

**A STUDY ON CONSUMER PERCEPTION TOWARDS SERVICE
QUALITY ATTRIBUTES (SQA) BETWEEN PUBLIC SECTOR AND
PRIVATE SECTOR BANKS IN COIMBATORE**

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ABSTRACT

Investigating the influence of service quality variables on multidimensional models of consumers behavioral intentions should help to measure, control and improve customer perception of service quality of public banks and private banks. The Government of India liberalization and globalization of financial reforms strongly recommended operational flexibility and functional autonomy of bank to enhance efficiency and productivity along with deregulation in interest rates. Banks that excel in quality service can have a distinct marketing edge since improved levels of service quality are related to higher revenues, increased cross-sell ratios, higher customer retention and expanded market share. Likewise, provision of high quality services enhances customer retention rates, helps attract new customers through word of mouth advertising, increases productivity, leads to higher market shares, lowers staff turnover and operating costs, and improves employee morale, financial performance and profitability. Therefore, delivering quality service to customers is a must for success and survival in today's competitive banking environment. Given these significant findings in the financial services industry, it is important to understand specifically how service quality is perceived by the customer, and what are those elements considered to be important to different customers.

Key words: Private Banks, Public Banks, Attitudes, Service quality,Success.

Introduction:

The Indian banking industry was standardized during the period 1900 to 1950. It saw the birth of RBI and enactment of banking Regulation Act 1949, which empowers the RBI to regulate, supervise and develop banking system in India. The banking scenario in India started changing in the early 90 with the process of liberalization. The entry of new private sector banks and foreign banks fuelled more competition in the Indian banking sector. Through the development in technology banking services has availed to the customers at all times as 24X7X365 basis. The service industries are mostly customer driven and their survival in competitive environment. Due to modernization, the customer perception may be changed; this implies to study the present customer perception towards service offered by banks.

Statement of the problem:

The customer service is a continuing issue for discussion because “Customer service is not merely the fulfillment of government guidelines. it would be highly rewarding to examine as to what extent Indian banks have been successful in meeting the needs of customers and created awareness .More specifically, the satisfaction of services offered by banks observed in two patterns public sector banks and private sector banks. This study is an effort in this direction to examine the customer perception towards service quality attributes of public sector and private sector banks with reference to Coimbatore.

Objective of the study:

- To find the significant relationship among service quality attributes between public sector and private sector banks
- To find the contribution of service quality of public and private sector banks and both sector banks.

Methodology:

The data collected from the sample were suitably tabulated and used in appropriate statistical tools .The researcher need of customer database and the bank chosen for the study

were the limitations. Banks selected were from private sector banks and public sector banks like SBI, Canara, and Indian overseas, Indian bank and central bank for public and ICICI, Karur Vysya, City union bank, HDFC, South Indian bank, City union bank.

Correlation-Service Quality versus Public Sector banks

Hypothesis: Is there any significant relationship among the service quality dimensions in public sector banks.

Table: 1 Correlation between Service Quality factors in Public Sector Banks

Correlation-PSB Service Quality Attributes	Infra structure	Customer Care	Technical	Transaction	Procedural	Security
Infrastructure	1	0.021(0.70)	0.032(0.55)	0.093(0.09)	-.022(0.68)	0.008(0.88)
Customer Care		1	-.067(0.21)	0.014(0.80)	0.030(0.58)	0.045(0.40)
Technical			1	-.010(0.85)	0.019(0.72)	-.052(0.33)
Transaction				1	0.047(0.38)	-.006(0.91)
Procedural					1	-.009(0.87)
Security						1

It is observed that the service quality dimensions in the public sector bank are independent and it does not have significant relationship with other dimensions. This result is favor to the public sector bank, which means the service quality attributes are independent. Poor performance of any service quality attributes does not make sensitive on another attribute. Since the banking transactions are playing vital role in the business world, the customers are adjusted on the performance delay.

Correlation-Service Quality versus Private Sector banks

Hypothesis: Is there any significant relationship among the service quality dimensions in private sector banks.

Table: 2 Correlation between Service Quality factors in Private Sector Banks

Correlation-Private banks Service Quality Attributes	Infrastructure	Customer Care	Technical	Transaction	Procedural	Security
Infrastructure	1	0.012(0.81)	- 0.049(0.33)	0.027(0.58)	- 0.011(0.82)	0.008(0.87)
Customer Care		1	0.077(0.12)	0.062(0.21)	0.020(0.68)	0.078(- 0.12)
Technical			1	0.159(0.00)	0.261(0.00)	- 0.052(0.33)
Transaction				1	0.091(0.07)	- 0.006(0.91)
Procedural					1	- 0.009(0.87)
Security						1

It is observed that the technology based service quality, has found a significant relationship with transactional and procedural service quality in private sector banks. The result has shown the private sector banks can look smart and work faster than Public sector banks. It is noted that many PSBs are not enabling complete net banking services.

Correlation-Service quality versus both sector banks

Hypothesis:

Is there any significant relationship among the service quality dimensions among both sector bank respondents

Table: 3 Correlation between Service Quality in Both Sector Banks

Correlation- Both banks Service Quality Attributes	Infrastructure	Customer Care	Technical	Transaction	Procedural	Security
Infrastructure	1	0.018(0.69)	- 0.025(0.58)	0.036(0.43)	- 0.024(0.59)	0.035(0.44)
Customer Care		1	0.048(0.28)	0.066(0.14)	0.045(0.32)	0.059(0.18)
Technical			1	0.141(0.00)	0.207(0.00)	- 0.076(0.09)
Transaction				1	0.088(0.05)	- 0.043(0.34)
Procedural					1	- 0.045(0.31)
Security						1

P values are in Square brackets. Significant (P less than are equal to 0.05)

It is observed that the technology based service quality, has significant relationship with transactional and procedural service .The recent scenario evident that majority of banks implemented core banking solution and improved themselves as technology driven banking. If any problem arises in technology based service quality it may affect the transactional service quality and procedural service quality.

Multiple regressions Analysis for PSB, RSB and both sectors:

Service Quality	Public			Private			Both Sector		
	Infrastructural	0.44	0.19	19.00	0.32	0.11	11.00	0.30	0.09
Customer	0.54	0.30	11.00	0.52	0.27	16.00	0.45	0.20	11.00

care									
Technology	0.72	0.51	21.00	0.81	0.65	38.00	0.77	0.59	39.00
Transactional	0.86	0.74	23.00	0.90	0.81	16.00	0.85	0.73	14.00
Procedural	0.96	0.93	19.00	0.97	0.95	14.00	0.92	0.85	12.00
Security	1.00	1.00	7.00	1.00	1.00	5.00	0.95	0.89	4.00

From the regression analysis we can conclude that private sector banks have high contribution in technology and public sector banks shows transactional service quality. It can be inferred that both sector has technology as high contribution of 39%, confirms that the recent banking industry is rely on technology.

Conclusion:

The nature of banking in India is passing through a transformation, due to recent changes in economic, business, legislative, technological and social environments .The new opening of private banks, the pattern of individual disposable incomes is also changing, with the change in savings, spending and borrowing which leads to broader financial horizons. Today customer demand and expectation are more and competitive with which services has to be rendered. As the speed, performance and cost will be the new values “mantra for success”.

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