

RELIABILITY PERCEPTION OF SERVICE QUALITY AND DEMOGRAPHIC PROFILE OF CUSTOMERS: A STUDY OF STATE BANK OF INDIA

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Abstract

Service quality up to a great extent depends upon perception of customers. Customers make rational decisions while selecting the banking service. The banking firms are also aware of this fact that customers are rational decision makers. This becomes more significant for the nationalized banks as these banks are facing intense competition from private and foreign banks. It is very difficult to retain the customers in a competitive environment. This study explores the perception of customers of State Bank of India. Analysis of perception of customers of different demographic profiles can lead to new insights for crafting innovative marketing strategies.

Keywords: Service Quality, Perception, Demographic Profiles

Introduction :

Customers' perception is very important determinant of service quality. As there is intense competition in the banking industry, only service quality can provide a competitive edge over the competitors. Thorough analysis of customers' perception can give direction to formation of innovative marketing strategies that is need of the hour for banking services. The bank marketers are consciously striving for identifying unserved needs of customers and crafting strategies to fulfill those needs. Banking services has got more varied customers as compared to any other service -in terms of demography and psychography.

The issue to be addressed here is whether demography plays a role in creating customers perceptions? How much importance they give to reliability factor of banking services? Is it the high time for banking firms to provide customized

solutions?

This paper aims to explore the perception of customers of different demographical characteristics such as gender, occupation, income and qualification. This study is focused to perception of reliability dimension of service quality that is performing the services dependably and accurately.

Literature Review:

Big amount of literature is available on banking ,service quality and service quality perception.A few pertinent among them have been presented below:

Sureshchandar etal (2003) focused on investigating the critical factors of customer perceived service quality in banks of a developing economy - India. They also compare and contrasted the three groups of banks in India with respect to the service quality factors from the perspective of the customers. They concluded that there seems to be a great amount of variation with respect to the level of service quality offered by the three groups of banks, and also that customers in developing economies seem to keep the "technological factors" of services such as core service and systematization of the service delivery.Yonggui Wang, (2003) opined that A an increasing number of studies is being performed in the field of service management, less work is being done on an integrated framework of service quality and product quality, especially that supported with evidence from developing countries. As a result, little is known about the distinction between service quality and product quality, their respective antecedents, and their distinctive contributions to performance in service industries in the developing world. Muslim Amin etal (2008) examined the relationship between service quality perception and customers' satisfaction

in Malaysian Islamic banking using the SEM approach. They concluded that majority of the Islamic banking customers were satisfied with the overall service quality provided by their banks. The findings suggest that the standard model of Islamic banking service quality dimensions should consist of the six dimensions and good determinants of satisfaction. The relationship between service quality and customer satisfaction was significant. Robert (1997) provided managers with an empirically derived framework to help them assess the likely impact of any service quality initiative. He also categorized quality factors in terms of their relative importance and their effect on satisfaction and dissatisfaction. He suggested that certain actions, such as increasing the speed of processing information and customers, are likely to have an important affect in terms of delighting customers, however other activities, such as improving the reliability of equipment, will lessen dissatisfaction rather than delight customers. Marla Royne Stafford (1996) stated service quality continues to be a significant issue in the banking industry. Because money and other financial services are generally undifferentiated products, banks are continually striving for increased service quality in order to achieve and maintain a competitive edge

She stated that the improvement of service quality is the determination of those service quality characteristics considered important by consumers and it is necessary to understand which of those elements of service quality are more important to different groups of customers. She also reported a study that identifies distinct elements of bank service quality and ascertains which of those elements are most important to different demographic groups. Mohammed Hossain (2009) Abu Bakar et al. (2011) investigated the determinants of perceived service quality among the customers of domestic and foreign banks in Dhaka, Bangladesh and concluded that domestic private banks reliability, communication, credibility, security, and tangibility are found to be significantly affecting the service quality. A evaluated the service quality in retail banking in the Middle East in general, and Qatar in particular, based on different levels of customers' perception regarding service quality. He indicated that customers' perception is highest in the tangibles area and lowest in the competence are Maya Basant Lohani and Pooja Bhatia (2012) compared customers' perceptions of service quality of both public and private banks of India. The service quality of both the banks has been measured using SERVQUAL (service quality) scale.

They concluded that dimensions of service quality such as Tangibility, Reliability, Responsiveness, Empathy and Assurance significantly predict customer trust and commitment.

Swati Tripathi (2013) stated that It is also an eye-opener for the banks to see the gap between customer expectation and perceptions regarding the quality of services provide which should further act as a motivation which results, increases reputation and to achieve customer loyalty. The banks have to prepare their marketing plans and strategies on the basis of the customers segment to reap the competitive advantages

Objective

The objective of the study is - to study the effect of gender, qualification, occupation & income and their interactions on reliability perception of service quality of State Bank of India

Research Methodology

Appropriate research is the soul of any empirical research. For this study the researchers have used both exploratory and descriptive methods. They complement each other in order to reach at a dependable conclusion .A sample survey method is employed for data collection. Both primary and secondary data are used in the study. The universe included all the customers of State Bank of India in Indore.

Convenience sampling technique with objectivity has been used for the present study.

State Bank of India has a large customer base in Indore. Out of these, 330 respondents were selected for the study. 33 classes have been constructed within the sample on the basis of demographical variables that are gender, qualification, occupation and income. Such as:

- ❖ Male/Undergraduate/Service class/Lower Income group.
- ❖ Female/Undergraduate/Service class/Lower Income group.

Data collected with the help of SERVQUAL scale, were classified, tabulated, analyzed and interpreted using correlation, F test, ANOVA and Post Hoc tests.

Data Analysis, Interpretation and Findings

Effect of gender, qualification, occupation and income and their interactions on reliability perceptions of service quality of State Bank of India

The objective of the study was "To study the effect of gender, qualification, occupation and income and their interactions on reliability perception of service quality of State Bank of India". The results are given

in the following table.

Table No. 1

From the table no.1 this can be observed that "F" value for gender is .012, which is not significant. It means that there is no significant difference between male and female customers with respect to reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of gender on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender produced no significant effect on reliability perception of service quality of State Bank of India.

From the table no.2, this can be observed that "F" value for qualification is 3.443, which is significant at .05 level with degree of freedom 2/298. It means that there is significant difference between undergraduate, graduate and postgraduate customers with respect to reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of qualification on reliability perception of service quality of State Bank of India" is rejected. Therefore, it may be concluded that qualification produced significant effect on reliability perception of service quality of State Bank of India.

Table No. 2

From the table no.2, this can be observed that there is significant difference between graduate and postgraduate customers with respect to reliability perception of service quality of State Bank of India.

Further, the mean score of graduate customers is 29.33 which is significantly higher than that of postgraduate customers that are 26.33. Therefore, it may be concluded that graduate customers are significantly higher than postgraduate customers with respect to reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for occupation is .012, which is not significant. It means that there is no It means that there is no significant difference between service class customers and business class customers with respect to reliability perception of service quality of State bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of occupation on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that occupation produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for income is .774, which is not significant. It means that there is no significant difference between lower income group, middle-income group and higher income group customers with respect to reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of income on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that income produced no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between gender and qualification is 1.957, which is not significant, it means that there is no significant effect of interaction between gender and qualification on reliability perception of service quality of State Bank of India" in the light of this, the null hypothesis namely "There will be no significant effect of interaction between gender and qualification on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender and qualification are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produced no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between gender and occupation is .061, which is not significant, it means that there is no significant effect of interaction between gender and occupation on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction between gender and occupation on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender and occupation are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between qualification and occupation is .759, which is not significant; it means that there is no significant effect of interaction between qualification and occupation on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There

will be no significant effect of interaction between qualification and occupation on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that qualification and occupation are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between gender and income is .018, which is not significant, it means that there is no significant effect of interaction between gender and income on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction between gender and income on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender and qualification are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between qualification and income is .463, which is not significant, it means that there is no significant effect of interaction between qualification and income on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction between qualification and income on reliability perception of service quality of State Bank of India." is not rejected. Therefore it may be concluded that qualification and income are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between occupation and income is .489, which is not significant, it means that there is no significant effect of interaction between occupations on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction between occupation and income on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that occupation and income are

independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produced no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction among gender, qualification and occupation is .336, which is not significant, it means that there is no significant effect of interaction among gender, qualification and occupation on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction between gender, qualification and occupation on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender, qualification and occupation are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction among gender, qualification and income is 2.278, which is not significant, it means that there is no significant effect of interaction between gender, qualification and income on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction among gender, qualification and income on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender, qualification and income are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction among gender, occupation and income is .514, which is not significant, it means that there is no significant effect of interaction among gender, occupation and income on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction among gender, occupation and income on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that gender, occupation and income are independent of each other with respect to reliability perception of service quality of State Bank of India and their

interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between qualification, occupation and income is .437, which is not significant, it means that there is no significant effect of interaction among qualification, occupation and income on reliability perception of service quality of State Bank of India" in the light of this, the null hypothesis namely "There will be no significant effect of interaction among qualification, occupation and income on reliability perception of service quality of State Bank of India" is not rejected. Therefore, it may be concluded that qualification, occupation and income are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produced no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that "F" value for interaction between gender, qualification, occupation and income is 1.015, which is not significant, it means that there is no significant effect of interaction among gender, qualification occupation and income on reliability perception of service quality of State Bank of India. In the light of this, the null hypothesis namely "There will be no significant effect of interaction among gender, qualification, occupation and income on reliability perception of service quality of State Bank of India." is not rejected. Therefore, it may be concluded that gender, qualification, occupation and income are independent of each other with respect to reliability perception of service quality of State Bank of India and their interaction produced no significant effect on reliability perception of service quality of State Bank of India.

Conclusions and Suggestions:

On the basis of the findings the researchers have found some key areas of customer dissatisfaction. Given the findings the following has been concluded and suggested.

Statistically significant differences relating to demography of customers were found regarding the service reliability perception. Significant difference is found in perception of customers of different qualification background. It is found that the graduate customers perceive State Bank of India's services more reliable than Post-Graduate customers. The bank should provide proper training to the employees to win the trust of customers and inculcate a sense of accuracy and dependability in the customers. The bank can also plan for public relation activities to build

this sense among more qualified customers. The bank should strengthen its Management Information System by essentially including market surveys, competitor surveys, customer meets, customers complaint, comment and inquiry capture, service reviews etc. The customers also have complained of over promising done by the employees in terms of time taken for completion of any task. Employees at counters must be trained to promise less and deliver more. Over promising in advertising should also be avoided. This would improve upon reliability dimension of service quality.

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Table No. 1
Dependent Variable: Reliability Perception

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Source	Type III Sum of Squares	df	Mean Square	F	Sig.
GENDER	.833	1	.833	.012	.914
QUALIF	494.583	2	247.291	3.443	.033
OCCU	.861	1	.861	.012	.913
INCOME	111.235	2	55.617	.774	.462
GENDER * QUALIF	281.121	2	140.561	1.957	.143
GENDER * OCCU	4.345	1	4.345	.061	.806
QUALIF * OCCU	109.077	2	54.538	.759	.469
GENDER * QUALIF * OCCU	48.293	2	24.146	.336	.715
GENDER * INCOME	2.614	2	1.307	.018	.982
QUALIF * INCOME	133.096	4	33.274	.463	.763
GENDER * QUALIF * INCOME	490.809	3	163.603	2.278	.080
OCCU * INCOME	70.274	2	35.137	.489	.614
GENDER * OCCU * INCOME	73.763	2	36.882	.514	.599
QUALIF * OCCU * INCOME	94.261	3	31.420	.437	.726
GENDER * QUALIF * OCCU * INCOME	145.801	2	72.901	1.015	.364
Error	21402.475	298	71.820		

Table No. 2
Multiple Comparisons
Dependent Variable: Reliability Perception

Multiple Comparisons						
Dependent Variable: Reliability Perception						
		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
(I)	(J)				Lower Bound	Upper Bound
Graduate	UG	.2040	1.2258	.985	-2.6690	3.0770
	PG	2.5998(*)	1.0705	.040	9.082E-02	5.1088

* The mean difference is significant at the .05 level.

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