AN EMPIRICAL STUDY ABOUT CUSTOMERS' SATISFACTION INFLUENCED BY SERVICE QUALITY DIMENSIONS :RESEARCH ON PUBLIC SECTOR BANKS IN PUNJAB

Jaspreet Kaur, Chandigarh University
NitinPathak, Chandigarh University

ABSTRACT

Customer satisfaction is a parameter to check the value of the bank in the market. Service quality of the banks foster customer satisfaction in the minds of customers which helps in retaining valuable customers in the bank. The main objective of this research is to review the effect of service quality dimensions on the level of satisfaction of customers (Public sector bank). For that purpose, the information is gathered from the five banks. In this study, Banks selected on the basis of Total Assets (Money-control.com). The sample unit is based on the size of the Population. Data from 200 customers are collected in this study. The stratified random sampling plan is used for the assortment of data with a structured questionnaire. This study has focused on five basic aspects i.e., Tangibility, Reliability, Responsiveness, Assurance, and Empathy. Descriptive statistics as well as Correlation techniques are used for the analysis of data. Result of the study shows that Public banks must focus on the tangibility, reliability and responsiveness dimensions for satisfying their clients.

Key words: Customer Satisfaction, Service Quality, Perception, Quality Dimensions.JEL Classification Number: F31, F41.

INTRODUCTION

In the present scenario, every organization is working on the basis of marketing concept rather than selling concept which is necessary to become a star organization. Service organizations especially banking sectors are also following the same concept to survive in the highly competitive setup, Agarwal (2015). These days every firm has to distinguish its product or services to beat the market competition. The focus of a business firm on consumer loyalty will not only assist them to achieve their ultimate objective of profit maximization but will also result in wealth maximization, pasha (2018).If customers are satisfied then definitely they will give a positive wave about the business firm in the market and that , Suvarchala & Narasimha (2018). will lure more customers for this business. More sales will result in generating more revenue for the business that in turn will increase the profits of business organizations. So, customer satisfaction has become the foremost priority of every business. Al-Azzam (2015), this research is basically based upon all these relevant issues that whether customers get satisfaction with superior service quality. What range of services they expect? Parasuraman et al., (1985) and Zeithaml et., al (1990) found that achievements and endurance of any business association is the delivery of valuable services to customers. There is a immediate connection between service quality and consumer loyalty Prasad and Prasad (2017).

If the customer shows incongruity with the services provided to them then that also leads to dissatisfaction Ushantha et al., (2015).

LITERATURE REVIEW

Ravichandran et al., (2010) directed an examination because of administration quality on consumer loyalty. They applied the SERVQUAL model for analysis in the research. In the end, they found that if the banks increase the quality of services they can satisfy more customers and at last holds esteemed clients for their banks Lau et al., (2015). In his paper looked at client's view of service quality of public and private banks of Tirupati region. The assistance nature of these banks had been estimated utilizing SERVQUAL (administration quality) scale.Chi-square analysis was used to know the effect of SERVPERF (service performance) dimensions on customer satisfaction. Paul et al,(2015). It was observed that clients of public sector banks are more contented with the service quality than those of private sector banks. MesaySata Shanka (2012), Naveen Kumar and Gangal (2011), conducted a research in which SERVPERFscale was used to measure perceptions of the customers' regarding their respective banks' service. For data analysis, Correlation and multiple regressions tools were used. AL-Fawzan (2015).The results indicated that providing quality services increase clients satisfaction, which thus prompted to a high level of customer devotion towards banks,led a similar examination among Public and Private area banks of Bangladesh and observed that fulfillment in private banks is more than the public area bank. According to the study, the tangibility dimension is the indicator of consumer loyalty. Whereas empathy Alolayyan et al, (2015)dimension is least happiness impacting factor with customer satisfaction. Chiguvi et al (2015). Investigate that there is an positive connection between loyalty and customers satisfaction.As per the results,they found empathy and repressiveness has direct relationship with the satisfaction of customers but we must not ignore the other variables.

Research Methodology

Objective:

The basic objective of the research is to assess the impact of service quality dimension on the satisfaction of customers' (Public sector banks)

Hypothesis:

H_1:   *Customer satisfaction and tangibility has a positive correlation in Public sector banks of Punjab.*

H_2:   *Customer satisfaction and responsiveness has a positive correlation in Public sector banks of Punjab.*

H_3:   *Customer satisfaction and reliability has a positive correlation in Public sector banks of Punjab.*

H_4:   *Customer satisfaction and assurance has a positive correlation in Public sector banks of Punjab.*

H_5:   *Customer satisfaction and empathy has a positive correlation in Public sector banks of Punjab.*

Data Collection

Both primary and secondary data is used in this research. For Primary data collection, Questionnaire method is used in this study and for secondary research different journals **.** and books are used. This research is mainly based on primary research.

Sample

For the purpose of this study few banks (from public banks) are selected which represent the services of other commercial banks in Punjab. These banks have been selected on the basis of Total Assets from money control.com. Five Public Banks selected for the sample are State bank of India (SBI), Bank of Baroda (BOB), Brady (2015), Punjab National Bank (PNB), Canara Bank, and Union Bank. In this study, 200 customers of five different banks are selected. Paul(2016). For maintaining uniformity in the study, data has been taken from 40 customers of each bank. The stratified random sampling method is used for collecting sample responses. The data analysis is done by using SPSS Van Quyet et al (2015).

DATA ANALYSIS

Descriptive Analysis

In the present study, 66 percent of customers are male and 34 percent of customers are female. Most of the 62 percent customers are from the age group 18-30, after that 31 percent from the age group 30-50 and 7 percent from the age group more than 50. Most of the 42 percent of customers are doing service/job, 33 percent are students. Albarq (2013), 12 percent and 11 percent are businessman and professional, Felix (2015). It is apparent that about 79 percent of customers are having saving account in these banks followed by current account (14 percent), fixed deposit (6 percent) and recurring account (1 percent). The majority of the customers (41 percent) are having an account with these banks from 1-3 years.

Table 1 SERVICE QUALITY DIMENSIONS AND RELIABILITY		
Particular	**Frequency**	**Percentage**
Gender		
Male	132	66
Female	68	34
Age		
18-30	124	62
30-50	62	31
50 & above	14	7
Occupation		
Businessmen	24	12
Service/Job(Pvt/Govt)	84	42
Professional	22	11
Students	66	33
Others	4	2
Account		
Saving A/C	158	79
Current A/C	28	14

Fixed A/C	12	6
Recurring A/C	2	1
Duration		
<1 year	28	14
1-3 years	82	41
3-5 years	64	32
>5 years	26	13

The analysis of Table 1 show that tangibility (M =4.9) and reliability (M=4.01) is the main dimensions affecting the level of satisfaction of customers. After these customers are neutral about assurance (M=3.09) dimension. According to them, responsiveness (M=1.96) and empathy (M=2.00) need more improvements Table 2.

Table 2 MEAN STANDARD DEVIATION OF SERVICE QUALITY DIMENSIONS AND CUSTOMER SATISFACTION			
Particulars	**Mean**	**S.D**	**Cronbach alpha**
Tangibility	4.9	.92	.76
Reliability	4.01	1.104	.80
Responsiveness	1.96	.99	.70
Assurance	3.09	1.06	.78
Empathy	2.00	1.06	.75
Customer Satisfaction	3.07	.4098	.85

Cronbach alpha is .76 for tangibility,.80 for reliability,.70 for responsiveness ,.78 for assurance ,.75 for empathy and .85 for satisfaction. All the values in the table are more than .70 which reflects the aspects used in this study are valid. Zeithaml et al (1990). Correlation between Service Quality Dimensions and Customer Satisfaction.
Correlation is a technique to check the relationship between the variables.
[**]Correlation is significant at the 0.01 level (2-tailed).

CONCLUSION

The basic purpose of our study was to check the impact of quality dimensions on the satisfaction level of customers. For the study of our objective, the correlation method and descriptive analysis were used. From the analysis, we found that customer satisfaction has a positive correlation with all the service quality dimensions. Tangibility and Reliability were the dominating dimensions which show the highly positive relationship with customer satisfaction. Responsiveness also shows the positive correlation after these dimensions but on the other side Assurance and Empathy had a weak relationship with customer satisfaction. This study further helps the Managers of public sector banks to consider tangibility, reliability and responsiveness dimensions as an important aspect so that the customers get more satisfied with the services of public sector banks if they want to improve the level of satisfaction of customers in future.

REFERENCES

Agarwal, J. (2012). Customer satisfaction in Indian banking services (A Study in Aligarh district). *International journal*

of computing and business research, *3*(1), 1-14.

Al-Azzam, A.F.M. (2015). The impact of service quality dimensions on customer satisfaction: A field study of Arab bank in Irbid city, Jordan. *European Journal of Business and Management, 7*(15), 45-53.

Albarq, A.N. (2013). Applying a SERVQUAL model to measure the impact of service quality on customer loyalty among local Saudi banks in Riyadh. *American Journal of Industrial and Business Management, 3(08), 700.*

Brady , M.K., & Cronin Jr, J. J. (2001). Some new thoughts on conceptualizing perceived service quality: a hierarchical approach. Journal of marketing, 65(3), 34-49.

Chiguvi, D., Muchingami, L., & Chuma, R. (2017). A study on customer satisfaction in commercial banks in Botswana. International Journal of Innovative Research in Science, Engineering and Technology, 6(4), 5112-5119.,

Al-Fawzan, M. A. (2005). Assessing service quality in a Saudi bank. Journal of King Saud University-Engineering Sciences, 18(1), 101-114.

Felix, K. *(2015).'' Factors for customer satisfaction and customer dissatisfaction in commercial banks''. Mediterranean Journal of Social Sciences, 6(4), 584.*

Fida, B.A., Ahmed, U., Al-Balushi, Y., & Singh, D. (2020). Impact of service quality on customer loyalty and customer satisfaction in islamic banks in the Sultanate of Oman. *Sage Open, 10*(2), 2158244020919517..

Alolayyan, M. N., Al-Hawary, S.I.S., Mohammad, A.A.S., & Al-Nady, B.A.H.A. (2018). Banking service quality provided by commercial banks and customer satisfaction. A structural equation modelling approaches. International *Journal of Productivity and Quality Management, 24(4), 543-565.*

Kumar, N., & Gangal, V. K. (2011). Customer satisfaction in new generation banks (A Case study of HDFC Bank). Researchers World, 2(4), 177.

Lau , M.M., Cheung, R., Lam, AY., & Chu, Y.T. (2013). Measuring service quality in the banking industry: a Hong Kong based study. Contemporary management research, 9(3).

Paul, J., Mittal, A., & Srivastav, G. (2016). Impact of service quality on customer satisfaction in private and public sector banks. *International Journal of Bank Marketing*.

Parsad Hari E,Parsad Bhavani V.G (May 2017), "Service Quality and Customers' Satisfaction in HDFC Bank (A Study of Selected Private Rural Banks in Karimnagar District of Telangana State), Pacific Business Review International. 9(11), 55-66.

Pasha, M.A. (2018). Impact of service quality on customer satisfaction: an empirical study in selected public and private sector banks. *Researchers World, 9*(1), 64-73.

Ravichandran, K., Mani, B.T., Kumar, S. A., & Prabhakaran, S. (2010). Influence of service quality on customer satisfaction application of servqual model. International journal of business and management, 5(4), 117.

Shanka, M. S. (2012). Bank service quality, customer satisfaction and loyalty in Ethiopian banking sector. *Journal of Business Administration and Management Sciences Research, 1(1), 001-009.*

Suvarchala, A., & Narasimha, N. (2018). An empirical study of customer experience management in state bank of India and housing development finance corporation bank. *Journal of Business and Management, 20(9), 1-7.*

Ushantha, R.C., Wijeratne, A. W., & Samantha, P. A. P. (2014). Customers' perception on service quality towards satisfaction: An application of SERVPERF in state sector banks in Sri Lanka. *European Journal of Business and Management, 6(4), 72-81.*

Van Quyet, T., Vinh, N.Q., & Chang, T. (2015). Service quality effects on customer satisfaction in banking industry. *International Journal of u-and e-Service, Science and Technology,* 8(8), 199-206.

Zeithaml, V., Parasuraman, A., & Berry,L. (1990). Delivering Quality Service. Free Press, New York, NY.