

CUSTOMER PERCEPTION TOWARDS SERVICE QUALITY ON PRIVATE SECTOR BANKS IN KANCHEEPURAM DISTRICT

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ABSTRACT

Significant developments have occurred in the Indian banking sector since liberalisation. Over the past ten years, there has been a noticeable change in its operational environment. There are significant changes occurring in every facet of the Indian banking sector's operations. The market has evolved significantly, focusing mostly on the needs of the consumer. The banks are quite picky in determining the demands of their customers and how well those needs can be satisfied in these days of fierce competition. They battle constantly and come up with new ways to set themselves apart from their rivals by offering their clients superior financial services and cutting-edge, high-tech goods. It is important to remember that success cannot be achieved by technological prowess or novel items on their own. The researcher has accomplished the following objectives, such as to know the demographic profile of the customers and their perception towards service quality in private sector banks. To analyze SERQUAL dimensions of private sector banks in kancheepuram district and to give valuable findings and suggestion. The finding out the research article there is a significant relationship between the demographic profile of the respondents and their perception towards the SERQUAL dimensions of private banks. There is a significant relationship between the services offered by private sector

Keywords: Customer perception, banking services, service quality, and private sector banks etc.

1. Introduction

The primary banking duties of the goldsmiths in the past was holding onto and lending a portion of other people's money. These were expanded upon and new ones added gradually. Because of this, banking has grown to be so essential to trade in the

contemporary money economy that the mere interruption of a banker's operations, even for a few days, would entirely collapse a country's economy. These days, bankers have a lot on their plate. They act as guardians for valuables such as stocks and shares. Banks provide funding for both imports and exports into and out of a nation, and bankers handle the documentation associated with these transactions at some point. Bills of lading, railway receipts, warehouse warrants and receipts, maritime insurance policies, and several more documents are among the paperwork they must deal with in addition to bills of exchange. In their capacity as bankers, they provide advances on securities, as well as credit cards, traveler's checks, letters of credit, and circular notes to clients who want to go overseas to make purchases and send products.

The banking sector in India has expanded into a number of new areas, including merchant banking, venture capital, leasing and home financing, and monthly savings. From international banking at one end to rural finance at the other, the banks offer a wide range of services. With the Government of India's shifting policies on the Monthly Savings of Industrial, Trade, and Exchange Rate Policies, Indian banking is not an exception to the global banking landscape's fast technological development and diversity. To keep up with the changes, the bank's functions have evolved. The way consumers and service providers engage has undergone a significant transformation as a result of the advent of new technologies. Customer satisfaction is the most important difficulty that the Indian banking sector must overcome. For all marketers, it is a crucial matter. In today's fiercely competitive corporate environment, a satisfied customer is deemed essential to success.

2. Statement of the Problem

These days, service has grown to be a powerful force. Within the service industry, banking services are essential to meeting the various needs of clients, including the public and government. Banking institutions, whether they are private or public sector, compete fiercely with one another to achieve their own goals and aspirations. Private sector banks place significant emphasis on serving the higher middle class and higher income groups of individuals. These banks are typically found in metropolitan areas, offering monthly savings accounts with roomy floor plans and sufficient infrastructure.

3. Review of Literature

Alok Kumar Rai (2009) in this research article were analyzed Using SBI and HDFC Banks as examples, researchers looked at the service quality discrepancies in the

performance of public and private sector bank leaders in India and came to the conclusion that neither bank, although being the biggest in their respective ownership categories, could satisfy its clients. The survey also revealed the Monthly Savings, which the industry's policy makers, managers, and staff must address right away. These are the Monthly Savings accounts whose clients are extremely unhappy with the banks' services in comparison to what they expected. **Walfried M. Lassar, Chris Manolis and Robert D. Winsor (2000)** in their study were investigated how SERVQUAL and Technical/Functional Quality, two separate analyses, affected customer satisfaction. The capacity to forecast customer happiness is compared and contrasted between these two service quality metrics. This study looked at the possible benefits of using different metrics for customer satisfaction from the viewpoints of the functional and technological facets of the service delivery process. The study examined the theoretical and practical implications of the results, as well as the possible advantages and disadvantages of the existing service quality models in terms of their capacity to characterize and elucidate the link between quality and satisfaction. **Ahmad Jamal and Kamal Naser (2002)** in this paper were examined how aspects of service quality affected client satisfaction. According to the study's findings, customer happiness appears to be correlated with both the relational and core aspects of service quality, and satisfaction is inversely correlated with competence. **Muslim Amin and Zaidi Isa (2008)** in their study were attempted to use the SEM technique to investigate the link between customers' happiness and perceptions of service quality in Malaysian Islamic banking. In order to gauge the quality of Malaysian Islamic banking services, this approach starts with SERVQUAL assessment scales, which include six dimensions: tangibles, dependability, responsiveness, assurance, empathy, and compliance. The findings indicate that a higher percentage of Malaysian Muslims than non-Muslim clients were aware of Islamic banking offerings. The vast majority of Islamic banking clients expressed satisfaction with the general level of service given by their institutions. Customer happiness and service quality have a substantial link.

4. Objectives of the Study

The researcher has accomplished the following objectives

- To know the demographic profile of the customers and their perception towards service quality in private sector banks.

- To analyze SERQUAL dimensions of private sector banks in kancheepuram district
- to give valuable findings and suggestion

5. Scope of the Study

Any service organisation recognises that meeting the unique needs of each client depends in large part on the quality of the services provided. The banking sector is not an outlier. Since the new economic strategy was implemented in 1991, there has been intense rivalry amongst international and private banks, with each bank vying for clients by offering all the services that their clients need or demand. Additionally, the researcher has attempted to investigate the connection between customer perceptions of private sector banks in Tamilnadu's Kancheepuram area and the aspects of service quality. The objectives of the research challenge are broken down into specifics and described in the next parts.

6. Need and Importance of the Study

The banking sector has changed significantly in the last several years. The rivalry among banks and technological advancements have forced commercial banks to come up with innovative approaches to draw in new clients and hold onto their current clientele. Because of the heightened rivalry among banks, the sustainability and profitability of banks are greatly dependent on the calibre of services provided and client happiness. In the current environment, measuring bank customers' satisfaction levels and service quality becomes essential. Therefore, it is thought that a research on bank customer satisfaction is required.

7. Methodology

The methodology of the study is based on the primary data collected through well-framed and structured questionnaire to elicit the well considered opinion of private sector bank customers. Convenient random sampling method has been used to collect the responses from the customers of private sector banks.

7.1 Sampling Design

In the present study, the researcher used convenient sampling methods. The sampling size is 200 samples of banking customers in Kancheepuram District.

7.2 Statistical Tools

The researcher used statistical tools such as Percentage analysis, Chi-square test and Multiple Regression equation.

8. Hypothesis of the Study

The researcher has set out the following hypothesis for the analysis,

- ❖ There is no significant relationship between the demographic profile of the respondents and their perception towards the SERQUAL dimensions of private banks.
- ❖ There is no significant relationship between the services offered by private sector banks.

9. Limitation of the Study

- ❖ The present study is limited to cover only private sector banks
- ❖ The study was taken the respondents are limited to 300 sample respondents in the selected Monthly Savings.
- ❖ There is a limited Types of Account that is only covered in the Kancheepuram district of Tamil Nadu.

10. Results and Findings

The social economic profile of selected customers in private sector banks includes both quantitative and qualitative features. The section that follows gives the respondent's social and economic profiles, which comprise demographic, gender, age, educational qualification, marital status, monthly income, and customer perception towards the service quality in private sector banks.

Socio-Economic Profile of the Customer on their perception towards the Service Quality on Private Sector Banks in Kancheepuram

There are different factors like Age, income, educational qualification, type of account maintain in bank which have some relationship between tangibles of the customer's perception. In order to test this relationship multiple regression test is used. Multiple regression is a multi-variate statistical analysis that involves one dependent and two or more independent variables. The variables are divided into dependent variable and independent variable. The Regression of the multiple R is one of the best qualities for the prediction of the dependent variable. The value of multiple R ranges

from zero to one. There are two hypotheses framed in the multiple regression. For testing the model, ANOVA test has been used. In order to test the prediction level of each independent variable or dependent variable, regression Table is considered in the analysis. But to test the significant level, every independent variable on dependent variable p value is considered to reject or accept the hypothesis.

Ho: There is no significant influence between socio-economic profile of the customer on services quality based on the tangibles.

Table 1
Socio-economic profile of the customer and Tangibles - Multiple Regression

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.212	0.315	-	42.462	0.000
X1	Age	0.217	0.232	0.127	2.833	0.000
X2	Monthly Savings	0.643	0.246	0.323	2.748	0.000
X3	Account Nature	1.616	0.375	0.692	5.621	0.000
X4	Monthly Income	1.502	0.382	0.595	5.191	0.000
X5	Educational Qualification	1.434	0.589	0.421	3.891	0.000
Multiple R					0.732	
R Square value					0.511	
Adjusted R Square value					0.437	
ANOVA F Value					23.0161	
ANOVA P Value					0.000	
a. Dependent Variable: Tangibles						

Source: Primary Data (SPSS Version 20)

The Table 1 exhibits the result of regression equation model. The regression equation is framed as follows:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4$$

$$Y = 3.212 + 0.217x_1 + 0.643x_2 + 1.616x_3 + 1.502x_4 + 1.434x_5$$

Ho: There is no significant influence between socio-economic profile of the customer on services quality based on the reliability

Table 2
Socio-economic profile of the customer and reliability - Multiple Regression

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	4.451	0.436	-	36.473	0.000
X1	Age	0.257	0.243	0.287	2.143	0.002
X2	Monthly Savings	0.761	0.215	0.273	3.668	0.010
X3	Account Nature	1.326	0.263	0.682	4.511	0.000
X4	Monthly Income	1.437	0.482	0.515	4.571	0.000
X5	Educational Qualification	1.301	0.489	0.431	3.541	0.000
Multiple R						0.721
R Square value						0.520
Adjusted R Square value						0.421
ANOVA F Value						27.3761
ANOVA P Value						0.000
a. Dependent Variable: reliability						

Source: Primary Data (SPSS Version 20)

The Table 2 exhibits the result of regression equation model. The regression equation is framed as follows:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4$$

$$Y = 4.451 + 0.257 x_1 + 0.761 x_2 + 1.326 x_3 + 1.437 x_4 + 1.301 x_5$$

Ho: There is no significant influence between socio-economic profile of the customer on services quality based on the responsiveness.

Table 3
Socio-economic profile of the customer and responsiveness SERQUAL - Multiple Regression

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	3.561	0.326	-	33.584	0.000
X1	Age	0.157	0.143	-.127	2.543	0.012
X2	Monthly Savings	0.871	0.125	-.322	2.868	0.003
X3	Account Nature	1.536	0.285	0.682	5.451	0.000
X4	Monthly Income	1.732	0.282	0.415	6.491	0.000
X5	Educational Qualification	1.521	0.289	0.521	4.421	0.000
Multiple R						0.811
R Square value						0.420
Adjusted R Square value						0.376
ANOVA F Value						67.5761
ANOVA P Value						0.000
a. Dependent Variable: Responsiveness						

Source: Primary Data (SPSS Version 20)

The Table 3 exhibits the result of regression equation model. The regression equation is framed as follows:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4$$

$$Y = 3.561 + 0.157 x_1 + 0.871 x_2 + 1.536 x_3 + 1.732 x_4 + 1.521 x_5$$

H₀: There is no significant influence between socio-economic profile of the customer on services quality based on the Assurance

Table 4
Socio-economic profile of the customer on services quality based on the Assurance

Coefficients ^a						
Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.100	0.385		.260	.795
X1	Age (x1)	0.145	0.048	0.124	2.987	.003

X2	Educational Qualification (X2)	0.411	0.054	0.318	7.652	.000
X3	Monthly Income(x3)	0.134	0.029	0.047	1.171	.242
X4	Occupation (x4)	0.364	0.065	0.240	5.576	.000
X5	Monthly Savings (x5)	0.041	0.050	0.036	.827	.408
Multiple R						0.521
R Square value						0.230
Adjusted R Square value						0.115
ANOVA F Value						42.162
NOVA P Value						0.000
a. Dependent Variable: Assurance						

Source: Computed from SPSS.23

The Table 4 exhibits the result of regression equation model. The regression equation is framed as follows:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4 + bx_5$$

$$Y = 2.100 + 0.145x_1 + 0.411x_2 + 0.134x_3 + 0.364x_4 + 0.041x_5$$

H₀: There is no significant influence between socio-economic profile of the customer on services quality based on the Empathy.

Table 5
Socio-economic profile of the customer on services quality based on the Empathy

Coefficients						
Model		Un standardized Coefficients		Standardize d Coefficients	t	Sig.
		B	Std. Error	Beta		
X1	(Constant)	3.471	0.316		23.795	0.000
	Age	0.067	0.083	-.117	2.643	0.012
X2	Educational Qualification	0.871	0.125	-.222	2.968	0.003
X3	Monthly Savings	1.636	0.295	0.682	5.551	0.000

X4	Nature of Account	0.732	0.232	-.215	-1.591	0.111
X5	Monthly Income(x5)	0.301	0.050	0.036	.827	.408
Multiple R						0.511
R Square value						0.310
Adjusted R Square value						0.276
ANOVA F Value						57.5261
NOVA P Value						0.000
a. Dependent Variable: Empathy						

Source: Primary Data (SPSS Version 20)

The Table 5 exhibits the result of regression equation model. The regression equation is framed as follows:

$$Y = a + bx_1 + bx_2 + bx_3 + bx_4 + bx_5$$

$$Y = 3.471 + 0.067x_1 + 0.871x_2 + 1.636x_3 + 0.732x_4 + 0.301x_5$$

10.1 Discussion

The Table 1 explains that the Tangibles is taken as the dependent variable and five independent variables such as Age(x1), Types of Account(x2), Monthly Income(x3), Nature of the research scholar (x4) and Educational Qualification (x5) are taken as predictor variables. Age (t=2.833, p=0.000), Types of Account(t=2.748, p=0.000), Account Nature (t= 5.621, p=0.00), Monthly Income (t=5.191, p=0.000) Educational Qualification. (t= 3.891, P= 0.000). Hence, the null hypothesis is rejected that mean, there is a significant positive effect between socio-economic factors and the customer and Tangibles. The Table 2 explains that the R Value of 0.721 is a measure of linear correlation of all the independent variables with the dependent variable. R square represents how the data are in the closeness to the fitted regression line. It is also known as co-efficient of determination. The value of R square is 0.520 and value of R adjusted square is 0.421 which shows the proportion independent variable is closer with the dependent variable. Through ANOVA, it is found that the regression model is found to be statistically fit because the value of p is .000 which is less than the ideal value of 0.05. and the reliability is taken as the dependent variable and five independent variables such as Age(x1), Types of Account(x2), Monthly Income(x3), Nature of the research scholar (x4) and Educational Qualification (x5) are taken as predictor variables. Age (t=2.143, p=0.002), Types of Account(t=3.668, p=0.010), Account Nature

($t= 4.511$, $p=0.00$), Monthly Income ($t=4.571$, $p=0.000$) Educational Qualification. ($t= 3.541$, $P= 0.000$). Hence, the null hypothesis is rejected that means there is a significant effect between socio-economic profile of the customer and reliability.

The Table 3 explains that the Socio-economic profile of the customer and perception on responsiveness is taken as the dependent variable and five independent variables such as Age(x_1), Types of Account(x_2), Monthly Income(x_3), Monthly savings (x_4) and Educational Qualification (x_5) are taken as predictor variables. Age ($t=2.543$, $p=0.012$), Types of Account($t=2.868$, $p=0.003$), Account Nature ($t= 5.451$, $p=0.00$), Monthly Income ($t=6.491$, $p=0.000$) Educational Qualification. ($t= 4.421$, $P= 0.000$). Hence, the null hypothesis is rejected that means there is a significant positive effect between Socio-economic profile of the customer and responsiveness SERQUAL

The Table 4 explains that the Socio-economic profile of the customer and perception on Assurance is taken as the dependent variable and five independent variables such as Age(x_1), Educational Qualification (x_2), Monthly income (x_3), Occupation (x_4) and Monthly Savings e(x_5) are taken as predictor variables. The null hypothesis is rejected for Age(x_1) ($t=2.987$, $p=.003$), Educational Qualification (x_2) ($t=7.652$, $p=.000$), Monthly Income (x_4) and Monthly Savings (x_5) Hence, there is a significant influence between perception of the customers and demographic profile of the respondents.

The null hypothesis is accepted for Monthly Savings (x_3), ($t=1.171$, $p=.242$) and Occupation ($t= .827$, $p=0.408$) Hence, There is a significant influence between socio-economic profile of the customer on services quality towards Assurance.

The Table 5 explains that the demographic profile of the customer and Empathy is taken as the dependent variable and five independent variables such as Age (x_1), Educational Qualification (x_2), Monthly Savings (x_3) and Nature of Account (x_4) are taken as predictor variables. The null hypothesis is rejected for Age ($t=2.643$, $p=0.013$), educational qualification ($t=2.968$, $p=0.003$), Monthly Savings ($t=5.551$, $p=0.000$) and There is no significant influence between socio-economic profile of the customer on services quality towards Empathy. The null hypothesis is accepted for Nature of

Account($t = -1.591$, $p = 0.111$) and There is no significant influence between socio-economic profile of the customer on services quality towards Empathy.

11. Suggestions

- ❖ The usage of online and mobile banking has become essential in today's competitive environment. It is imperative that banks, both public and private, educate their clientele about the benefits of using funds transfer technology to move money quickly and easily, as well as how simple and convenient online payments are.
- ❖ Customers' expectations for a range of extremely sensitive services, such as counter services and query responses, must be met by banks in a manner that meets their high standards.
- ❖ In order to meet client expectations when the mean score of expectations is higher, the banks need to concentrate on those aspects right away.
- ❖ Where the mean score is lower, the banks need to raise the quality of their services in order to satisfy customers.

12. Conclusion

The current study demonstrates that, in terms of the tangible component of service quality, both private sector bank clients firmly concur that their institutions are easily reachable. Private sector bank clients overwhelmingly concur that their banks genuinely care about finding reliable solutions that enhance customer satisfaction. Regarding assurance, clients of both public and private sector banks have stated that their institutions guarantee transaction security, and clients of private sector banks have firmly concurred that bank staff members are fully informed on bank offerings. With the exception of inquiries and resolution, loan interest rates, and customer relationship management, public sector bank consumers have higher expectations than private sector bank customers in every way. Additionally, private sector bank customers are generally happier than public sector bank customers. Customers of private sector banks have firmly said that they would not transfer to another bank and that they will encourage others to open accounts with them. As a result, it can be said that there is a significant correlation between bank customers' expectations and levels of satisfaction and that private sector bank customers are generally happier than those of public sector banks. Technology, customer relationship management (CRM) between bankers and consumers, and service quality all affect how satisfied clients are with bank

services. When evaluating the calibre of services provided by private sector banks, the demographic characteristics of its clientele play a critical role. The overall finding suggests that banks in the public and private sectors charge different service fees. It is found that potential clients of private sector banks anticipate daily banking transactions to involve the highest level of service quality at the lowest possible cost.

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