ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

Effect of Reliability Banking Service Quality and Depositors Perception with Special Reference to ICICI Banking In Nagapattinam District

Udaya Kumar J
MBA, Department of Management Studies
Bharath Institute of Science and Technology,
Selaiyur, Chennai, Tamil Nadu 600 073
Bharath Institute of Higher Education and Research

ABSTRACT

Banks have their own significant role to play in the economic system of any country. Various types of banks perform various functions according to their prescribed roles defined by their Memorandums and Articles of Association. This study measures the reliability service quality of ICICI Bank and its impact on overall service quality perception of customers in Nagapattinam District. . Indian banking has aided the economic development in an effective way during the post-independence period. The banking sector has shown remarkable responsiveness to the needs of the planned economy. It has brought about a considerable progress in its efforts at deposits mobilization and It has taken a number of measures in the recent past to accelerate the rate of growth of deposits.

1. INTRODUCTION

Banks have their own significant role to play in the economic system of any country. Various types of banks perform various functions according to their prescribed roles defined by their Memorandums and Articles of Association. Central bank is the bank of the Government and is required to monitor and supervise the banking activities in a politically defined and specified geographical region. Agricultural and industrial banks cater to the needs of farmers and industrialists. Commercial banks generally have a wider network of their branches and look after the financial requirements of the general public (Mian, 2008). Commercial banks have maximum interaction with the general public and that is why, central banks are always keen to improve their service quality and productivity. The banking industry in India is facing certain challenges i.e. challenges of quality service, customer satisfaction, customer retention, customer loyalty. Quality service plays a major role in achieving customer satisfaction, and creating brand loyalty in banking sector.

BANKING SERVICE QUALITY

Bindal, Sarika et al. (2014), the service quality factor tangible is defined by whether the physical facilities and materials associated with the service are visually appealing at the bank. These are all factors that customers notice before or upon entering the bank. Such visual factors help consumers from their initial impressions. A crucial challenge in service marketing is that customers cannot see a service but can see the various tangibles associated with it - all these tangibles, the service facilities, equipment and communication materials are clues about the intangible service. If unmanaged, these clues can send to the customer’s wrong messages about the service and render ineffective the marketing strategy of the company.

On the other hand, improving quality through tangibles means attention to the smallest details that competitors might consider trivial. Yet, these visible details can add up for customers and signal a message of caring and competence. Customers may reveal new aspects of service quality in banking that are important to them, and these would have to be incorporated in the scale so as to further explore the concept of service quality in the banking arena.

CUSTOMER PERCEPTION OF SERVICE

Customer's perception of service quality can generally be divided into the perception of reliability, responsiveness, assurance, empathy and tangibles. These aspects will be discussed more profound later on, as the SERVQUAL model is explained. Together with the product price and quality, service quality forms the broader concept of customer satisfaction. Ultimately, if customer's experiences exceed their expectations, customer satisfaction together with situational and personal factors will result in customer loyalty (Wilson, Zeithaml, Bitner and Gremler 2008, 79). It is of great importance, to win customer loyalty especially for smaller businesses. Small businesses do not have the same budget as larger companies, and keeping existing customer is by far much cheaper than finding new ones. Offering excellent customer service will not only lead to customer loyalty, it will also give smaller firms a competitive advantage against larger companies (Longenecker, Moore, Petty, Palich 2005, 290).

However, customers' service expectations varies according to store type, customers expect a much more wide-ranging service in specialty stores compared to discount stores.

2. OBJECTIVE OF THE STUDY

The study attempts to investigate empirically the following objectives:
1) To study the impact of customers' perception on various dimensions of banking service quality..
2) To analyze the effectiveness of Effectiveness of Reliability variables on Depositors perception over the services of Bank.

3. METHODOLOGY

This study measures the reliability service quality of ICICI Bank and its impact on overall service quality perception of customers in Nagapattinam District. The service quality dimensions applied in foreign countries are used here to evaluate the customer perception of service quality in Indian situations. There are 8 branches of ICICI in Nagapattinam District. The urban branches of the bank were chosen for the study.There are 210 respondents are randomly selected from the urban branches for the purpose of collecting responses.Both primary and secondary data have been collected for the research work.A pretested structured questionnaire was used to measure the customer perception on banking Reliability service quality of ICICI BANK. The questionnaire was admitted among 120 sample respondents to collect needed data and information for the study.The researcher collected information from various sources such as journals, books, reports, magazine and articles. She also visited the District Head Office of ICICI Bank,

4. THE EFFECT OF RELIABILITY VARIABLES ON DEPOSITORS PERCEPTION OVER THE SERVICES OF BANK

In order to check The Effect of banking reliability variables on depositors perception over the services of Bank, multiple regression analysis is conducted to know the significant factor which

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

highly influence the bank depositors and customers perception over the services of ICICI bank as well as insignificant factor which do not influence the bank borrowers over the services of Bank.

RESULT OF MODEL SUMMARY – BANKING RELIABILITY VARIABLES VS. DEPOSITORS PERCEPTION OVER THE BANKING SERVICES

R-squared	= 0.368281 percent
R-squared (adjusted for d.f.)	= 0 percent
Standard Error of Est.	= 1.21796
Mean absolute error	= 1.00481
Durbin-Watson statistic	= 1.74549 (P=0.0328)
Lag 1 residual autocorrelation	= 0.126534

Sources: Primary Data

TABLE No 1

RESULT OF REGRESSION ANALYSIS – BANKING RELIABILITY VARIABLES VS DEPOSITORS PERCEPTION OVER THE BANKING SERVICES

PARAMETER	ESTIMATE	STANDARD ERROR	T STATISTIC	P-VALUE
CONSTANT	2.50175	0.328793	7.60888	0.0000
Depositors.REL1	-0.013947	0.128225	-0.10877	0.9135
Depositors.REL2	0.0513913	0.0635133	0.809143	0.0419
Depositors.REL3	-0.00159454	0.0796006	-0.0200317	0.9840
Depositors.REL4	-0.0220101	0.0788628	-0.279093	0.7805
Depositors.REL5	-0.0129101	0.0808022	-0.159775	0.8732

Sources: Primary Data

TABLE No 2

RESULT OF ANOVA - BANKING RELIABILITY VARIABLES VS DEPOSITORS PERCEPTION OVER THE BANKING SERVICES

SOURCE	SUM OF SQUARES	DF	MEAN SQUARE	F-RATIO	P-VALUE
Model	1.11312	5	0.222625	0.15	0.9798
Residual	301.136	203	1.48343		
Total (Corr.)	302.249	208			

Sources: Primary Data

TABLE No 3

The output shows the results of fitting a multiple linear regression model to describe the relationship between DepositorsOverall customer perceptions over the Banking services and 5 independent Reliability variables. The equation of the fitted model is;

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

DepositorsOverall customer perception over the Banking services = 2.50175-0.013947*Depositors.REL1+0.0513913*Depositors.REL2-0.00159454*Depositors.REL3-0.0220101*Depositors.REL4 - 0.0129101*Depositors.REL5

Since the P-value in the ANOVA table is greater or equal to 0.05, there is not a statistically significant relationship between the variables at the 95.0% or higher confidence level. The R-Squared statistic indicates that the model as fitted explains 0.368281% of the variability in DepositorsOverall customer perception over the Banking services. The adjusted R-squared statistic, which is more suitable for comparing models with different numbers of independent variables, is 0.0%. The Durbin-Watson (DW) statistic tests the residuals to determine if there is any significant correlation based on the order in which they occur in depositor's data. Since the P-value is less than 0.05, there is an indication of possible serial correlation at the 95.0% confidence level. The variables namely REL3 and REL5 have a 26.62% of relationship between them is highest among the five reliability items. It is conclude that among the five Reliability variables of banking services which used to predict the impact on overall *Depositors* perception over the banking services, REL*2* (Appearance of Waiting area) are creates a significant impact on customer perception regarding banking services. However, the remaining Reliability variables, REL1, REL3, REL4 and REL*5*, were not made any significant impact on overall customer perception. It is noticed that the highest P-value on the independent variables is 0.9840, belonging to DepositorsREL3. Since the P-value is greater or equal to 0.05, that term is not statistically significant at the 95.0% or higher confidence level. Consequently, it should consider removing Depositors REL3 from the model.

CORRELATION BETWEEN RELIABILITY VARIABLES OF BANKING SERVICES BY DEPOSITORS

	REL 1	REL 2	REL 3	REL 4	REL 5
REL 1	1.0000				
REL 2	-0.0653	1.0000			
REL 3	0.0538	-0.0200	1.0000		
REL 4	0.0435	0.1839	0.2265	1.0000	
REL 5	-0.1431	0.0379	0.2662	0.2191	1.0000

Sources: Primary Data

TABLE No 4

RESIDUAL PLOT FOR OVERALL DEPOSITORS PERCEPTION OVER BANKING SERVICES QUALITY WITH RELIABILITY VARIABLES

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

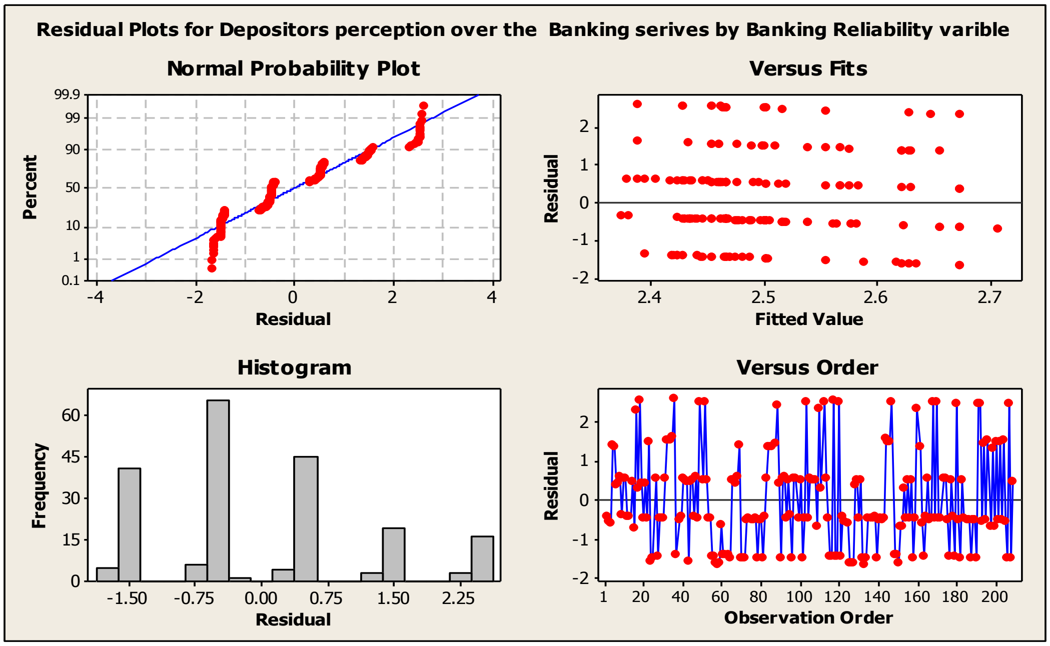

FIG 1

5. FINDINGS

The present's salient findings of this study, conclusion and suggestions offered for improving the service quality of sample banks' urban branches in Nagapattinam District. This study also unearthed the scope for further research in this area.

- ❖ Among the bank Depositors, the variables namely REL3 and REL5 have a 26.62% of relationship between them is highest among the five reliability items.
- ❖ Among the five Reliability variables of banking services which used to predict the impact on overall Depositors perception over the banking services, REL*2* (Appearance of Waiting area) creates a significant impact on customer perception regarding banking services.
- ❖ The highest P-value on the independent variables is 0.9840, belonging to Depositors REL3. It should be considered to remove Depositors REL3 (Appearance of Waiting area) from the model.

6. CONCLUSION

Several studies revealed that there is a positive relationship between quality of services and customers' satisfaction. By improving service quality banks can enhance customer satisfaction and loyalty, and, as a consequence, achieve sustainable revenue. Service quality is a multidimensional concept, incorporating a number of aspects of both past and present service experience. Today the customer services preference keep on changing at a rapid speed. Customer is the king in the present day banking. Indian banking has aided the economic development in an effective way during the post-independence period. The banking sector has shown remarkable responsiveness to the needs of the planned economy. It has brought about a considerable progress in its efforts at deposits mobilization and It has taken a number of measures in the recent past to accelerate the rate of growth of deposits.

7. REFERENCE

ISSN:0971-1260
Vol-22-Issue-4-October-December-2019

[1] Berry, L. Leonard, et al., "Service Quality: A Profit Strategy for Financial Institutions", USA, Dow Jones-Irwin Publisher, University of Michigan, 1989, 1st Edition.
[2] Lovelock, H. Christopher, et al., "Service Marketing", New Delhi, Pearson Higher Education, Inc. 2009, 6th Edition.
[3] Martinez, Pepe, et al., "The Consumer Mind: Brand Perception and Implications for Marketers", United Kingdom, Millward Brown Publishers, 2012, 1st Edition.
[4] Parasuraman. A et al., "Servqual: A Multiple Item Scale for Measuring Consumer Perception of Service Quality", California, Marketing Science Institute Press, 1986.
[5] Rahman, MuhammadS., et al., "Customer Perception", USA, ORIC Publications, 2013, 1st Edition.
[6] Shajahan, S, "Service Marketing", Mumbai, Himalaya Publishing House Private Limited, 2009, 2nd Revised Edition.
[7] Shanker, Ravi, "Service Marketing", New Delhi, Excel Books Private Limited, 2006, 1st Edition (Reprint)

8. WEBSITE & E-JOURNALS

[1] Baker, Julie, et al., "The Effect of Store Atmosphere on Customer Quality Perceptions and Store Image", Journal of the Academy of Marketing Science, Vol. 77 Iss. 7.
[2] http://techntrek.wordpress.com/2010/10/15/icici-bank-customer-service/
[3] http://www.intechopen.com/books/quality-management-and-practices/organizational-service-orientation-as-a-quality-predicator-in-services