

**IMPACT ON SERVICE QUALITY OF SBI WITH SPECIAL REFERENCE TO
ERNAKULAM BRANCH**

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ABSTRACT

Service Quality is the degree of excellence in the service performance. Quality in customer service is the only way a business can differentiate itself from its competitors. It is regarded as a strategic organizational weapon. This study aims to find out the most important attributes of service quality in commercial banks which can be used to evaluate the characteristics of banking service quality as perceived by customers and it attempts to measure and compare service quality among private, public and foreign banks in Chennai city on the basis of customer's expectations and perceptions of quality of services. Service quality measure is based on modified version of SERVQUAL as proposed by Parasuraman et al. (1988), which involve five dimensions of Service quality, namely Reliability, Responsiveness, Empathy, Assurance, and Tangibles. With respect to customer services there are notable perceived differences. Hence this study on customer service quality of commercial banks looks for bringing out the differences between perceptions of customers of these banks.

KEYWORDS: Service quality ,Reliability ,Assurance ,Tangibility ,Empathy, Responsiveness

1. INTRODUCTION

Banks plays an important role in the economic development of a country. It deals with money and credit. It is a financial institution that accepts deposits and channels those deposits into lending activities either directly or through capital market. A bank connects customers which have capital deficits to those customers with capital surpluses. The banking industry in India is facing certain challenges of quality of services, customer satisfaction, customer retention, customer royalty. Quality of services plays a major role in achieving customer satisfaction and creating brand royalty in banking sector. Therefore it plays an important role in the economy of any country as they hold the savings of public.

2. STATEMENT OF THE PROBLEM

The Indian banks are considered to be the lifeline of the economy. In the current scenario, demonetization is major issue that affected the banking industry and its sudden announcement has made the situation become chaotic. It has affected the functioning and profitability of the financial institutions. It has caused a huge inconvenience to a wide range of customers in respect of the banking transactions which includes products and services rendered to them. In this context, it is relevant to analyse the service quality rendered to the customers.

3. OBJECTIVES

- To find out the various services provided by SBI
- Examine the essential dimensions of service quality that is RATER:
 - reliability
 - assurance
 - tangibility
 - empathy and
 - responsiveness of SBI and its effect on customer satisfaction.
- To find out the level of perception of customers from the service quality offered by the banks.
- To know which service quality dimension of the bank is performing well.
- To identify which dimension of service quality needs improvement so that the quality of service of SBI is enhanced.
- To make suggestions on the basis of study.

4. SCOPE OF THE STUDY

The study is done upon the customers of SBI in Ernakulam district. The study is conducted by taking a sample size of 100 samples including both male and female. This study finds out the services provided by the bank and the quality of services rendered to their customers and the level of perception of customers. It also analyses the dimensions of service quality.

5. METHODOLOGY

The study intend to use both primary data such as questionnaire and secondary data like books, website. Primary data was collected from customers by using questionnaire and got 100 samples. Sample design: For collecting data 100 samples were selected using simple random sampling method. Data collection strategy: The data was collected in and around Ernakulum district (Ernakulam, aluva, Angamaly).

6. LIMITATIONS

- Due to time constraints, the sample size was limited for the study.
- Geographical limitations were there.
- The respond of respondents may not be reliable. It may be biased and prejudiced.
- The sample may not represent the entire population.

7. ANALYSIS AND INTERPRETATION**GENDER**

Sl No:	Gender	Respondents	Percentage
1	Male	60	60
2	Female	40	40
	TOTAL	100	100

Source: Primary Data

TABLE NO 1

From the above table, it is clear that 60%of respondents are males and 40% of respondents are females.

AGE

SL NO	AGE	RESPONDENTS	PERCENTAGE
1	18-25	33	33
2	26-35	30	30
3	36-45	27	27
4	46 and above	10	10
	TOTAL	100	100

Source: Primary Data

TABLE NO 2

From the above table, it is clear that 33% belongs to the group of 18-25years, 30% belongs to the group of 26-35years,27% belongs to the group of 36-45years and 10% belongs to the group of 46 and above.

OPINION ABOUT MODERN LOOKING EQUIPMENT

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	16	16
2	Satisfied	80	80
3	Neutral	4	4
4	Dissatisfied	0	0
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

TABLE NO 3

From the above table, it is clear that 80% of the respondents are satisfied and 4% of the respondents have no opinion.

OPINION ABOUT THE PHYSICAL FEATURES

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	20	20
2	Satisfied	72	72
3	Neutral	0	0
4	Dissatisfied	8	8
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

TABLE NO 4

From the above table, it is clear that 72% of the respondents are satisfied with the opinion and 8% of the respondents are dissatisfied.

OPINION ABOUT THE RECEPTION DESK

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	12	12
2	Satisfied	60	60
3	Neutral	20	20
4	Dissatisfied	4	4
5	Highly dissatisfied	4	4
	TOTAL	100	100

Source: Primary Data

TABLE NO 5

From the above table, it is clear that 60% of the respondents are satisfied with the opinion, 4% are dissatisfied and 4% are highly dissatisfied.

OPINION ABOUT THE SERVICES SUCH AS PAMPHLETS OR STATEMENTS

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	20	20
2	Satisfied	56	56
3	Neutral	20	20
4	Dissatisfied	4	4
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

TABLE NO 6

From the above table, it is clear that 56% of the respondents are satisfied with the opinion and 4% of the respondents are dissatisfied.

OPINION ABOUT THE PUNCTUALITY

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	16	16
2	Satisfied	12	12
3	Neutral	52	52
4	Dissatisfied	16	16
5	Highly dissatisfied	4	4
	TOTAL	100	100

Source: Primary Data

TABLE NO 7

From the above table, it is clear that 52% of the respondents have no opinion and 4% of the respondents are dissatisfied with the opinion.

OPINION ABOUT THE BANK'S INTEREST IN SOLVING COMPLAINTS

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	20	20
2	Satisfied	16	16
3	Neutral	48	48
4	Dissatisfied	8	8
5	Highly dissatisfied	8	8
	TOTAL	100	100

Source: Primary Data

TABLE NO 8

From the above table, it is clear that 48% of the respondents have no opinion and 8% of the respondents are highly dissatisfied with the opinion.

OPINION REGARDING PERFORMANCE OF RIGHT SERVICE AT RIGHT TIME

SL NO		RESPONDENTS	PERCENTAGE
1	Highly satisfied	8	8
2	Satisfied	44	44
3	Neutral	36	36
4	Dissatisfied	12	12
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 44% of the respondents are satisfied with the opinion and 8% of the respondents are highly satisfied.

TABLE NO 9
OPINION ON ERROR FREE RECORDS

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	16	16
2	Satisfied	28	28
3	Neutral	44	44
4	Dissatisfied	8	8
5	Highly dissatisfied	4	4
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 44% of the respondents have no opinion and 4% of the respondents are highly dissatisfied with the opinion.

TABLE NO 10
OPINION REGARDING INFORMATION PROVIDED

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	20	20
2	Satisfied	28	28
3	Neutral	36	36
4	Dissatisfied	16	16
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 36% of the respondents have no opinion and 16% of the respondents are dissatisfied with the opinion.

TABLE NO 11
OPINION REGARDING ACCESSIBILITY OF SERVICE

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	12	12
2	Satisfied	12	12
3	Neutral	64	64
4	Dissatisfied	12	12
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 64% have no opinion, 12% are highly satisfied, 12% are satisfied, 12% are dissatisfied with the opinion.

TABLE NO 12
OPINION REGARDING WILLINGNESS OF EMPLOYEES FOR HELP

SL NO		RESPONDENTS	PERCENTAGE
1	Highly satisfied	4	4
2	Satisfied	36	36
3	Neutral	44	44
4	Dissatisfied	16	16
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 44% of the respondents have no opinion and 4% of the respondents are highly satisfied with the statement.

TABLE NO 13
OPINION REGARDING DELAY IN SERVICE PROVIDING

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	16	16
2	Satisfied	12	12
3	Neutral	56	56
4	Dissatisfied	12	12
5	Highly dissatisfied	4	4
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 56% of the respondents have no opinion and 4% of the respondents are highly dissatisfied with the opinion.

TABLE NO 14
OPINION REGARDING TRUSTWORTHINESS

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	24	24
2	Satisfied	36	36
3	Neutral	36	36
4	Dissatisfied	4	4
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 36% of the respondents are satisfied, 36% of the respondents have no opinion and 4% of the respondents are dissatisfied with the opinion.

TABLE NO 15
OPINION REGARDING BEHAVIOR OF EMPLOYEES

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	4	4
2	Satisfied	28	28
3	Neutral	56	56
4	Dissatisfied	12	12
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 56% of the respondents have no opinion and 4% of the respondents are highly satisfied with the opinion.

TABLE NO 16
OPINION REGARDING SAFETY

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	32	32
2	Satisfied	52	52
3	Neutral	16	16
4	Dissatisfied	0	0
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 52% of the respondents are satisfied with the opinion and 16% have no opinion.

TABLE NO 17
OPINION REGARDING KNOWLEDGE OF THE EMPLOYEES

SL.NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	32	32
2	Satisfied	36	36
3	Neutral	32	32
4	Dissatisfied	0	0
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 36% of the respondents are satisfied with the opinion, 32% of the respondents have no opinion and another 32% of the respondents are highly satisfied with the opinion.

TABLE NO 18
OPINION REGARDING INDIVIDUAL ATTENTION

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	4	4
2	Satisfied	20	20
3	Neutral	68	68

4	Dissatisfied	8	8
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 68% of the respondents have no opinion and 4% of the respondents are highly satisfied with the opinion.

TABLE NO 19
OPINION REGARDING OPERATING HOURS

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	12	12
2	Satisfied	20	20
3	Neutral	56	56
4	Dissatisfied	12	12
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 56% of the respondents have no opinion, 12% of the respondents are highly satisfied and 12% of the respondents are dissatisfied with the opinion.

TABLE NO 20
OPINION REGARDING BANK'S BEST INTEREST AT HEART

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	8	8
2	Satisfied	16	16
3	Neutral	16	16
4	Dissatisfied	60	60
5	Highly dissatisfied	0	0
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 60% of the respondents are dissatisfied with the opinion and 8% of the respondents are highly satisfied with the opinion.

TABLE NO 21
OPINION REGARDING EMPLOYEES UNDERSTANDING OF SPECIFIC NEEDS

SL NO.		RESPONDENTS	PERCENTAGE
1	Highly satisfied	0	0

2	Satisfied	20	20
3	Neutral	20	20
4	Dissatisfied	56	56
5	Highly dissatisfied	4	4
	TOTAL	100	100

Source: Primary Data

From the above table, it is clear that 56% of the respondents are dissatisfied with the opinion and 4% of the respondents are highly dissatisfied with the opinion.

8. FINDINGS

- Majority of the respondents are of the age group of 18-25years.
- Majority of the respondents are male i.e.60%.
- Almost 80% are satisfied with the bank's modern looking equipments.
- About 72% are satisfied with the bank's physical features.
- Majority of the respondents are satisfied with the bank's reception desk
- About 56% are satisfied with service such as pamphlets or statements.
- About 52% have no opinion regarding punctuality.
- About 48% have no opinion with the bank showing sincere interest in solving customers' problems.
- About 44% are satisfied regarding that the bank performs services at the right time.
- About 44% have no opinion regarding the error free records.
- About 36% have no opinion regarding the information provided.
- Majority of the respondents have no opinion regarding the accessibility of services.
- About 44% of the respondents have no opinion regarding the willingness of employees to help the customers.
- About 56% have no opinion regarding delay in service providing.
- About 36% are satisfied regarding the trustworthiness of employees.
- About 56% have no opinion regarding the behavior of employees.
- About 52% are satisfied regarding the safety.
- About 36% are satisfied with the knowledge of employees.
- About 68% have no opinion regarding the attention given to the customer by the bank.
- About 56% have no opinion regarding the operating hours.
- About 60% are dissatisfied with the bank's best interest at heart.
- About 56% are dissatisfied regarding the employees understanding of specific needs of customers.

9. SUGGESTIONS

In an increasingly globalised and competitive world, it is imperative that financial institutions not only follow global practices, but also that they are globally competitive, efficient and sound. In order to achieve this objective, India initiated financial sector reforms, of which the banking sector was the key component. The main focus of the present study was to assess the operational efficiency on the basis of profitability and productivity and also to assess service quality in the post-reform period of the Indian commercial banks. On the basis of findings drawn from the study as well as some general observations from sample customers the following suggestions are offered for the areas which need further attention by the banks. Commercial banks especially public sector banks need to concentrate on increasing the level of spread by increasing the level of interest income. To reduce burden, commercial banks especially public sector banks should increase the level of non-interest income. Banks especially New Private Sector Banks should increase the net profit by increasing total income and by reducing total expenditure. Banks should give more importance to their branch, employee and per bank efficiency. Branch, employee and bank wise profitability and productivity should be measured time to time. Business per employee and business per branch of banks should be increased through assigning the business targets to the branches and employees attracting the special schemes to the customers when competing with other banks. Emphasis should be given by the bank on the responsiveness, assurance and empathy while providing services to their customers. Service quality should be measured time to time so that banks can improve the quality of services provided. Through improved customer service banks can concentrate more on deposit mobilisation. Profitability of the bank depends to a great extent on the effectiveness of deposit mobilisation accompanied by aggressive credit deployment. Banks should 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.

10. CONCLUSION

Indian commercial banking industry has undergone quick changes and fundamental developments in the post liberalisation period. Banks are competing with one another to offer value added services to expand their customer base thereby enhancing efficiency. In the present study, operational efficiency of Indian commercial banks on the basis of profitability and productivity and also the perceptions of the bank customers regarding the service quality of their banks are evaluated. Ratio analysis and trend analysis were used for measuring operational efficiency of commercial banks. Ratio analysis analyses and interprets the relationship between different figures whereas trend analysis highlights the trend pattern which helps in knowing the historical development as well as the level of efficiency in banking operations over a time frame. In the measurement of profitability, the study concluded that there are no significant differences in the profitability ratios among various Indian commercial bank groups. Trend analysis disclosed an increasing trend only for State Bank Group and New Private Sector Banks in operating profit ratio. Whereas State Bank Group, Old Private Sector Banks and New Private Sector Banks showed an increasing trend in net profit ratio. While measuring productivity it is concluded that there are no significant differences among the commercial bank groups in all the three parameters that have been taken for measuring productivity. In branch productivity, there is no significant difference among the commercial bank groups. Trend analysis on growth rates of branch productivity showed

an increasing trend in Nationalised Banks. Whereas State Bank Group, Old Private Sector Banks and New Private Sector Banks disclosed a declining trend in branch productivity. As regards the employee productivity, it is concluded that there is significant difference among the commercial bank groups. Post hoc test revealed that New Private Sector Banks which marked the lowest annual average growth rate have significant difference with all other bank groups under study. That means Nationalised Banks which marked the highest annual average growth rate and a steeper increasing trend, have significant difference only with New Private Sector Banks. Trend Analysis in employee productivity also showed a decreasing trend in State Bank Group and Old Private Sector Banks. In bank productivity, New Private Sector banks ranked first and showed significant difference with all other bank groups. But New Private Sector Banks showed much steeper declining trend in the bank productivity. Thus it can be concluded from the analysis that when compared group wise it cannot be said that a particular commercial bank group is more operationally efficient than others. In evaluating the perceptions of customers regarding services provided by their banker using SERVPERF, it is concluded that Old Private Sector Banks ranked first in the service quality when compared to other bank groups thus providing quality services to their customers, but they have significant difference only with Nationalised Banks. Old Private Sector Banks ranked first in responsiveness, assurance and empathy but has the least score in tangibility and reliability. To provide quality services, banks must emphasise on tangibles (the physical appearance, communication materials etc.), reliability (performing promised services), responsiveness (willing to help), assurance (inspire trust and confidence) and empathy (personalised and customised services). As far as service quality of the Indian commercial banking industry is concerned, the satisfaction level of customers is only moderate. Customers are more satisfied with tangibility and reliability and mostly dissatisfied with responsiveness, assurance and empathy. Thus it can be concluded that no Indian commercial bank group is providing a better service quality to their customers. In this present study, it is concluded that a moderate quality service providing Indian commercial banking industry is not operationally efficient. Indian commercial banking industry need to improve the operational efficiency and the quality of services provided.

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