THINK INDIA JOURNAL

ISSN:0971-1260
Vol-22- Issue-14-December-2019

Effect Of Customer Perception On The Satisfaction Level In Basic And Advanced Service

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Abstract

In the present study, exclusively external individual customers were considered (who were having savings account with the bank and transacting with the bank on regular basis) with a view to measure the satisfaction level from the services rendered by their respective branch". To attain high level of customer satisfaction and to retain the customer base, it is important for the banks to deliver quality services to all its customers. The Service quality is a significant determinant of competitiveness for establishing sustainable and satisfying relationship with the customers.

Keyword: Satisfaction, Basic Service, Advanced Service, Customer Perception.

Introduction

From a banker's standpoint, customer and consumer are the same person, who avails of services from the bank. For the present study, customer can be understood as an individual or person having a bank account and service experience at least for 1 year in the respective bank branch before March 2008. Institute or organizational customers have not been considered here.

Customer's Perception

"Indian Banking has undergone innumerable changes since independence. Introduction of advancement in technology, economic uncertainties, fierce competition and changing demand of customers' have created a competitive scenario for banks. In today's fast moving life and highly competitive environment, the banking sector has to comprehend and analyze the customer's perception and requirements for service quality. To attain high level

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of customer satisfaction and to retain the customer base, it is important for the banks to deliver quality services to all its customers. The Service quality is a significant determinant of competitiveness for establishing sustainable and satisfying relationship with the customers. Persuraman, et, al., (1992) see service quality as the customer's comparison between service expectation and service performance".

Review of Literature

Sureshchandar, Rajendran and Anantharaman., (2003), Customers in developing economies seem to keep the "technological factors" of services such as core service and systematization of the service delivery as the yardstick in differentiating good and bad service while the "human factors" seem to play a lesser role in discriminating the three groups of banks (In this context, Nainta (2005) viewed that, with the rise in the banking business, there has been an uptrend in the number of frauds and even the fraudsters become more sophisticated and ingenious. The author opined that the banking fraud mainly occurs due to the ignorance of staff or clientele about system or procedure and sometimes because of delivery irregular functioning of bank employees. With the growing use of technology, there has been spurring in the technological crime.

Sunayna Khurana et al., (2013), in her article, "Analysis of Service Quality Gap in Indian Life Insurance Industry" says that Life insurance companies in India offer similar kinds of plans and services, but they could provide differences in terms of service quality .In this context this research tried to find out the gap between Customer expectation & customer perception in the Life insurance industry by examining a Sample of 200 customers of 10 top performing Life insurance companies in Haryana state. The study found that there is highest gap in customer expectations and perceptions towards the competency dimension of service quality. That means customers are expecting high service quality and perceiving very less quality in case of services related to competency dimensions.

Objectives

- To examine the effect in customer perception on the satisfaction of basic service.
- To examine the effect in customer perception on the satisfaction of basic advanced service.

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Research Methodology

This study is based on stratified random sampling method in state level districts. The stratified random sampling is done with the health insurance customers of GIC India to the next level of identifying sample respondents. In order to find the stratified random sampling has been used. Out of total number of 600 respondents were approached individually and got 550 respondents. To determine the sample size, the researcher have make use of the formula of Schaeffer, Mendenhall and Ott (2005).

Data Analysisand Interpretation

Basic Service satisfaction is the first subscale to measure as one component of customer service satisfaction. To understand the effect of customer perception on basic service satisfaction the mean scores of the customer perception items have been compared.

Table.1 Effect of Customer Perception on the Basic Service Satisfaction

S.No	Customer Perception Items	N	Mean(M)	Std. dev (SD)
1	For Income tax savings purpose only	160	3.59	1.14
2	Need recognition Matches	70	2.63	0.96
3	Search for Information Matches	110	3.53	1.11
4	Pre purchase Expectation Matches	90	3.59	1.21
5	Awareness meets product satisfaction	75	**3.62**	0.36
6	Past experience leads same kind of product purchase	45	3.39	1.66
	Total	**550**		

Showing effect of Customer Perception on the Basic Service Satisfaction

The above table shows the effect of customer perception on basic service satisfaction of customer service satisfaction. In the case of customer perception the obtained mean scores

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are as follows: For Income tax savings purpose only the mean score is (M=3.59, N=160), Need recognition Matches (M= 2.63, N=70), Search for Information.

Matches (M=3.53, N=110), Pre purchase Expectation Matches (M=3.59, N=90), Awareness meets product satisfaction (M=3.62, N=75) and Past experience leads same kind of product purchase (M=3.39, N=45), Awareness meets product satisfaction score has the highest value. The effect of customer perception on basic service satisfaction has been assessed for its descriptive statistics and it shows the result as the highest mean score of 3.62 with a standard deviation of 0.36. It is found that about 11% of variations of group mean score have been attributed to basic service satisfaction on customer service satisfaction.

Advanced service satisfaction is the first subscale to measure as one component of customer service satisfaction. To understand the effect of customer perception on advanced service satisfaction, the mean scores of the customer perception items have been compared.

Table.2 Effect of Customer Perception on the Advanced Service Satisfaction

S.No	Customer Perception Items	N	Mean(M)	Std. dev (SD)
1	For Income tax savings purpose only	120	3.14	1.14
2	Need recognition Matches	80	3.12	1.56
3	Search for Information	65	2.53	1.54
4	Pre purchase Expectation	140	**3.17**	1.41
5	Awareness meets product satisfaction	90	3.09	0.51
6	Past experience leads same kind of product purchase	55	3.13	1.73
	Total	**550**		

Showing effect of Customer Perception on the Advanced Service Satisfaction

The above table shows the effect of customer perception on advanced service satisfaction of customer service satisfaction. In the case of customer perception the obtained mean scores are as follows: For Income tax savings purpose only the mean score is (M=3.14, N=120), Need recognition Matches (M= 3.12, N=80), Search for Information Matches

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(M=2.53, N=65), Pre purchase Expectation Matches (M=3.17, N=140), Awareness meets product satisfaction (M=3.09, N=90) and Past experience leads same kind of product purchase (M=3.13, N=55) , pre purchase expectation score is the highest value. The effect of customer perception on advanced service satisfaction has been assessed for its descriptive statistics and it shows the result as the highest mean score of 3.17 with a standard deviation of 1.41 It is found that about 10% of variations of group mean score have been attributed to advanced service satisfaction on customer service satisfaction.

Basic service satisfaction is the first subscale to measure as one component of customer service satisfaction. To understand the effect of customer motive on basic service satisfaction, the mean scores of the customer motive items have been compared.

Findings

On the basic service satisfaction, the customers perceive awareness about the product lets them know the outcome, hence the mean score is 3.62, after which the customers prefer for income tax savings purchase and pre purchase expectation matching due to the awareness as having next influencing effect. The other items have next level effect.

On the advanced service satisfaction, the customers perceive pre purchase expectation as the most effect with mean score of 3.17, Income tax savings, past experience leading to same product purchase and the products matching the customers expectation have the next influencing effect. Awareness and need recognition match have least effect on satisfaction.

Conclusion

For satisfaction of customers in the basic service making customers awareness and meeting that expected expectations has the highest effect. Where as in advanced services the product fulfilling the pre purchase expectation has the highest effect on satisfaction level. For basic service this pre-purchase expectation has the second level influence where as in advanced service, income tax savings, past experience has the next effect. This shows us that irrespective of service level, the products outcome is known in advance, either because of awareness program or pre purchase expectation match, the customers would definitely have positive effect in the satisfaction.

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ISSN:0971-1260
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THINK INDIA JOURNAL

ISSN:0971-1260
Vol-22- Issue-14-December-2019



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