of generic technology-based service quality dimensions in banking on customer satisfaction and loyalty. The study pointed out that as consumer behavior patterns are changing with the adoption of technology by banks in their service delivery, boosting of customer confidence is necessary so that customers accept these new channels of service delivery. The researchers speculate that customer satisfaction and loyalty are key indicators of customers' confidence in technology-based banking. They therefore counsel practitioners to use the technology-based dimension to segment and profile the customers based on their perceptions about service quality and hence design targeted communication to educate them on technology usage. Arun & Kumar, G, Dr. S. J. Manjunath (2012) Service quality plays a major role in customer satisfaction and creating brand loyalty in banking sector. The data were analyzed by one sample t-test and regression analysis.



The result revealed that all the dimensions which have been used in the study are positively related to customer satisfaction. Mei Mei Lau (2013) A sample of 119 retail banking customers was drawn from the Hong Kong and Shanghai Banking Corporation (HSBC) in Hong Kong. The questionnaire developed for this study was based on a SERVQUAL model that identified the influence of five dimensions (i.e. tangibility, responsibility, reliability, assurance and empathy) in banking service environments on customer satisfaction. The results indicate that the five SERVQUAL dimensions have a positive influence on customer satisfaction. Dr. Biju John M (2017), the study also attempts to identify the dimensions of service quality in commercial banks so as to identify the factors which influence the service quality of commercial banks and thus helping the industry to improve their performance by making a deep analysis of their strengths and weaknesses.

III. Significance of the Study

There are studies which have inspected the level of customer satisfaction on the services rendered by banks. However these studies fail to classify the services provided by the same bank in different branches. The present study classifies the services of State bank of India banks in five different branches into five broad dimensions namely Tangibility, Responsiveness, Reliability, Assurance, and Empathy. Under each broad dimension four related services are grouped. Customer awareness of services provided by the state bank of India and Service Quality Gap on the above branches are measured with the help of the 100 sample customers of State bank of India.

IV. Research Methodology

The data for this research project has been collected through self-admiration. A structured questionnaire was framed as it is less time consuming, generates specific and to the point information, easier to tabulate and interpret. Moreover respondents prefer to give direct answers.

1. Objectives of the study

Following are the objectives of the present study:

1. To evaluate the profile of the customers utilizing the services rendered by State Bank of India in Madurai district
2. To determine the level of awareness of customers towards the banking services.
3. To measure the service quality dimensions to analyze the quality of the services provided by State Bank of India in different branches.
4. To render suitable suggestions to improve the quality of banking services provided by State Bank of India in Madurai City.

2. Sampling Method: Proportionate Stratified Random Sampling is used for this study. The total sample size is 100 customers. This sample comprises of 20 customers of each of five State Bank of India branches in Madurai city namely, Madurai South Masi Street, Madurai City, Amman Sanadhi Madurai, Madurai Main and Madurai West Masi Street.

3. Data Collection: There are two types of data collection method use in my project report.

1. Primary data: For our project, we decided on primary data collection method for approaching customers directly in the field with the help of questionnaire prepared.
2. Secondary data: We decided on Secondary data collection method by referring to various Websites, Books, Magazines, Journals and Daily Newspapers for collecting information regarding project under study.

4. Tools for analysis: The data were collected tabulated and analyzed using statistical tools. Data collected through interview scheduled were presented in tables. The statistical tools used in this study are percentage analysis, rank analysis, and chi-square test.



V. Data Analysis and Interpretation

1. Profile of the Customer: The profile of the customers plays an important role in the determination of the customer's awareness and satisfaction level of banking services on various attitudes in State Bank of India. Even though the respondent's variables are too many, the present study confines these variables to age, gender, educational qualification, occupation, and monthly income.

1.1. Age of the Respondents: The Age of the Respondents in the present study is confined to below 20, 21-30, 31-40, 41-50 and above 50. The distribution of customer on the basis of their age is shown in table 1.

Table – 1: Age of the Respondents

Age	Number of respondents	Percentage
below 20	7	7
21-30	24	24
31-40	31	31
41-50	28	28
above 50	10	10
Total	100	100

Source: Primary data

Table 1 shows that out of 100 respondents, 7 (7%) respondents age is below 20, 24 (24%) respondents age is 21-30, 31 (31%) respondents age is 31-40, 28 (28%) respondents age is 41-50. 10 (10%) respondents age is above 50. It concludes that the majority of respondents are in the age group of 31-40.

1.2. Gender of the Respondents: The distribution of gender among the customer is shown in table 2

Table – 2: Gender of the Respondents

Gender	Number of Respondents	Percentage
Male	57	57
Female	43	43
Total	100	100

Source: Primary data

Table 2 shows that out of 100 respondents, 57 (57%) respondents are male and 43 (43%) of respondents are female. It determines that majority of respondents are male.

1.3. Educational Qualification of the Respondent

The Educational qualification of the respondent in the present study is confined to Illiterate, Primary Education, Middle School, Secondary/HSC, Graduate and Professional. The distribution of customer on the basis of their education is shown in table 3.

Table – 3: Educational Qualification of the Respondent

Level of Education	Number of Respondents	Percentage
Illiterate	4	4
Primary Education	11	11
Middle School	10	10
Secondary/HSC	15	15
Graduate	46	46
Professional	14	14
Total	100	100

Source: Primary data



Table 3 displays that out of 100 respondents, 4 (4%) are Illiterate, 11 (11%) are Primary Education, 10 (10) are Middle School, 15 (15%) are Secondary/HSC, 46 (46%) are Graduate and 14 (14%) are Professional. It is determined that many of the respondents are graduated.

1.4. Monthly family Income of the Respondent: Monthly family income of the respondents are classified as less than 20000, 20001-40000, 40001-60000, 60001-80000, and above 80000. The distribution of customer on the basis of their family income is shown in table 4.

Table – 4: Monthly family Income of the Respondent

Family Income (per month)	Number of Respondents	Percentage
less than 20000	52	52
20001-40000	29	29
40001-60000	14	14
60001-80000	2	2
above 80000	3	3

Source: Primary data

Table 4 explains that, out of 100 respondents, 52 (52%) of respondents earn less than Rs.20000, 29 (29%) of respondents earn Rs. 20001-40000, 14 (14%) of respondents earn Rs. 40001-60000, 2 (2%) of respondents earn Rs. 60001-80000 and 3 (3%) of the respondents earn above Rs. 80000 as his family income.

2. Customer Level of Awareness in Services Provided By the State Bank of India

The awareness of the services of state bank of India was listed in the interview schedule For the purpose of this analysis; five important services offered by the state bank of India have been recognized to know of the customer's awareness on those services. They are:

1. Availability of loan facility.
2. Availability of locker facility.
3. Availability of mobile banking/e-banking services.
4. Rate of interest for deposit.
5. Agency services.

For each of these services, respondent's opinions were collected in three different ways like fully aware (3 points), partly aware (2 points), and not aware (1 point).

Table – 5: Mean Scores for Awareness on Various Services in State Bank of India

Services	Opinion of the respondents			Total score	Mean score	Rank
	Fully aware	Partly aware	Not aware			
Loan facility	36	39	25	211	2.11	3
Locker facility	52	21	27	225	2.25	2
Mobile banking/e-banking services	49	30	21	228	2.28	1
Rate of interest for deposit	24	19	57	167	1.67	4
Agency services	17	32	51	166	1.66	5

Source: Primary data

Table 5 shows that among the five services Mobile banking/e-banking services have got highest weighted average score in the state bank of India followed by Locker facility, Loan Facility, Rate of interest for deposit and Agency services.



3. Gender of the Respondents and Awareness of loan Facilities

Gender is one of the important factors in determine the service awareness. Chi-Square test is used for this analysis. Table 6 shows the gender and awareness of loan facilities provided by the state bank of India.

Table – 6: Gender of the respondents and Awareness of loan facilities

Gender	Awareness of Loan Facility			Total
	Fully Aware	Partly Aware	Not Aware	
Male	41(41.61)	11(10.26)	5 (5.13)	57
Female	32 (31.39)	7 (7.74)	4 (3.87)	43
Total	73	18	9	100

Source: Primary

Null Hypothesis: There is no significant relationship between the Gender of the respondents and Awareness of loan facilities. The chi-squared was applied and to examine the null hypothesis and computed result are stated in table -7.

Table – 7: Result of Chi-square test

Particulars	Level of Respondents
Calculated Value	0.148
Table Value at 5% level of significance	5.991
Degrees of freedom	2
Inference	Not significant

Source: primary

The above Table 7 shows that the calculated chi-square value (0.148) is less than the table value (5.991) of 5 per cent level of significance; therefore the null hypothesis is accepted. Hence, there is no significant relationship between the Gender of the respondents and Awareness of loan facilities provided by the State bank of India.

4. Educational Qualification of the Respondents and Awareness of Mobile Banking / E - Banking Services

Education is an important factor which influences the awareness of the respondents. The Independent identity of respondents can be proved only through their education. The educational Qualification of respondents and their level of awareness of mobile banking/e-banking services provided by the State Bank of India are shown in Table 8.

Table -8: Educational Qualification and Awareness of Mobile Banking/E-Banking Services

Educational Qualification	Awareness of Mobile Banking/E-Banking Services			Total
	Fully aware	Partly aware	Not aware	
illiterate	2 (1.52)	1 (1.0)	1 (1.85)	4
Primary Education	4 (4.18)	3 (2.75)	4 (4.07)	11
Middle School	2 (3.8)	2 (2.5)	6 (3.7)	10
Secondary/HSC	2 (5.7)	6 (3.75)	7 (5.55)	15
Graduate	19 (17.48)	9 (11.5)	18 (17.02)	46
Professional	9 (5.32)	4 (3.5)	1 (5.18)	14
Total	38	25	37	100

Source: primary

Null Hypothesis: There is no significant relationship between the educational qualification of the respondents and Awareness of mobile banking/e-banking services. The chi-squared was applied and to examine the null hypothesis and computed result are stated in table 4.9.



Table -9: Result of Chi-square test

Particulars	Level of Respondents
Calculated Value	13.31
Table Value at 5% level of significance	18.307
Degrees of freedom	10
Inference	Not significant

Source: primary

The above Table 9 shows that the calculated chi-square value (13.31) is less than the table value (18.307) of 5 per cent level; therefore the null hypothesis is accepted. Hence, there is no significant relationship between the educational qualification of the respondents and Awareness of mobile banking/e-banking services.

5. Opinion of Customer about the Level of Satisfaction of services in the State Bank of India

Customer level of satisfaction of services in the State Bank of India was listed in the interview schedule. For this analysis, five dimensions of service qualities were recognized to find the customers satisfaction. The dimensions of service qualities are: Tangibility, Responsiveness, Reliability, Assurance and Empathy.

For each of these services, respondent's opinions were collected in five different ways. The results are displayed in table 10.

Table- 10: Opinion of Customer Satisfaction in State Bank of India Service Quality

Services	HS	S	NSOD	DS	HD	Total score	Mean score	Rank
I. Tangibility								
Display of boards	45	26	05	17	07	386	3.86	I (17.73)
Parking facility	52	17	03	06	22	631	6.31	
Bank chalans& pamphlets	54	13	04	10	19	373	3.73	
Water, furniture & toilet	40	34	06	09	11	383	3.83	
II. Response								
Time of Emergency	51	14	05	17	13	343	3.43	V (14.3)
Willingness of employees	46	16	09	10	19	360	3.60	
Customer grievance	38	24	12	08	18	356	3.56	
Doubts and queries	47	15	14	10	14	371	3.71	
III. Reliability								
Pass book entries	70	09	02	09	10	420	4.20	IV (16.64)
Safety transactions	69	04	07	12	08	414	4.14	
Same Service in all time	47	20	08	13	12	397	3.97	
Employee sincerity	64	20	05	07	04	433	4.33	
IV. Assurance								
Courtesy and attitude	72	05	11	06	06	431	4.31	II (16.9)
Communication	65	10	02	10	13	404	4.04	
Behavior of staff	59	14	06	09	12	399	3.99	
Computer knowledge	79	12	01	02	06	456	4.56	
V. Empathy								
Operation of account	61	13	01	10	15	386	3.86	III (16.74)
Punctuality	84	04	03	03	06	457	4.57	
Working hours	75	05	07	09	04	438	4.38	
Individual attention	56	14	03	21	06	393	3.93	

Source: Primary

Table 10 clearly shows that the dimension of service quality provided by the state bank of India, on the basis of customer satisfaction. Respondents have a best level of satisfaction in the order of Tangible (17.73), Assurance (16.9), Empathy (16.74), Reliability (16.64) and Response (14.3).



Summary of Findings

1. Out of five levels of age groups, the majority of respondents are in the age of 31-40.
2. Out of 100 Respondents, majority of Respondents are male.
3. Most of the respondent's educational qualification is graduation, out of six level of education.
4. Out of 100 respondents, most of them earn a family income of less than Rs.20000p.m, among the five level of income.
5. In the determinants of Mean Scores for Awareness on Various Services in State Bank of India, respondents having the awareness in the order of Mobile banking/e-banking services, Locker facility, Loan facility, Rate of interest for deposit and Agency services.
6. In the finding of Gender of the respondents and Awareness of loan facilities, there is no significant relationship between the Gender of the respondents and Awareness of loan facilities provided by the State bank of India.
7. In the finding of relationship between Educational qualification of the respondents and awareness of mobile banking / e - banking services, there is no significant relationship between the educational qualification of the respondents and Awareness of mobile banking/e-banking services.
8. In the result of Opinion of Customer Satisfaction in State Bank of India Service Quality, Respondents have a best level of satisfaction in the order of Tangible, Assurance, Empathy, Reliability and Response.

Suggestions

On the basis of the above findings, the following suggestions have been made:

1. Bank branches should be located in an area, where the place customers can easily access.
2. Banker should provide awareness to the customer for their all products and services.
3. Security should be enhanced for online transaction so as to encourage more and more people to do online transactions.
4. Training should be given to the bank employees for solving the customer's problem voluntarily and updating their knowledge.
5. The banks should provide car parking, two wheeler parking, water, furniture and toilet facilities in convenient places for their customers.
6. They should deliver an answer for the questions raised by the customer with clear and patience.
7. The banker should get a feedback from the customer periodically with regard to their service quality.
8. They should create reliability and accountability about their banks among their customer.
9. In bank, display of boards is located in a visible place and also it should be easily understandable by the customer.

Conclusion

In the modern marketing customer satisfactions is of vital importance. For retaining the old customer and getting the new customer, the banker have in the position to maintain the service qualities like, Tangibility, Responsiveness, Reliability, Assurance and Empathy to their customer. In this study, State Bank of India groups in Madurai city has a very less service quality in Responsiveness, Reliability and high in Tangibility. If banks want to sustain customers on a long term basis, bankers should work towards 100% customer satisfaction that automatically foster customer delight.



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