
A STUDY ON SERVICE QUALITY OF GOVERNMENT AND PRIVATE COMMERCIAL BANKS IN NASHIK DISTRICT

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ABSTRACT

Unlike other businesses, banks are not only concerned with attracting new customers; but also maintaining existing customers, which is increasingly crucial in today's market. The study reveals that services marketing is increasing at a quicker pace than product marketing at the present time. Inspite of the fact that services are intangible, financial institutions provide a diverse variety of products and services to their customers. Customers, are not fully aware of the complications that come with such services, which is understandable. The purpose of this study was to investigate the relationship between self-confidence with quality of service offered by commercial banks in the Nashik region. The data for research has been gathered via the use of a range of primary and secondary sources. It was possible to acquire this information via the use of an organized questionnaire that was designed specifically to elicit replies from the respondents. In order to obtain secondary data, various Government records, books, periodicals, and previously published government documents relevant to commercial banks and the area under consideration will be consulted for inspiration.

In the banking business, the great majority of respondents (81 percentage) stated that perceived dependability is the very important factor influencing service quality, and that it is placed top among these factors. Respondingness (RS) has an optimistic and statistically important effect on defining the Service Quality Gap in the Banking Industry.

The most significant suggestions made by the researcher were Customer service representatives in Government banks must be courteous to customers when offering services and clarifying queries, and employees in private sector banks must receive product specific training on a periodic basis. Customers must be able to access their bank accounts at any time and from any location.

Keywords: Service quality, customer self-confidence, market place interface.

1. INTRODUCTION

New customers are less valued than existing customers in the present market environment. Customers who had been the customer of bank for a long time are more valuable than new customers. Despite the fact that, in middle of the 1980s, the majority of transactions in the banking system were of the relationship banking kind, the concept of relationship banking has been strengthened as a result of the efforts of many banks across the world. According to several studies, relationship banking has been proved to be far more lucrative and economical for banks when it comes to retaining existing customers than it has been when it comes to acquiring new ones.

Successful banks will be those who excel in customer service and provide consumers a diverse range of products and services, as well as those that strive for continuous development in order to better serve the marketplace. It has also been observed best methods for surviving in tough competition is not only to retain current customers but also to attract new customers via the provision of superior customer service. This is in addition to the criteria given above. In recent years, due to awareness of service quality, banks have identified the provision of higher-quality services to consumers as one of their most significant priorities on the core service agenda of their organisations. As banks compete for increased number of consumers in a competitive banking market, having a better grasp of the service quality they give may be beneficial to them.

2. DEFINITION OF THE PROBLEM

The study shows that services marketing is increasing at a quicker pace than product marketing at the present time. Inspite of fact that services are intangible, financial institutions provide a diverse variety of products and services to their customers. Customers, are not fully aware of the problems that come with such services, which is understandable. This study will thus look at how customers will use the services and how much value they will put on the services supplied by Government and private sector banks, among other things. It will also look at how consumers would perceive the value of the services supplied by Government and private sector financial institutions.

3. THE RESEARCH GAP

The investigator has uncovered a study gap in critical parts of consumer self-confidence and service quality characteristics, which he believes should be investigated further. The gap includes issues such as difficulties in obtaining branch banking services in contrast to the quality of services provided by the organisation from the customer's perspective, levels of confidence in contrast to the customer's perception of various aspects of service quality, and the availability of alternate banking services in comparison to the quality of services provided by the organisation.

4. OBJECTIVES OF THE STUDY

The identification of the aforementioned research gap resulted in the formulation of research goals and directions for the study. The following is a list of goals to strive towards.

1. To investigate the characteristics of both private and Government sector banks.
2. To investigate the characteristics of customer self-confidence and the quality of service provided by commercial banks.
3. To provide helpful recommendations based on the results and to identify appropriate directions for further study.

5. REVIEW OF LITERATURE

According to Xu and Andrew (2009), the growth of brand in services was strongly reliant on the performance levels of service providers;

Brady and Cronin, (2001) found growth relates to the perception of customers for quality of the services provided by the brand. Service quality is seen as a vital component of the consumer-based brand equity of the service-delivery organisation, in other words.

It is also believed that efficient, joyful, and rewarding shopping activities add to the consumer's personal and societal confidence in their decision-making capabilities (Bearden, Hardesty and Rose, 2001)

Consumer self-confidence is connected to, but distinct from, other factors such as self-esteem, expertise, and product understanding. For the sake of simplicity and consideration of each notion individually, the concept of self-esteem may be referred to by a number of other names

(e.g., self-worth, self-respect, self-acceptance), and it is supposed to reflect the evaluative component of one's self-concept (Blascovich and Tomaka 1991) Confidence in one's own capacity to access necessary market information and to process and comprehend that information (IA and IP), two sub-dimensions that represent an individual's confidence in one's own ability to obtain necessary market information and to process and understand that information (Moorthy et al. 1997; Punj and Staelin 1983) Personal and Social Outcomes (PO and SO) are the fourth and fifth aspects of the decision-making, higher order factor, respectively. Personal outcomes and social outcomes are the fourth and fifth dimensions of the decision-making, higher order factor, respectively. Bettman et al. (1991) observed that customers must make choices on a regular basis about the selection of items and services, and that these decisions result in results that evoke personal emotions of pleasure as well as responses from others in numerous settings.

Parasuraman and colleagues, (1985) said that degree and direction of discrepancy between customer service perceptions and expectations is defined as the degree and direction of service quality as perceived by the customer. This definition gave the acknowledgement that the customer's impression of service quality was just as important as the actual service supplied in terms of service quality.

Tamizh jyothi and Samudhra Rajkumar (2005), their research on the efficiency of celebrity ads, in which they evaluated product categories and brands as major elements that determine the success of celebrity marketing,

Kailasam. T and Samudhra. R (2011) discovered that people's attitudes about celebrities and attitudes toward brands had a substantial impact on their decisions to acquire items or brands supported by several celebrities. When forecasting the impact of various celebrity endorsements, it is also important to take into account the celebrity's profession.

When it comes to brand awareness, there is a significant correlation between it and brand loyalty, and it is one of the most important aspects in building great brand equity (Sritharan et al, 2008)

In 2008, Sritharan et al. conducted research on the role of engagement in predicting brand loyalty among consumers. One of the results suggests that brand awareness is critical in the growth of brand loyalty, and that it serves as a stepping stone to the growth of brand equity.

6. RESEARCH DESIGN

Empirical research is a method of collecting information by direct and indirect observation or through practises and procedures. It would be beneficial to conduct empirical research to determine the cause-and-effect connection between the elements that influence the Service Quality of the Government and Private Commercial Banks, with particular reference to the Nashik District.

The research is based on a survey that was given to the respondents. A variety of primary and secondary sources have been used to gather the information needed for this study's objectives. The most important source of information is primary data, which is gathered via the opinions of respondents. This information was gathered via the use of a well-designed questionnaire that was created to get responses from the respondents. The questionnaire includes factors that are both demographic and functional in nature and are relevant to the investigation. Various Governmentations, books, magazines, and previously published government sources pertaining to commercial banks and the geographical region of the research will be used to gather secondary data. Five hundred and thirty-four replies were gathered from commercial bank clients for this survey, with 500 responses being included for analysis. The sample size was calculated based on the outcomes of the pilot research, which were disclosed.

Quota sampling, which is a non-probability sampling approach, has been used by the researcher in this study. This approach enables researchers to divide the population into distinct subsets based on their findings. This categorization has been done using different types of bank clients from various geographic locations. Samples are allocated to each subset of the region in order to gather data on a quota basis. Quota sampling is the term used to describe this sample procedure.

7. FINDINGS OF THE STUDY

- Customers of commercial banks account for 324 people, or 64.8 percentage of the total, who maintain bank accounts whenever they are necessary.
 - 211 consumers of commercial banks, or 42.2 percentage of the total, are strongly in favour of visiting the bank during major changes.
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- In a survey of 211 clients of commercial banks, 42.2 percentage expressed strong agreement that they were unable to visit the bank owing to a lack of time.
- 210 clients of commercial banks, representing 42 percentage of the total, strongly disagree that the inability to visit the bank is due to a lack of transportation.
- In a survey of 198 commercial bank clients, 39.6 percentage said they strongly disagreed with the statement that physical infirmity and disease are not valid reasons to use a commercial bank.
- 174 clients of commercial banks, or 34.8 percentage of the total, are strongly in favour of visiting the bank to get locker access.
- 165 consumers of commercial banks, or 33 percentage of the total, are neither in favour of nor opposed to visiting the bank to lodge complaints or provide recommendations.
- 156 clients of commercial banks, or 31.2 percentage of the total, have agreed to visit the bank for loan processing purposes.
- 156 clients of commercial banks, or 31.2 percentage of the total, are neither in favour of nor opposed to visiting the bank to get a personalized account statement.
- 126 clients of commercial banks, representing 25.2 percentage of the total, have agreed to refrain from visiting the bank because of the distance.
- 125 clients of commercial banks, comprising of 25% of the total, are neither in favour of nor opposed to visiting bank offices to check on the status of a cheque in their accounts.

8. SUGGESTIONS OF THE STUDY

- Customers of commercial banks in the age bracket of 51 years and older account for 2.2 percentage of the total number of customers. Bankers must focus certain special programmes (investment schemes and loan schemes) to attract this age group and give an additional percentage of interest in order to increase the habit of saving and investing into the banks, according to the Financial Times.
- Customers of commercial banks with professional degrees account for 6.4 percentage of their total customer base. Commercial banks must increase the awareness among

individuals in this group by using social media ads and digital marketing tactics, for example.

- 35 percent of customers maintaining bank accounts on a sporadic basis. Customer access to bank accounts should be made more convenient for them by providing them with additional options for reaching alternative banking channels whenever and whenever they are in need of accessing their bank accounts.
- 146 clients of commercial banks, or 29.2 percentage of the total, strongly agree that they will not visit the bank because of the distance. Customers must be able to obtain financial services in a variety of ways, which means that bankers must give them with additional options for reaching other banking channels.
- Commercial banks should provide state of art technical support to people, so as to overcome barrier of distance. 24 X 7 ATM lobby with core banking services are also to be introduced by banks.

9. CONCLUSION

The vast majority of respondents (81.23 percentage) agreed that perceived reliability is the most vital factor in determining service quality in banking industry and that it ranked first. Responsiveness (RS) has a constructive and statistically important influence on determining Service Quality Gap in the Banking Industry, with a p-value of 0.99.

The researcher's major recommendations are as follows: Banks must provide more possible ways for customers to reach alternate banking channels in order for them to access bank accounts whenever and wherever they are in need of accessing bank accounts; Banks must provide more possible ways for customers to reach alternate banking channels in order for them to access banking services; and Banks must provide more possible ways for customers to reach alternate banking channels in order for them to access bank accounts. Staff in Government sector banks must be polite to clients while providing services and answering questions. Private sector bankers must provide product specific training to their employees on a regular basis to ensure that they are knowledgeable about their products. Taking these findings and recommendations carefully would

almost certainly provide the intended effects and even eliminate quality gaps, which would eventually result in a strong foundation for accessing banks and a good reputation for bankers.

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