

Customer Perception about Service Quality of Sbi

Afsal Asharaf, Arjun A, Adarsh R, Vinod Kumar K

Abstract: Money is one of the basic requirements for the survival of a human being. Financial stability is the prerequisite that determines the financial status of a man in the society hence money has to be kept in safe and secure hands. Banks are the sources that provide this service and banking has emerged as an integral part of day to day life. Bank, for a customer, is the embodiment of trust, guidance and safety. The Bank has to build up a strong sense of security and faith in its customer's. Bank stands as a strong pillar that financially supports the needy. People are attracted to banks as it offers a multitude of services including savings account, credit and debit cards, various kinds of loans, insurances etc. customers being the heart and soul of bank, it is the liability of the bank to ensure whether the customers are satisfied by their services and has to provide effective security systems for secure banking. Bank has to be successful in reaching the expectations of its customers, for the same bank has to operate its functions giving due emphasis to the five dimensions of service quality and should set performance grid as the strategic tool according to the needs of the customers. Moreover bank should take inventive steps to spread awareness among the customers regarding the advantages of the services it offers. Keeping in view the above facts, the present study has been conducted to analyze the level of satisfaction of customers regarding the services provided by SBI, and to infer the quality of the same there by determining the perception of the customers.

Keywords: - Reliability, SBI, Satisfaction, Customer

I. INTRODUCTION

The role played by banks in the economy of a country is of great importance. It is on money and credit that it deals with. Banks are the financial organization which appropriate deposits and transmits these deposits into disposing activities either directly through themselves or through capital market. Banks create connection between the customers who have capital shortfall and those who have abundance of it. In India the sector still faces problems in the quality of services, satisfaction of the customers, retention of them along with their royalties even though it is fastly developing. The achievement of customer satisfaction is based on quality of services. As they collect savings from the public the economic development of any country depends upon it. In terms of rendering, product ambit and access the sector is performing well even though access to rural areas as well as to the needy still stands as a depravity.

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Initiatives were taken by government of India to declaim this with the means that SBI provides which is amplifying its local units and by means of NABARD with facilities like microfinance. The traditional bank branch banking was replaced by E-banking due to the development of technology. It enables to choose their bankers from a number of banks offering wide range of services and delivering quality services. The focus of the commercialized banking system of the country is market accustomed and befriending customers. Service quality is enhanced as an effort to improve their competitiveness that is necessary to fulfill the satisfaction of the customers. The optimal performance and financial returns depends on the satisfaction of the customers. Business organizations across the world are raising the function of customers as that of a main stakeholder from the past 20years. Customers are regarded as those whose contentment with the business has to be imbibed in the master plan. Tracing prize in direct calculation and the contentment of the customers are the significant success pointer. Business enterprises can decide what measures are required to be taken to fulfill their customer needs with better understanding of customer perception. It helps in indentifying its own strength and weakness and it can chart out the way for further updates and developments.

SERVICE QUALITY AND ITS DIMENSIONS

The impalpable disposition of the rendering services along with the description of quality may vary with respect to individual and to situation creates an elusive picture of service quality. Due to the current market place which is more competitive, the customers of all products and services to become more demanding. With the improvement of quality of service, a herculean increase has been traced out regarding expectations of customers and their consecutive requisitions. Thus banks being a service organization have to fulfill needs of such worldly customers efficiently for the sake of their retention. One option which can heighten customer loyalty is through improved service quality. Service quality acts as an important pointer in making an organization unique. Many researches were conducted on this and a lot of scholars came up with a list of quality determinants. The best among those was that emanated from Parasuraman along with other associated colleagues from USA, who formulated dimensions of service quality which is five in number, which includes

Tangibility, Reliability, Responsiveness, Assurance and Empathy. It ended in the upbringing by means of the gap model, SERVQUAL instrument. Service quality is an affair of the dissension in gaps amidst expectation and perception.

Customer Perception about Service Quality of Sbi

FIVE DIMENSIONS OF SERVICE QUALITY

A. Tangibility

Tangibility of service quality refers to the things which can be observed physically including ATM network, physical facilities, materials and appearance. Tangibles are represented by skilled personnel, the banking quality of products and service, brochures and cards. It provides concrete cues for customers which they can be used to evaluate the capability of the service providers

B. Reliability

Reliability indicates the trust held by the customers in the ability of companies performing service in a proper way, like doing according to promises and declarations. A reliable service refers a condition where the bankers ability to provide internet connection with desirable w level of working and without significant failures, upcoming technologies need to be frequently updated and there should not be any malpractice from the side of the banker like the misuse of the cardholder information.

C. Responsiveness

Responsiveness of service quality indicates the willingness of banker in customer support and providing prompt service. It can be evaluated by the time required to clarify customer reported problems and the duration of response.

D. Assurance

Assurance refers to the courtesy of employees, their knowledge and their ability to imbibe confidence and trust. Assurance can be achieved by acting courteously and by providing essential knowledge that help in guiding the problems of customers.

E. Empathy

Empathy refers to the individualized attention the customer receives from the service provider. As the customers are from various social backgrounds, the banker could emphasize particular care and attention should be given to identify the specific needs of customers based on their requirements.

Current study deals with the following objectives:

a) PRIMARY OBJECTIVES:-

- To find out the services rendered by the SBI
- To examine the essential dimensions of service quality
- To find out the level of satisfaction of the customer offered by the bank

b) SECONDARY OBJECTIVES:-

- To know the service quality dimension of the bank is under good performance

- To identify which service needs improvement so that quality is enhanced
- To make suggestions on the basis of the study

This study will help in understanding the effectiveness and efficiency of services and efforts done from the government side in order to ensure safe and pure water to the public for consumption and household purpose.

II. REVIEW OF LITERATURE

- 1) Dr.Rejikumar G, SudharaniRavindran. Conducted a study titled "An empirical study on service quality perceptions and continuance intention in mobile Banking context in India" keeping in account of the issues faced by banks while grabbing more customers giving little concern to the gigantic mobile incursion in the country. From the study they found out the relationship between customer perception about service quality, customer satisfaction and continuance intentions. It also interrogates the factors concerning the continuance decisions of the early users of m-banking services in Kerala, India.
- 2) Nair,S;Gopikumar,V; Asha, V in "An empirical analysis of banking sector efficiency in emerging economies " investigates how cost efficiency of Indian banks are affected by the size, capitalization and non performing assets and realized the variation inefficiencies relevant among the banks.
- 3) Dr.Ambily A. S carried out a comparative study of the performance of private, public and foreign sector of banks named "comparing performance of public and private sector banks ", with respect to the physical quantities of inputs and outputs and of the revenue maximization efficiency of banks during 1992-2000 The study came out with the conclusion that the performance level of public sector banks is far better than that of Private sector banks and parallel to that of foreign banks.
- 4) Dr. T G Manoharan; K. Manikandan; S. Manivel conducted a study titled "factors influencing customer satisfaction: A comparison between banks and NBFCs". They found out that NPAs pose trouble ubiquitously to all the lenders in finance sectors including NBFCs. Along with banks and FIs the prudential norms for asset clarification, income recognition, provisions are equally serviceable to NBFCs. Keeping in account of all these circumstances, they made a suggestion that the advantages of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest act (2002) should also be granted to NBFCs.
- 5) Chang, tung-zong (2004) evaluated out the complimentary effect of superior service quality on business profitability. He suggested a model depicting the positive

linkage between market orientation mad business performances.

- 6) Raheem Abdul a (2005) administrated a study in order to point out the factors adjudging the satisfaction in the quality of parameters in public sector banks. The study throws light into the areas where there is a need for improvement in order to withstand the competition set forth by the newcomers in banking sector.
- 7) Suresh Chandar, G. S et al (2001) worked on to find out the indispensable factors of service quality and to build up a tool to scale the service quality perceived by the customers with accordance to the critical factors. The study helps to formulate the five factors of service quality and developed an excellent instrument for measuring customer perceived service quality.
- 8) Dr.Birechiswar conducted a study in handling the perception of customers and their service delivery anticipations in selected banks, Indian journal of management.
- 9) Santhiyavalli and B Sandhyain conducted a comparative study about the evaluation of service quality in certain selected commercial banks, the IUP Journal of operation in management.

III. METHOD AND DATA

The study is intend to use primary data such as questionnaire and secondary data like books, websites, articles etc. To ease data collection, a questionnaire was prepared in English and a sample population of 120 respondents is selected for the study. Percentage analysis was used for data analysis.

IV. RESULTS AND DISCUSSION

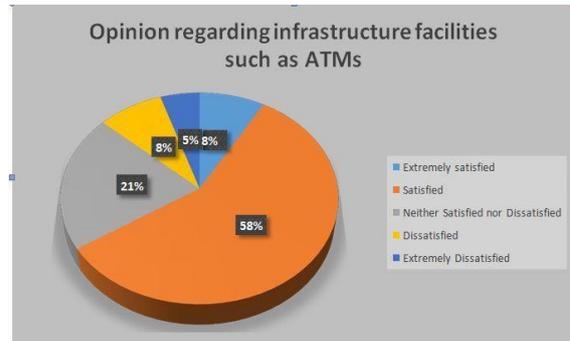
This section deals with the results obtained as a product of the statistical dissection performed by means of proper statistical methods featuring the significant findings with respect to the objectives.

1) What do you think of services provided by SBI?

Satisfaction views	Outcome	Percentage
Extremely Satisfied	9	8.00%
Satisfied	52	43.00%
Neither Satisfied nor dissatisfied	28	23.00%
Dissatisfied	18	15.00%
Extremely Dissatisfied	13	11.00%
Total	120	100.00%

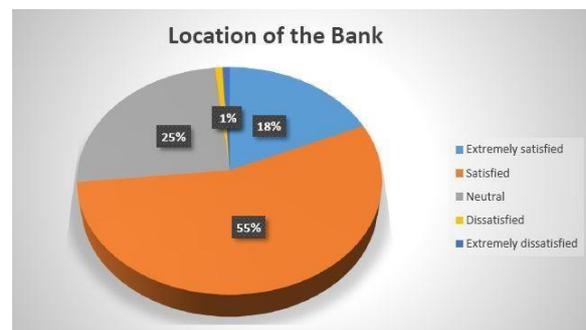
Interpretation: - From the above data 43% of respondents are contented, while 23% have no opinion and 11% of respondents are extremely dissatisfied.

2)Opinion regarding infrastructure facilities such as ATMs, car parking and other infrastructural facilities



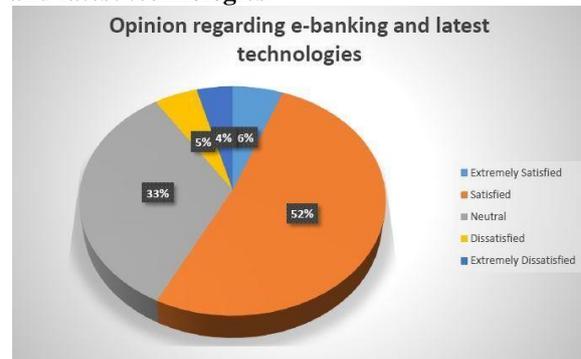
Interpretation :- From the above data 58% of the respondents are contented, while 21% have no opinion and 5% are extremely dissatisfied with the opinion.

3) Location of the bank



Interpretation: - From the above data 55% of the respondents are contented, while 25% of them have no opinion and 1% of them are dissatisfied and extremely dissatisfied with the opinion.

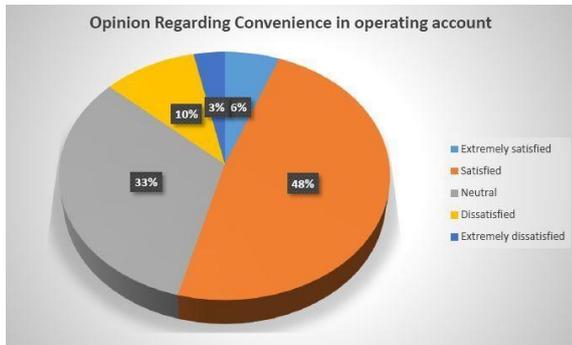
4) Opinion regarding Mobile Banking, E- banking and latest technologies.



Interpretation: - From the above data 52% of the respondents are contented with the opinion, while 33% of the respondents have no opinion and 4% of the respondents are extremely dissatisfied with the opinion.

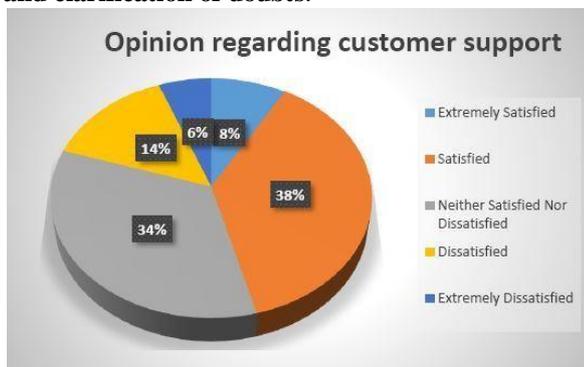
5) Opinion regarding convenience in operating account.

Customer Perception about Service Quality of Sbi



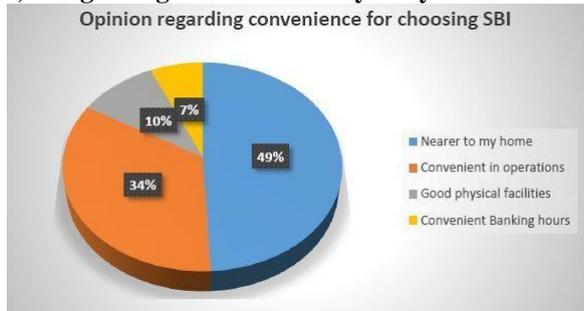
Interpretation:- From the above data 48% of the respondents are contented with the opinion, while 32% have no opinion and 3% are extremely dissatisfied with the opinion

6) Opinion regarding customer support, guidance and clarification of doubts.



Interpretation:- From the above data 38% of the respondents are contented with the opinion, while 34% of the respondents have no opinion and 6% of the respondents are highly dissatisfied with the opinion.

7) Regarding convenience why did you choose SBI?



Interpretation:- From the above data 49% choose nearer to their home as their opinion, while 34% choose convenient in operations and 7% choose convenient banking hours.

V. FINDINGS AND RECOMMENDATIONS

Today in the competitive world banks are functioning in a competitive manner as compared to earlier, it is imperative that banks and other financial institutions not only follow global practices, but they are financially sound and efficient. The banking institutions in India and SBI must consider performance grid as the master technique in accordance to the requisition of customers for the utilization of service and for their retention ensuring complete satisfaction with the technicalities of banks. On the basis of findings drawn from analysis and interpretations the following suggestions should be given

which require further attention by banks. Commercial banks need to increase the level of spread by increasing interest income and to reduce burden decrease the level of income, bank should also pay special attention to convenience by providing customers with electronic banking service at some points which can be accessible easily, some ATMs are the most frequently used services by SBI customers, and so the bank must encourage their customers to operate online transactions i.e., cash less transactions in all aspects of banking. The management of bank should also improve their ATM systems so as to reduce queue. This will create efficiency in cash delivery which boosts customer relations. Bank should give more importance to their branch employees as per bank efficiency. Emphasis should be given by the bank on the responsiveness, assurance and empathy while providing service to customers. Banks should also ensure effective security systems for secure banking and to show increased customer perception regarding the service quality, the management of the bank should also understand the fact that RBI has come out with working group on information security and cyber frauds. Implementation on recommendation calls for an assessment nature of the nature of activities supported by technologies engaged by banks. Banks should also take necessary steps to create awareness among the customers regarding the advantages of E-banking services. As majority of the customers have accounts in other banks they have a clear cut comparison between the services provided by their bankers. Therefore banks should concentrate more on retaining the existing customers by providing better services thereby they can increase their operational efficiency.

VI. CONCLUSION

After independence and till then, the functioning of banks is becoming efficient and faster than ever before. With the ascending globalization and the espousal of the universal banks, the competition has further more deepened. Anywhere and anytime banking now becomes a reality. Nowadays banks are competing with one another to expand their customer perception thereby increasing efficiency and service quality. The customer perceptions have played a very significant role in the banking operations. Service quality can be utilized as an efficient technique to meet the tight competition. Deregulation, liberalization and privatization, some of the major financial reforms let loose the driving forces of competition letting the banks to follow up their business. The emergence of information technology and other and level of income have created a massive growth in banking in India. The competition is at the peak between the private and the public sector who are competing to the greatest extend by ensuring the fulfillment of the requisitions of the customers and investments in facilities like security norms, KYC norms and credit evaluation. To achieve efficient operation in the functioning of banks, banks need to emphasize on five dimensions of service quality such as tangibility (which focus on ATM networks, physical appearance and other infrastructural facilities), reliability (company's ability to perform efficiently),



responsiveness (willingness to help customers), empathy (individualized attention given to consumers) and assurance. From the study we conclude that a great amount of customers are contented with the tangibility, reliability, responsiveness, assurance and reliability of the services provided by the SBI. In this study we conclude that high customer perception of service quality can create improvement in the operational efficiency and service quality provided by the bank.

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