Dimension Specific Technique of Evaluating Service Quality

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In the course of changing business environment and strong antagonism from similar business firms, surviving in the market and to change according to the dynamic business environment have become a challenge for many business firms. The problem becomes more apparent in the context of Banking, where the products are not much differentiated from each other. Providing superior service than one another has become the key tool for surviving and gaining competitive advantage in the service industry since its offering compromise mainly with intangible elements. This research paper intends to provide to understand comprehensively the dimensions of service quality. Service expectations of banks are different from different markets. This research will extend the understanding of service quality due to disparity in market condition and contextual circumstances.

Firstly it attempts to evaluate the relationship between service quality and customer satisfaction in the context of Indian retail Banks. Secondly, it assesses the impact of transactional factors on service quality. The present paper endeavored to apply the SERVPERF scale to identify, evaluate and prioritize the most significant consumer's service quality dimensions. The study is undertaken in the city of Bhubaneswar of Odisha state. To extract significant factors of service quality dimensions, exploratory factor analysis is carried out. Reliability test was employed to verify the instrument to measure service quality.Further multivariate regression analysis is used to evaluate the impact of service quality dimensions on customer satisfaction. Three dimensions namely Tangibles, Reliability, and Responsiveness came out distinctively and revealed a strong relationship with customer satisfaction. Further Linear Regression is employed to analyze the influence of Transaction Factors on Service Quality. Occasional visitors and Saving account holders of the customer group have a significant influence on Service Quality. Many types of research in the past has been carried out to understand the relationship between Customer Satisfaction and Service quality, but then there is a requirement of researches into the dimensionality of service quality, for the reason that of disparity in market condition, contextual circumstances, and cultural issues. Moreover transactional factors are introduced in the research which will add richness in the literatures of service marketing. The finding of the study would also direct the bankers how well they could construct marketing strategies, serve present and prospective customers better for increasing and sustaining in the business.

Keywords: Customer satisfaction, Service Quality Dimensions, SERVPERF, SERVQUAL, Transactional Factors

I. INTRODUCTION

"Service sector is the largest sector of India. The Service sector accounts for 55.6% of total India's Gross Value Added (GVA) of 115.50 lakh crore Indian rupees" (Planning Commission, Government of India, 2018). Banking plays a very noteworthy role here. After liberalization, the Indian banking scenario has changed drastically. Cutthroat competition, high customer expectation, and dynamic technological changes have forced banks to thrive on service quality. While most of the products in Banks are not much diverse from each other, the services offered have unique characteristics of intangibility, inseparability, variability, and perishability also. These unique characteristics make the procedure of service purchase and delivery very complex for both customers and bankers. All the retail banks considered for the research are governed by the governing body that is Reserve Bank of India. The deposit and loan rates, banking facilities (NEFT&RTGS, etc.) are all decided and directed by Reserve Bank of India. Under these circumstances, the only scope of success comes from providing enhanced service quality. Service expectations from different market and customer groups are different. According to different geography, ethnic group, strategy to emphasis and put forward a particular dimension of service becomes tricky. Over the last few decades, researchers have been working hard to evaluate and understand as its gateway for customer satisfaction ultimately. Excellent service quality is not an optional competitive approach, but today it is essential for corporate profitability and growth. Most of the services offered by Indian banks are more or less similar, like fixed deposit rates, foreign exchange services, relationship banking, portfolio management services, etc. Recognizing and continuous improvement of service quality is the only way to differentiate one bank from other. The association between service quality and customer satisfaction has been submitted to intense scrutiny by foremost service quality researchers (Bitner and Hubbert, 1994, Boulton and Drew, 1994). Understanding the significance of service quality on customer satisfaction and corporate profitability, many researchers have developed instruments to measure the same. SERVQUAL developed by Parasuraman, Zeithmal, and Berry (1982) is the pioneer and remains the most widely used instrument to date. SERVPERF developed by Cronin and Taylor (1992) is the evolved adaptation and remains widely used service quality measurement scale.

This study proposes to test the dimensionality of widely used scale SERVPERF and comprehends service quality dimensions on customer satisfaction in Indian Retail Banks.

Furthermore, from banker's perspective, it is important that whatever the factors are, essentially it should be easily segregated and easy to get information from the customers. For these reasons, transactional variables have been taken into considerations which are deemed to be appropriate and relevant. These factors which are deemed to have an influence on service quality are considered for this study. The relationship between service quality and other factors which are assumed to be effectual are to be measured in a different context. Transactional factors are simple and easy to ascertain. Fundamentally banks transact with customers in a different form. Differentiating customers on the basis of their transactions are not only easy but also very effective for assessment. As an elementary definition, Transactional factors are those factors which are based on the transactions of a customer with the bank. From the extant literature barely any factors like this have been considered.

Thus, it can be seen that the study will help to understand service quality comprehensively. Moreover, it will aid Bankers to differentiate their service according to the need of the customer groups, and identify those dimensions of service quality which have a significant relationship with customer satisfaction.

II. LITERATURE REVIEW

A. Models and Dimensions of Service Quality

Indentifying and measuring service quality has become an essential element for survival in an Indian banking context. For the last preceding two decades, there are many crucial models that have been developed to measure customer satisfaction. One of the important models developed was by Gronross (1984). This model attempted to understand how service quality is influenced and how to access the perception of customers in a service setting .The service provider will able to control, affect and manage the customer's evaluation in the desired direction. (Gronross, 1989) Gronross model of service quality divides customer's perception of quality broadly into three categories namely technical category, functional quality, and the image dimension is the combination of the other two dimensions, it also includes other factors like price, word of mouth, and location)

The model used majorly of service quality has been SERVQUAL developed by (Parasuraman, Zeithaml, and Berry.1982). They developed this 22 item scale which measures the gap between consumer's perception of actual performance and their expectation of service quality. This instrument is the basic skeleton upon which many other instruments have been developed and used.

However,(Cronin and Taylor 1992) have questioned its conceptual foundation and said that there is no need to assess any gap, and measuring performance only will yield the desired result. Cronin and Taylor presented pragmatic evidences across four industries to prove their performance the only measurement is superior to SERVQUAL scale in most aspects. SERVPERF scale is certainly less time consuming, less confusing and more precise. Several further researchers like Boulding, Kalra, Staelin & Zeithaml, 1993; Jain and Gupta, 2004); Adil &Khan ,2012 seconded SERVPERF scale. Despite the fact that SERVQUAL is the most commonly used scale in application, researchers Cronin and Taylor, 1992 and Adil & Khan, 2011 started using the clearer and easier performance –only scale SERVPERF.

B. Customer Satisfaction

For any kind of business (especially commercial) the ultimate goal is to achieve profit and expansion of business. Unhappy customers will certainly not help in the same context; apparently, customer satisfaction thus becomes the strongest motive for profit maximization. Oliver, (1980) said that "Customer satisfaction is the judgment that emerges out of comparing pre – purchase expectations with the post purchase evaluation of a product or service experience.'' Hence, customer satisfaction is widely recognized as a vital driver of the formation of consumers' future purchase intentions.(Taylor and Baker, 1994) Moreover there is also the possibility of their patronizing a firm in the future. (Kotler and Armstrong, 2006).

Retail Banks, who essentially deals with customers directly, will be provided with information, prospective about their actual performance and the expectations of their customers, and thus customer satisfaction can be measured accurately. Measuring customers satisfaction allows them to fine –tune their efforts to improve the quality of their services or to deliver services that appear attractive to customers.(Shin and Elliot,2001,Muffato and Panizzolo,1995) established that measuring customer satisfaction is expected to increase the bank's reputation and image, increase attention to customer needs, and reduce customer attrition , ultimately increasing profitability.

C. Association of Service Quality with Customer Satisfaction

Jamal and Nasser (2002) said that the relationship between service quality and satisfaction remains an imperative issue in the service marketing literature. Many researches, studies, projects are performed in recent time to evaluate the significant relationship between perceived service quality and customer's satisfaction. Precisely the association between service quality and customer satisfaction has a key role to play in the field of banking. (Avikiran ,1994).Again (Rust and Oliver,1994);(Taylor and Baker, 1994) found that as satisfaction can result from any of the dimensions of service quality, a dimension –specific analysis of the relationship between service quality and satisfaction is likely to provide more diagnostic value for improvement of service quality. Hence understanding, analyzing, and evaluating service quality dimensions are an important tool for measuring customer satisfaction. (Pitt, Watson and Kavan 1995)

D. Service Quality with Transactional Factors

The primary benefits employing transactional factors are they are simple and very easy to understand.

Consequently, many researchers have used different factors like demographic, personal values, and socio economic factors to understand the target market. Differentiating customers on the basis of their transactions are not only easy but also very effective for assessment.

Michael et al. (1999) concluded that customers' consumption behavior is highly related to different situations, environment, and procedure of service delivery. Transactional factors are one of those factors which might have an influence on dimensions on service quality because it essentially deals with kind of relationship customers have with banks. Duration and type of relationship with banks form the transactional factor. From the extant literature barely any factors like this have been considered. While Dewan and Mahajan (2014) did mention situational factors, but only two variables formed situational factors and moreover analysis was with customer satisfaction. No further study has been done with dimensions of service quality. This research introduces transactional factors and its influence on Service Quality

III. CONCEPTUAL FRAMEWORK

After narrowing down literature review on service quality, customer satisfaction, demographic and transactional factors have been identified for this study. Based on the works of literature of service quality and customer satisfaction (Oliver, 1982; Parasuraman, Zeithaml and Berry 1992, Cronin and Taylor 1992) service quality has been identified as the independent variable and customer satisfaction as the dependent variable.

Rather than the evaluation of only independent and dependent variables, this study attempts to appraise the effectual relationship between moderating variables, independent variables, and dependent variables. Transactional factors are considered as moderating variables. In this framework, the independent variable (service quality) is the precursor of the dependent variable (customer satisfaction).
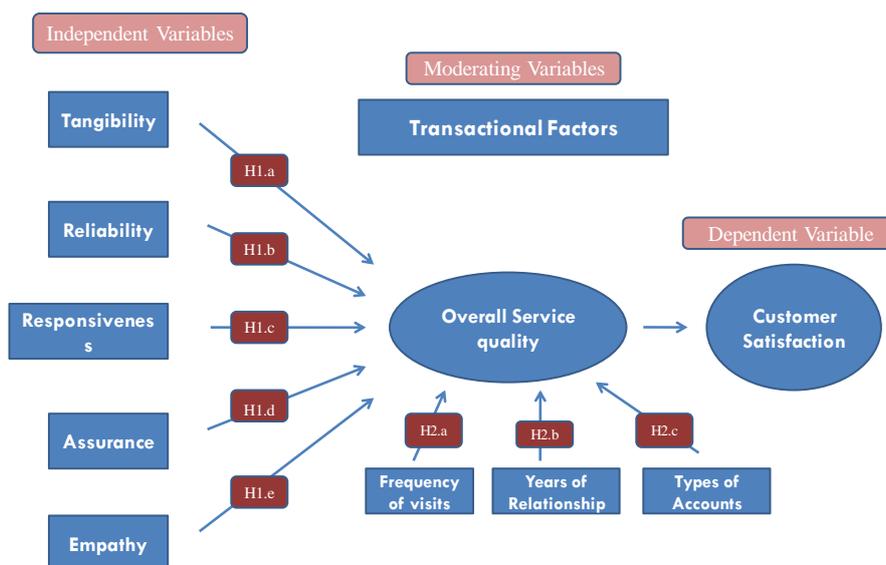
Conceptual Framework

Figure 1 Conceptual Framework

IV. OBJECTIVES

1. To measure the relations between the service quality dimensions with customer satisfaction.
2. To find out the factors (transactional) those have positive impact on the banking service quality.

V. HYPOTHESES

In twin with the objective and framework hypothesis are categorized in two broad manners.

According to the first objective of the study (to measure the relations between the service quality dimensions with customer satisfaction) the hypotheses are presented below

- H1.a Tangibility has significant relationship with customer satisfaction
- H1.b Reliability has significant relationship with customer satisfaction
- H1.c Responsiveness has significant relationship with customer satisfaction
- H1.d Assurance has significant relationship with customer satisfaction
- H1.e *Empathy* has significant relationship with customer satisfaction

Similarly, as per the second objective of the study (to find out the factors those have positive impact on the banking service quality) the hypotheses are:

- H2.a Older relationship with banks (Transactional Factor Years of relationship) have a positive impact on overall service quality than new relationships with banks.
- H2.b More frequent visitors to the banks (Transactional Factor frequency of visits) have a positive impact influence on overall service quality than less frequent visitors to the banks.
- H2.c Different types of account holders of the banks (Transactional Factor Types of Account) have a positive on overall service quality than Savings account holders of the banks.

VI. RESEARCH METHODOLOGY

A. Target Population

The collections of elements and objects that possess the information sought by the researcher and about which inferences are to be made is known as target population. (Malhotra & Das, 2004).The present study has the following target population

- Account holders of bank
- Representative of account holders(mostly Current accounts)

B. Sampling Design

The research was carried out in the Bhubaneswar city of Odisha state. Bhubaneswar is the capital of the state and it has topped among the first batch of 20 cities that were selected to be developed as a smart city, which is Prime Minister's flagship program. The sample includes customers living in the city centers and nearby location with large and various populations. The present study requires both primary and secondary data and thus both of them were used. Required secondary data was collected from the publication of Reserve bank of India, books, journals, websites of various commercial banks, Business Today etc. The Convenience sampling procedure is used to select the sample of banks. For primary data 300 data were collected from three banks (100 each). For pre- test 100 structured questionnaires were distributed. The researcher made it a point to personally fill up the questionnaire in case of the illiterate respondents after explaining to them the purpose of the study and questionnaire's content. In all, 261 completed questionnaires were returned which were found appropriate for further analysis giving a satisfactory response rate of 87 percent. The rest of the questionnaire had to be rejected as they were incomplete in various respects such as missing information, partial information etc.

C. Selection of Stimuli

Three retails banks have been considered for the study namely Axis bank, Indusind Bank, and Kotak Mahindra Bank. The Banks have been chosen in the research for two main reasons: It should provide support to the researcher in conducting the research and the banks are deemed to be a true representation of different segment in the Banking Industry

D. Instrument Design and Scaling Technique

Given the type of study, it is deemed that the most appropriate survey design would be that of quantitative descriptive in nature. This is because the research aimed to describe the relationship between service quality dimensions and customer satisfaction. A descriptive research seemed most appropriate(Veal 2005).The survey questionnaire were formulated from extant literature and other previous survey questionnaire from similar research topic .The literature review identified the key concepts of the study and also the instrument(SERVPERF, Cronin and Taylor , 1994) to measure the same. The instrument are then adapted to this research in order to achieve maximum potential. A five-point Likert scale ranging from "Very dissatisfied = 1" to "Very Satisfied = 1" was used to assess the level of satisfaction.

To provide natural transition, the questionnaire was divided into parts. First part is the *Basic Information* which relates to socio economic demographic. Second part is *Research information* which is directly relates to research. Third part is the *Identification information*, which includes personal details. Proper planning was involved in the preparation and admiration of the study. It is very important that the, the research have to be beneficial to the subject banks, so it was required to present the proposed study to the respective banks. The bankers advised regarding the length of the questionnaire. They also advised regarding the timing for the survey to get the maximum response rate. The survey was coordinated so that it doesn't interfere with the normal operation of the banks.

VII. ANALYSIS AND DISCUSSION

A. Descriptive Statistics

The Descriptive analysis demonstrates the profile of the respondents in general and thus aids as the first step in the categorization of respondents. According to Malhotra & Dash (2006, pg 44) "this kind of analysis considers one variable at a time. The objective is to obtain a count of the number of responses associated with different values of the variables then expressed in percentage. " The descriptive statistics for the study is presented below

Table I Descriptive Statistics

Gender	No. of Respondents	Percentage
Female	168	64%
Male	93	36%
Age		
18-30	168	64%
31-45	93	36%
46-60	168	64%
61 and above	93	36%
Income		
Below 20k	62	24%
20k-40k	95	36%
40k-60k	71	27%
60k-80k	31	12%
Above 80K	2	1%
Marital Status		
Single	111	42.53%
Married	145	55.56%
Others	5	1.92%
Occupation		
Dependent	3	0%

Salaried	115	44%
Business	106	41%
Serviceprovider/ Professional	20	8%
Retired	17	7%

Source: Primary

B. Mean performance of Dimensions of Service Quality (SERVPERF) and Customer Satisfaction

According to the feedback from respondents' about the dimension of service quality and customer satisfaction, the mean and is calculated. The below Table provides the mean score of dependent and independent variable. It can observed that Tangibility scored highest with mean value of 4.0), which indicates that respondents of the bank have good perception towards the physical amenities of the bank. On the other hand assurance dimension scored lowest with mean value of 2.9. The mean value of Customer Satisfaction is also high (3.9), which approved that respondents are overall satisfied with their bank. Overall, the result professed that customer agrees that their bank is dependable, sympathetic towards them and have an attractive physical amenities.

Table II Mean Performance of Service Quality

	Variables	N	Mean
Dimensions of Service Quality	Tangibility	261	4.0
	Reliability	261	3.5
	Responsiveness	261	3.8
	Assurance	261	2.9
	Empathy	261	3.4
Dependent	Customer Satisfaction	261	3.9

c. Test of Reliability

Cronbach's alpha is considered as an adequate measure of internal consistency or reliability. Reliability is a characteristic of the test score, not of the test itself. According to Wilkinson & The Task force on Statistical Inference, (1991) reliability is a property of the scores on a test for a particular population of examines. To study reliability of the scale dimensions for the present research, the Cronbach'Alpha (α) was calculated, as it considered as the most widely accepted reliability measure. Table III provided the Cronbach's Alpha for the five dimensions. As all the values of Cronbach's alpha for each dimension is above 0.6 (Schuessler, 1971). Table III expresses that initially, Assurance scored 0.624 and Empathy scored 0.561. So according to the analysis items (item 4 in both cases), which were not correlating with other dimensions had been removed from those particular dimensions in the final questionnaire after pilot study. Increase in the sample size also ascertains reliability more appropriately. This means that one of the items in particular dimensions (both Assurance and Empathy) were not correlating with each other, indicating low measuring construct , and doesn't have a relationship with another construct. Removing these items conferred appropriate result.

Table III Reliability Analysis

Dimensions of Service Quality	No. of Items	Cronbach's Alpha

Tangibility	5	0.911
Reliability	5	0.882
Responsiveness	4	0.828
Assurance	3	0.736
Empathy	3	0.775

D. Exploratory Factor Analysis

The data was fed in using SPSS 20 (Statistical package for social sciences) The Kaiser Mayer- Olkin measure of sampling adequacy was 0.871 and the Bartlett test of sphericity was found to be significant at $p < 0.001$.

Communalities

Accordingly, factor analysis was conducted on 20 items using the principal component method and Varimax rotation. Factors with Eigen values greater than 1.0 and factor loadings that are equal to or greater than 0.50 were retained as suggested by Hair, Black, Babin and Anderson.(2006). The Table shows Communalities of all the dimensions of service quality

Table IV Communalities

Dimensions of service Quality	Initial	Extraction
Tangibility		
Item 1	1.00	0.818
Item 2	1.00	0.864
Item 3	1.00	0.852
Item 4	1.00	0.765
Item 5	1.00	0.807
Reliability		
Item 6	1.00	0.748
Item 7	1.00	0.723
Item 8	1.00	0.678
Item 9	1.00	0.806
Item 10	1.00	0.632
Responsiveness		
Item 11	1.00	0.571
Item 12	1.00	0.814
Item 13	1.00	0.802
Item 14	1.00	0.689
Assurance		.
Item 15	1.00	0.704
Item 16	1.00	0.592
Item17	1.00	0.706
Empathy		
Item 18	1.00	0.693
Item 19	1.00	0.696
Item 20	1.00	0.786

Extraction Method: Principal Component Analysis

Total variance Explained

All the 20 items of overall service quality captured a total variance greater than 73% of Total Variance Explained). According to Hair, Black, Babin and Anderson, (2006) the threshold for total variance explained should be ideally more than 60%.

In this case, the total percentage of the variance is exceeding the threshold. In case of individual factors, factor 1(Tangibility) resulted with maximum variance (33%), factor 2(Reliability) resulted in 17%, factor 3 (Responsiveness) 10% and factor 4(Assurance) and factor 4(Empathy) both comprised 6% each

Rotated Component Matrix

While performing the Rotated component Matrix, it was found that all the 20 items of overall service quality cleanly extracted into five factors. Thus dimensions of service quality were defined by these factors. It can be observed from Table Rotated Component Matrix that the value of factor loading is from 0.6 to 0.88. As per Hair, Black, Babin and Anderson, (2006), the standard value of factor loading is 0.5. Since the factors loading of each item is more than the required standard and are significant, the convergent validity of the scale is established for this research.

Table V Rotated Component Matrix

Dimensions of service Quality	Component				
Tangibility	1	2	3	4	5
Item 1	**0.846**	0.128	0.227	0.173	0.066
Item 2	**0.886**	0.116	0.15	0.206	0.003
Item 3	**0.875**	0.166	0.144	0.174	0.089
Item 4	**0.789**	0.228	0.184	0.011	0.24
Item 5	**0.764**	0.093	-0.06	0.364	0.281
Reliability					
Item 6	0.17	**0.812**	-0.052	0.148	0.188
Item 7	0.12	**0.836**	0.054	0.07	-0.044
Item 8	0.023	**0.803**	-0.081	-0.008	0.157
Item 9	0.224	**0.707**	0.166	0.416	-0.237
Item 10	0.165	**0.742**	0.074	0.099	-0.199
Responsiveness					
Item 11	0.02	-0.046	**0.725**	0.126	0.164
Item 12	0.239	-0.038	**0.867**	-0.025	0.059
Item 13	0.295	0.106	**0.812**	0.088	0.191
Item 14	0.032	0.133	**0.671**	-0.303	0.358
Assurance					
Item 15	0.139	0.257	-0.171	**0.768**	0.016
Item 16	0.272	0.056	0.09	**0.664**	0.257
Item17	0.227	0.139	0.1	**0.786**	-0.084
Empathy					
Item 18	0.258	-0.188	0.346	0.333	**0.6**
Item 19	0.184	-0.002	0.249	0.151	**0.76**
Item 20	0.121	0.051	0.197	-0.135	**0.843**

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization

E. Multivariate Analysis

To test the hypotheses meticulously, researcher employed multiple regression analysis. The underlying principle for this is that the scaling of the items, as well as the construction of the aggregated variables, is of a multiple nature. In view of the fact that the five dimensions of SERVPERF collectively form the components that determine the satisfaction of banks, all five dimensions were taken as predictors while customer satisfaction was taken as the dependent variable. The findings from this analysis are shown and interpretations of the findings are explained.

Regression of service quality dimensions with overall customer satisfaction

The overall regression model of service quality dimensions with customer satisfaction in retail banks is found to be significant with P= 0.000(Table IV). The adjusted R2 is 0.393 shown in Table VI , indicated that together; the five SERVPERF dimensions explain almost 39 percent of the variation in satisfaction.

It is found from the regression analysis that the impact of Tangibility(P=0.000),Reliability(P=0.038),and Responsiveness (P= 0.000) on overall customer satisfaction is found to be significant, while Assurance (P=0.777) & Empathy (P=0.083) are sufficiently not significant in impacting the overall customer satisfaction.

Testing of hypotheses: With context to research it is found that Hypotheses H1.a, H1.b , and, H1.c are accepted and Hypotheses H1.d and H1.e are rejected. As per multiple regression results, customer satisfaction is positively influenced by Tangibles, Reliability, and Responsiveness. In contrast, customer satisfaction is not significantly influenced by Assurance and Empathy. This finding confirms that banks need to be more responsive and should perform their services as promised to their customers in order to keep their customer satisfy

Table VI Model Summary of Regression Analysis

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change
1	.636a	.404	.393	1.39944	.404	34.635	5	255	.000

a. Predictors: (Constant), VAR00006, VAR00003, VAR00005, VAR00004, VAR00002

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Table VII Coefficients of Overall Service Quality

Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
	(Constant)	4.789	.553		8.656	.000	3.699	5.878
	VAR00002	.157	.035	.372	5.949	.000	.099	.196
	VAR00003	.045	.021	.114	2.090	.038	.003	.087
	VAR00004	.150	.033	.265	4.566	.000	.085	.215
	VAR00005	.011	.040	.016	.284	.777	-.068	.091
	VAR00006	.078	.045	.105	1.740	.083	-.010	.167

a. Dependent Variable: VAR00001

F. Linear Regression between Transactional Factors and Service Quality Dimensions

In this section, there will be an evaluation of moderating variables. To ascertain which dimensions of service quality (Tangibility, Reliability, Responsiveness, Assurance, and Empathy) are potential and more important to different Transactional Factors, linear regression were performed. Using STATA, demographic variables are categorized and created a dummy code variables .Malhotra &Dash (2016) described this variable as the reference category. Thus the reference category in the analysis becomes the base upon which other variables are compared. This analysis makes the result more precise and easily comparable. The result of the analysis is presented below.

Years of Relationship with Service Quality

Years of relationship with the bank essentially means the duration of the relationship with the bank. It is categorized into four strata. Less than a year old relationship with the bank is considered as the reference category. From Table referred below, it can be observed that transactional factor years of relationship doesn't have any influence on Tangibility, Reliability, Responsiveness, Assurance and Empathy dimensions of service quality irrespective of different years of relationship with the bank. Accordingly, it can be concluded that the duration of the relationship between bank and customers doesn't overall influence much on service quality.

Testing of Hypothesis H3.1 Older relationship with banks (Transactional Factor Years of relationship) has a positive influence on overall service quality than new relationships with banks.

Overall year of a relationship with the bank doesn't have any influence on overall service quality regardless of new or old relationships with banks. Thus the result doesn't support the hypothesis H2.a

Frequency of Visit with Service Quality

Four categories are created in the order of occasional visit to regular visit. Category of a once or twice occasional visit to the bank is considered as the reference category. Customers who visit banks 2-5 times values Empathy as an important factor in service quality. The P value for the same is 0.09,

which although reveals a low significance level. The coefficient is positive and shows that customers who visit the bank 2-5 have more influence on service quality than those customers who visit the bank once or twice. Again, frequent customers who visit 5-10 times, feel Reliability is an essential factor while dealing with the bank. The P Value for Reliability factor is 0.04. However, the coefficient is negative -2.55. This depicts that occasional visitors (0nce or twice) of the banks have a positive influence on service quality than customers who visit bank 5- 10times in a month. Further customers whose monthly visits to the bank are more than 10 times have a significant influence on Reliability at P Value =0.01, Responsiveness at P Value = 0.04 and Assurance at P Value 0.01. Nevertheless, the coefficients for all the factors are negative. This implies that though frequent visitors of the bank have a positive influence on overall service quality but not as much as compared to once or twice the category of visitors. The rationale may be that the regular customers to bank mostly deal with service delivery process henceforth build a strong relationship with bank staffs and thus apparently conviction is created. Whereas occasional visitors value reliability, assurance, trust, quick transaction, error free transaction very important aspect for banks as they don't interact much with service providers.

Testing of Hypothesis H3.2 More frequent visitors to the banks (Transactional Factor frequency of visits) has a positive influence on overall service quality than less frequent visitors to the banks.

Largely, the above result reveals that occasional visitors to the banks have a positive influence on overall service quality than frequent visitors to the banks. Thus hypothesis H3.2 is not supported.

Account types with Service Quality

There are different types of accounts in the banks, and customers can be differentiated on the same basis. There are six categories for types of account. Saving account with the bank is considered as the reference category.

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Current account holders, F.D account holders, Investment account holders, Savings/Current/Invest account holders, all feel reliability dimension of service quality as a crucial aspect with P value= 0.04, P Value=0.00, P Value=0.03, and P value =0.00 respectively. However, the coefficient for all is negative, which implies that though the Reliability dimension is very important for all the categories of customers, Savings account holder's impact on reliability dimension is more than these categories This analysis reveals that irrespective of any type of account holders and any types of transactions, customers of bank find physical amenities; error free record, right service and sympathetic behavior from the service provider are fundamental factors service quality. Banks must work towards these dimensions to improve service quality.

Testing of Hypothesis H3.3 Different types of account holders of the banks (Transactional Factor Types of Account) has a positive influence on overall service quality than Savings account holders of the banks.

Clearly ,the above P values and coefficients of Transactional factor types of account reveals that Savings account holders have a positive influence on overall service quality of banks than different types of account holders of banks. Thus hypothesis H3.3 is not accepted.

Table VIII Regression of Years of Relationship with Service Quality

Transactional Factor Years of Relationship (I.V)		Overall Service Quality (D.V)				
		Tangibility	Reliability	Responsiveness	Assurance	Empathy
1-5 Years	Coef	-0.58	-0.6	0.86	0.19	0.57
	Std.Er	1.11	1.1	0.8	0.64	0.6
	P.Val	0.59	0.58	0.28	0.75	0.34
5-10 Years	Coef	0.32	-0.47	0.78	0.23	0.95
	Std.Er	1.03	1.03	0.75	0.6	0.56
	P.Val	0.75	0.648	0.29	0.69	0.90
More than 10 Years	Coef	-0.35	-1.25	0.55	0.15	0.45
	Std.Er	0.99	0.99	0.72	0.57	0.54
	P.Val	0.72	0.2	0.44	0.78	0.4

***p<0.01; **p<0.05; *p<0.10

Table IX Regression of Frequency of Visit with Service Quality

Transactional Factor Frequency of Visit(I.V)		Overall Service Quality (D.V)				
		Tangibility	Reliability	Responsiveness	Assurance	Empathy
2-5 Times	Coef	-0.79	-1.33	-0.6	-0.35	0.07
	Std.Er	0.84	0.84	0.61	0.48	0.46
	P.Val	0.34	0.11	0.32	0.47	**0.09**
5-10 Times	Coef	1.36	-2.55	-0.2	-0.1	-0.12
	Std.Er	1.28	1.28	0.93	0.74	0.7
	P.Val	0.29	**0.04**	0.82	0.88	0.85
More than 10 Times	Coef	-1.06	-1.58	-0.94	-0.89	-0.64
	Std.Er	0.65	0.64	0.47	0.37	0.35
	P.Val	0.1	**0.01**	**0.04**	**0.01**	0.72

***p<0.01; **p<0.05; *p<0.10

Table X Regression of Types of Accounts with Service Quality

Transactional Factor Account Types(I.V)		Overall Service Quality (D.V)				
		Tangibility	Reliability	Responsiveness	Assurance	Empathy
Current(Business)	Coef	-0.68	-2.2	1.04	0.09	0.38
	Std.Er	1.05	1.04	0.76	0.6	0.57
	P.Val	0.52	**0.04**	1.37	0.87	0.5
F.D/R.D	Coef	-2.4	-3.7	-0.39	-0.36	-0.14
	Std.Er	1.28	1.27	0.92	0.74	0.7
	P.Val	**0.05**	**0.00**	0.67	0.62	0.83
Demat/Investment	Coef	-1.2	-2.39	-0.52	0.27	0.68
	Std.Er	1.08	1.07	0.78	0.62	0.59
	P.Val	0.24	**0.03**	0.50	0.65	0.24
Sav/Cur/F.D/Invst	Coef	0.03	-3.80	0.88	0.01	0.59
	Std.Er	1.2	1.2	0.87	0.69	0.66
	P.Val	0.47	**0.00**	0.31	0.98	0.36
Others	Coef	0.54	-1.30	1.40	1.39	-0.76
	Std.Er	0.34	1.58	1.15	0.91	0.87
	P.Val	0.73	0.40	0.22	0.13	0.38

***p<0.01; **p<0.05; *p<0.10

VIII. CONCLUSION

After a thorough examination, there are many interesting conclusions and inferences from the above outcome .The preliminary analysis suggests that the original 22 – item SERVPERF scale is successful as a test of universal applicability. Two items were dropped at the groundwork analysis stage and further analyses were carried out on 20 items.

The present study set out to find relations among the service quality dimensions with customer satisfaction and to evaluate factors which influence service quality. Three dimensions namely *Tangibility, Reliability* and *Responsiveness* came out distinctively and revealed a strong relationship with customer satisfaction. While the other two dimensions *Assurance* and *Empathy* rejected the hypothesis and couldn't establish any relationship.

The current research divulges that *Tangibility* as the most significant dimension. The service quality dimension *Tangibility* essentially means that the physical amenities, services, equipment, resources are visually appealing to the customers at the bank. Customers cannot see services but as per service marketing, it can be rated and examined by the various tangibles associated with it. Precisely, in the case of banks there are many tangible evidences like ATM, DD Slips, cleanliness, staff uniform, equipment. According to Koushiki Choudhury (2010) if these tangible pieces of evidence are not paid importance and maintained up to the mark, then it will certainly send wrong messages to the customer about the bank. In a study by (Baumann, Burton and Elliot 2007) tangibility of the banks was found as a major determinant of customer satisfaction. Moreover, Indian banking consumers are becoming more sentient and insistent about resonance infrastructural facilities from the service provider. Easy and modern equipment are part of good service

Based on the present study, *Reliability and Responsiveness* shows a strong relationship with customer satisfaction. This finding is also supported by another study by (Zeithaml and Bitner 2003) who found out that to do service right for the first time and by resolving the problem to the customer's satisfaction, the company can significantly improve customer retention. For banks, variables like an error free record, doing the job right for the first time, quick response to customers are very vital for enhancing customer satisfaction. Responsiveness and Reliability are thus crucial dimensions of service quality in the case of retail banking in India.

Furthermore, the thesis was able to distinguish between different customer groups on the basis of their transactions and their influence on different dimensions of service quality. The finding of the study pointed out that occasional visitors and saving accounts holders of the bank have more impact on service quality than other groups of customers.

Overall, the study can be replicated by banks and financial institution and will help to distinguish customers accordingly. The findings of the study should be valuable as it will help in increasing customer satisfaction and ultimately increased market shares of respective banks. Moreover it will certainly add richness in the literature of service marketing. To conclude the study undertaken was successful to answer the research objectives.

IX. IMPLICATIONS

Cut throat competition, and utmost requirement of differentiating one from another has compelled banks to rethink about measuring service quality from time to time. The research recognized that Tangibility, Reliability, and Responsiveness have a major relationship with customer satisfaction. This points out that if these three aspects of service can be improved then it will result in higher customer satisfaction. Again higher customer satisfaction will escort to customer retention and profit maximization.

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Reliability and Responsiveness are significantly associated with customer satisfaction. So, policy makers of banks should make an effort to include interpersonal skills, personalized customer care help training in their overall training program to enhance responsiveness and error free transactions. The result of the study regarding the Transactional Factors which influence service quality can help bankers to develop corresponding marketing and promotional strategies according to customer segmentation. Overall, three private banks in Bhubaneswar have been measured for the study. Other banks and financial institution in the context of Indian banks may also replicate the study to improve their service quality. Moreover, foreign banks who want to enter new cities may find this research of interest.

X. LIMITATIONS AND FUTURE RESEARCH

Research cannot be fully complete and thorough as there is a chance of improvement always. The present research is a small step to understand the dimensions of service quality in a particular region. Thus the outcome of the study cannot be generalized. The future researcher can certainly observe wider geography and can employ more diversified sample. The research has considered the relationship of one factor (service quality) on customer satisfaction in retail banks. But there may be other factors such as loyalty, word of mouth, advertising and price. Future research may look at the impact of these factors on customer satisfaction. Lastly, the results relate only to those respondents selected through convenience sampling, hence it doesn't include a wide range of the population. Hence, the opportunity to conduct further research with a wider population of the retail banks with bringing prudent result.

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