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The Impact of Quality Service on Customer Perspectives and Satisfaction in Selected Commercial Banks

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Abstract

Bank plays a key role in the entire financial system of the nation. The banking industry has become a fundamental part of the nation's economic development and for the financial welfare of individuals, businesses, nation etc. A particular kind of financial institution that provides services to its customers is a bank. The satisfaction of the consumer is the first goal for all businesses. Banks offer a wide range of services, qualified resources, and guarantee to please their clients and keep the ones they already have. Mostly customers are highly satisfied with services provided by the bank. This study is descriptive in nature. A practical sampling technique is used, and the data sample size from Coimbatore is 957.

Keywords: Customer satisfaction, banking services, problems, solutions

INTRODUCTION

Customer satisfaction is the most important aspect to decide whether a customer will stay with our bank or switch to another bank. Many customers could switch their bank to another due to their bad experience with the bank [1–4]. This clearly shows that in order to keep clients, it is crucial to offer them superior services. Though the initiation of smart phones has brought customers very nearer to the bank, and bank faces abundant issues in serving their customers on a day-to-day basis. Still, customers have some difficulties at their banks like additional charges, cheque bouncing, mortgage issues, missing their promises, long duration for processing of loans, technical problems in making payments and fund transfers, cybercrime, lack of awareness, poor networking in the bank, etc. [5–8].

OBJECTIVES OF THE STUDY

- To assess customer satisfaction and service quality perspectives in banks in the public, private, and international sectors.
- To examine the problems that clients are having with the financial services that the banks provide.
- To make recommendations for enhancing the services offered by the bank.

HYPOTHESIS

1. *Ho:* The service quality perspectives and customer satisfaction of banking services and public, private, and foreign sector banks do not significantly correlate.
2. *Ho:* The amount of customer difficulty is not significantly different across public sector bank, private sector bank, and foreign sector bank clients.

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3. *Ho:* The number of issues encountered, and bank customers' satisfaction do not significantly correlate.

REVIEW OF LITERATURE

Researchers revealed and looked at the subpar service quality in public sector banks in his work, "Service Quality in Banks: A Study in Haryana and Chandigarh". They discovered a lack of tangibility, responsiveness, and empathy. Private sector banks, on the other hand, have seen greater change in this regard, it was found. Comparatively speaking, foreign banks were on the cusp of exceeding customer expectations for relevantly varied characteristics of service quality. Also, it is indicated that bank management should be aware of potential failure spots and attentive to customer issues as a result of the study's revelation that service quality varied across demographic characteristics [9–11].

In the study entitled "Customer's Trends towards Public and Private Sector Banks", the researchers want to recommend certain points which are: Banks should take significant efforts in selecting, training and motivating the staff members to perform to the satisfaction of customers and also continuously monitor and take feedback about its employees. Banks do not need to spend much amount on the part of advertisements. Banks should take only reasonable service charges.

There should be more numbers of ATMs in the prime locations of the city as well as in the rural areas. Finally, counter staff members should be trained properly for dealing with clients/customers and should be able to handle their queries and problems effectively.

RESEARCH METHODOLOGY

The current study is purely descriptive. The information was compiled using a respondents' interview schedule. For the pilot research, 50 clients were selected as a sample. 957 people have been used as the study's sample.

STATISTICAL TECHNIQUES USED

The following statistical methods, including ANOVA, Chi-square, Regression, and Correlations, were used in the current investigation.

Interpretation (Table 1)

The computed value of 2 is 0.252, as shown by Table 1. The df=2 and 5% level of significance's "2 table value" is 0.881. Due to the computed P value being higher than 0.05. Therefore, the null hypothesis, according to which there is no discernible relationship between gender and problem level, is accepted.

Table 1. Chi-square table showing the association with the customers level of problem and gender in public sector bank.
Ho: In public sector bank, there is no discernible difference in the amount of client difficulty based on gender.

Gender	Level of problem			Total
	Low	***Moderate***	***High***	
Male	36	117	37	190
	(18.9)	(61.6)	(19.5)	(100.0)
Female	39	114	40	193
	(20.2)	(59.1)	(20.7)	(100.0)
Total	75	231	77	383
Df: 2	Chi-square: 0.252		P value: 0.881	Not significant

Source: Primary data.

Interpretation (Table 2)

The Table 2 explains that the calculated χ^2 value 29.512. With a df of 6 and a significance level of 5%, the table value is 0.00. Due to the computed P value being less than 0.05, the null hypothesis is refuted as a result, and it is concluded that there is a strong relationship between age and issue severity.

Interpretation (Table 3)

Table 3 clearly shows that the computed value is 10.439. The significance level at the 5% level with a df=10 and a table value of 0.403 is used. Due to the computed P value being higher than 0.05, the null hypothesis, according to which there is no meaningful connection between employment and issue level, is accepted.

Table 2. Chi-square table showing the association between the customers level of problem and age in public sector bank.
Ho: In public sector bank, there is no discernible difference in the amount of client difficulty based on age.

Age (years)	**Level of problem**			**Total**
	Low	***Moderate***	***High***	
Up to 20	4	23	12	39
	(10.3)	(59.0)	(30.8)	(100.0)
21–30	41	100	21	162
	(25.3)	(61.7)	(13.0)	(100.0)
31–40	23	84	21	128
	(18.0)	(65.6)	(16.4)	(100.0)
41–50	7	24	23	54
	(13.0)	(44.4)	(42.6)	(100.0)
Total	75	231	77	383
Df: 6	Chi-square: 29.512		P value: 0.000	Significant

Source: Primary data.

Table 3. Chi-square table showing the association between the customers level of problem and occupation in public sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the occupation in public sector bank.

Occupation	**Level of problem**			**Total**
	Low	***Moderate***	***High***	
Agriculturist	5	20	5	30
	(16.7)	(66.7)	(16.7)	(100.0)
Student	12	27	16	55
	(21.8)	(49.1)	(29.1)	(100.0)
Homemaker	3	12	2	17
	(17.6)	(70.6)	(11.8)	(100.0)
Self employed	18	41	21	80
	(22.5)	(51.2)	(26.2)	(100.0)
Employee	27	98	26	151
	(17.9)	(64.9)	(17.2)	(100.0)
Business	10	33	7	50
	(20.0)	(66.0)	(14.0)	(100.0)
Total	75	231	77	383
Df: 10	Chi-square: 10.439		P value: 0.403	Not significant

Source: Primary data.

Interpretation (Table 4)

It is clear from Table 4 that the computed value is 33.775. The df=4 and 5% threshold of significance's table value is 0.000. Due to the computed P value being less than 0.05, the null hypothesis is refuted as a consequence, and it is concluded that there is a strong relationship between issue severity and perception level.

Interpretation (Table 5)

Table 5 shows that the computed value is 2.973, The df =2 table value with a significance level of 5% is 0.226. Due to the computed P value being higher than 0.05, the null hypothesis, according to which there is no discernible relationship between gender and problem level, is accepted.

Interpretation (Table 6)

It is clear from Table 6 that the computed value is 14.253. 0.027 is the table value of df=6 and 5% level of significance. Due to the computed P value being less than 0.05; as a result, the null hypothesis is disproved, leading to the conclusion that there is a substantial correlation between age and problem level.

Interpretation (Table 7)

Table 7 proves that the computed value is 17.006. With a df=10 and a significance level of 5%, the table value is 0.074. Due to the computed P value being higher than 0.05, the null hypothesis, according to which there is no meaningful connection between employment and issue level, is accepted.

Table 4. Chi-square table showing the mean score between the customers level of problem on the basis of perception in public sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of Perception in Public Sector Bank.

Level of perception	**Level of problem**			**Total**
	Low	***Moderate***	***High***	
Low	2	35	21	58
	(3.4)	(60.3)	(36.2)	(100.0)
Moderate	47	167	41	255
	(18.4)	(65.5)	(16.1)	(100.0)
High	26	29	15	70
	(37.1)	(41.4)	(21.4)	(100.0)
Total	75	231	77	383
Df: 4	Chi-square: 33.775		P value: 0.000	Significant

Source: Primary data.

Table 5. Chi-square table showing the association with the customers level of problem and gender in private sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the Gender in Private Sector Bank.

Gender	**Level of problem**			**Total**
	Low	***Moderate***	***High***	
Male	28	102	22	152
	(18.4)	(67.1)	(14.5)	(100.0)
Female	22	111	34	167
	(13.2)	(66.5)	(20.4)	(100.0)
Total	50	213	56	319
Df: 2	Chi-square: 2.973		P value: 0.226	Not significant

Source: Primary data.

Interpretation (Table 8)

It is clear from Table 8 that the calculated value of 2 is 10.548. The df=4 and 5% level of significance's table value is 0.032. Due to the computed P value being less than 0.05, the null hypothesis is refuted as a consequence, and it is concluded that there is a strong relationship between issue severity and perception level.

Interpretation (Table 9)

From the Table 9, it demonstrates that the calculated χ^2 value 1.151. The χ^2 table value of df=2 and P value = 5% level of significance is 0.563. Since calculated P value is greater than 0.05, the null hypothesis, which states that there is no significant correlation between gender and issue level, is thus accepted.

Table 6. Chi-square table showing the association between the customers level of problem and age in private sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the age in private sector bank.

Age (years)	Level of Problem			Total
	Low	***Moderate***	***High***	
Up to 20	1	26	8	35
21–30	26	85	20	131
	(19.8)	(64.9)	(15.3)	(100.0)
31–40	21	76	16	113
	(18.6)	(67.3)	(14.2)	(100.0)
41–50	2	26	12	40
	(5.0)	(65.0)	(30.0)	(100.0)
Total	50	213	56	319
Df: 6	Chi-square: 14.253		P value: 0.027	Significant

Source: Primary data.

Table 7. Chi-square table showing the association between the customers level of problem and occupation in private sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the Occupation in Private Sector Bank.

Occupation	Level of Problem			Total
	Low	***Moderate***	***High***	
Agriculturist	5	21	3	29
	(17.2)	(72.4)	(10.3)	(100.0)
Student	5	35	13	53
	(9.4)	(66.0)	(24.5)	(100.0)
Homemaker	0	11	3	14
	(0.0)	(78.6)	(21.4)	(100.0)
Self-employed	10	41	14	65
	(15.4)	(63.1)	(21.5)	(100.0)
Employee	26	66	18	110
	(23.6)	(60.0)	(16.4)	(100.0)
Business	4	39	5	48
	(8.3)	(81.2)	(10.4)	(100.0)
Total	50	213	56	319
Df: 10	Chi-square: 17.006		P value: 0.074	Not significant

Source: Primary data.

Interpretation (Table 10)

It is clear from Table 10 that the computed value is 5.112. The table value for a df of 6 and a significance level of 5% is 0.530. Due to the computed P value being higher than 0.05, the null hypothesis is therefore accepted, and it is shown that there is no significant association between age and issue severity.

Table 8. Chi-square table showing the mean score between the customers level of problem on the basis of perception in private sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the Perception in Private Sector Bank.

Level of perception	Level of problem			Total
	Low	***Moderate***	***High***	
Low	3	29	10	45
	(7.1)	(69.0)	(23.8)	(100.0)
Moderate	34	157	31	222
	(15.3)	(70.7)	(14.0)	(100.0)
High	13	27	12	52
	(25.0)	(51.9)	(23.1)	(100.0)
Total	50	213	56	319
Df: 4	Chi-square: 10.548		P value: 0.032	Significant

Source: Primary data.

Table 9. Chi-square table showing the association with the customers level of problem and gender in foreign sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the Gender in Foreign Sector Bank.

Gender	Level of problem			Total
	Low	***Moderate***	***High***	
Male	24	72	26	122
	(19.7)	(59.0)	(21.3)	(100.0)
Female	20	86	27	133
	(15.0)	(64.7)	(20.3)	(100.0)
Total	44	158	53	255
Df: 2	Chi-square: 1.151		P value: 0.563	Not significant

Source: Primary data.

Table 10. Chi-square table showing the association between the customers level of problem and age in foreign sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the Age in Foreign Sector Bank.

Age (years)	Level of problem			Total
	Low	***Moderate***	***High***	
Up to 20	3	14	5	22
	(13.6)	(63.6)	(22.7)	(100.0)
21–30	16	71	21	108
	(14.8)	(65.7)	(19.4)	(100.0)
31–40	16	54	15	85
	(18.8)	(63.5)	(17.6)	(100.0)
41–50	9	19	12	40
	(22.5)	(47.5)	(30.0)	(100.0)
Total	44	158	53	255
Df: 6	Chi-square: 5.112		P value: 0.530	Not significant

Source: Primary data.

Interpretation (Table 11)

Table 11 clearly demonstrates that the computed value is 5.114. The table value for df=10 and a significance level of 5% is 0.883. Since calculated P value is greater than 0.05. The null hypothesis, which states that there is no significant relationship between occupation and problem level, is thus accepted.

Interpretation (Table 12)

It is evident from Table 12 that the computed value of 2 is 16.228. The level of significance for the table value of df =4 and 5% is 0.003. Due to the computed P value being less than 0.05, the null hypothesis is disproved, leading to the conclusion that there is a substantial correlation between problem severity and perception level.

Table 11. Chi-square table showing the association between the customers level of problem and occupation in foreign sector bank.
Ho: There is no significant difference between the customers level of problem on the basis of the occupation in foreign sector bank.

Occupation	**Level of problem**			**Total**
	Low	***Moderate***	***High***	
Agriculturist	3	13	2	18
	(16.7)	(72.2)	(11.1)	(100.0)
Student	7	24	12	43
	(16.3)	(55.8)	(27.9)	(100.0)
Homemaker	2	7	3	12
	(16.7)	(58.3)	(25.0)	(100.0)
Self Employed	7	27	9	43
	(16.3)	(62.8)	(20.9)	(100.0)
Employee	16	68	19	103
	(15.5)	(66.0)	(18.4)	(100.0)
Business	9	19	8	36
	(25.0)	(52.8)	(22.2)	(100.0)
Total	44	158	53	255
Df: 10	Chi-square: 5.114		P value: 0.883	Not significant

Source: Primary data.

Table 12. Chi-square table showing the mean score between the customers level of problem on the basis of perception in foreign sector bank.
Ho: There is no significant difference between the customers level of Problem on the basis of the perception in Foreign Sector Bank.

Level of Perception	**Level of problem**			**Total**
	Low	***Moderate***	***High***	
Low	0	28	11	39
	(0.0)	(71.8)	(28.2)	(100.0)
Moderate	32	114	33	179
	(17.9)	(63.7)	(18.4)	(100.0)
High	12	16	9	37
	(32.4)	(43.2)	(24.3)	(100.0)
Total	44	158	53	255
Df: 4	Chi-square: 16.228		P value: 0.003	Significant

Source: Primary data.

Interpretation (Table 13)

From Table 13, it is clear that the computed F value is 1.617. With df1=2, df2=954, and a significance threshold of 5%, the F table value is 0.199. Since calculated P value is greater than 0.05, the null hypothesis is accepted, leading to the conclusion that there is no meaningful relationship between the severity of the problem and the chosen banks.

Table 13. ANOVA table showing the mean score between the customers level of problem on the basis of selected banks.
Ho: There is no significant difference between the customers level of Problem on the basis of the selected banks.

Banks	Numbers	Problem	Standard deviation	Minimum	Maximum
Public	383	68.61	17.67	20.00	100.00
Private	319	69.52	16.24	20.00	100.00
Foreign	255	71.07	16.62	33.85	100.00
Total	957	69.57	16.94	20.00	100.00
Df: .:ν_1 2, ν_2 954		F value: 1.617	P value: 0.199		Not significant

Source: Primary data.

SUGGESTIONS

1. Banks should take steps to avoid dishonored payments due to technical hurdles.
2. When a customer calls a bank's customer care number, they have to wait in line for talking to an executive. Sometimes, the executives will transfer their call to some other particular department to handle the enquiry. Banks should take steps to solve the query then and there without delaying.
3. Bank should reduce the additional services charges etc.
4. Bank should give more prioritization to the customers.

CONCLUSION

Nowadays banks are providing better services to their customers, but still, customers are facing various difficulties in public, private and foreign sector banks. This study concludes that foreign sector banks have more problems when compared with public and private sector banks. Hence it is suggested that foreign sector banks have to improve their services by improving the skills and knowledge of their employees to satisfy the customers and to retain them. When these banks come forward to overcome these drawbacks, then the development of the bank will grow. The banks could find this study helpful in providing clients with higher-quality services that go above and beyond their expectations.

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