Journal of Statistics & Management Systems
ISSN 0972-0510 (Print), ISSN 2169-0014 (Online)
Vol. 26 (2023), No. 7, pp. 1723–1733
DOI : 10.47974/JSMS-1137

Customer perception on service quality: A holistic view of SBI

Venkateswara Rao Podile
Khushi Surana *
Maha Lakshmi Tumuluri †
Maddi Manikanta §
Kommineni Venkat Sri Harsh ‡
KL Business School
Koneru Lakshmaiah Education Foundation
Guntur
Andhra Pradesh
India

Abstract

In India, the banking industry offers a vast variety of products and services plays a major in the economy of India. The present research investigates the impact of SBI's Services on the client perception, and service quality. The key information was distributed surveys to gather data from 100+ customers. The study concentrated on quality perception, and customer perception. Utilizing a variety of tools, including Descriptive Statistics, Homogeneity of Variances, ANOVA, and Chi - Square. While conducting the analysis, the SERVQUAL tangibility, reliability, responsiveness, assurance, and empathy aspects were taken into account. The study's main findings showed that the Type of Account and Tangibility, Quality of Banking Services and Reliability, Willingness of Employees to help and Responsiveness, Banking Information and Assurance, Needs and Empathy are weakly associated with each other.

Subject Classification: *91B42.*

Keywords: *Banks, SBI, SERVQUAL, Service quality, Customer perception, Demographic factors.*

* *E-mail:* **khushisurana100@gmail.com (Corresponding Author)**
† *E-mail:* **mahatumuluri@gmail.com**
§ *E-mail:* **maddimanikanta849@gmail.com**
‡ *E-mail:* **babuvenkatkommineni@gmail.com**

I. Introduction

State Bank of India, formerly known as "Imperial Bank," was founded in 1955 with the goal of offering banking services to the public on a large scale, particularly in rural and semi-urban regions Mbama, C. I., & Ezepue, P. O. (2018). The bank has many branches throughout the country as well as internationally. The SERVQUAL model frequently comes up when discussing customer perception and service quality. Zeithaml, Parasuraman, and Berry, three renowned academic experts in the service marketing sector, founded it in the middle of the 1980s. Retailers and service providers are the main users of the SERVQUAL concept Zameer, H., Tara, A., Kausar, U., & Mohsin, A. (2015). Even while practically every business offers some kind of customer service, only the service sectors are concerned with defining and rating service quality. As a result, SERVQUAL views service much more broadly than just providing excellent customer service. One of the key elements influencing customer perception in commercial banks is service quality. It has been noted that high service quality contributes significantly to Irving consumers' positive experiences. High service quality affects customer engagement and loyalty with both commercial and public banks' services.

II. Review of Literature

Because the banking industry prioritises its clients, research is necessary to understand their wants and attitudes in order to develop lasting connections with them (Renuka & Durga, 2016). Businesses conduct SERVQUAL surveys to assess how well their contacts with customers are working. These surveys, which are also known as relationship surveys, assist banks in identifying the advantages and disadvantages of their connections. Additionally, it is valuable to compare these surveys to those of competitors (Zeithaml, Bitner, Gremler, & Pandit, 2011). Kumbhar (2011) found that both public and private sector banks have almost the same perceptions of all service quality dimensions, with the exception of the cost effectiveness of the ATM service. Overall findings indicate indicated the affordability of ATM services was a crucial component of service quality and had a significant impact on how satisfied customers were with the ATM services offered by commercial banks. Chen, Y. K., & Hsieh, T. (2010) looked at the connection between service quality and consumer perceptions of satisfaction, good word of mouth, and a commitment to loyalty. (Elangovan and Sabitha, 2011) revealed that, other from money there were no notable variations in respondents' levels of satisfaction across age, education, and occupation. Customers are regarded as the finest arbiters of service excellence. They base their decisions on a number of variables, some of which the factors defined by Parsuraman, Berry, and Zeithmal (Responsiveness, Assurance, Tangibles, Empathy, and Reliability) are taken into consideration when doing the research for this work. The SERVQUAL model is another name for their model. According to them, these criteria can provide a wealth of information on the service quality of firms Wu, M. Y., & Liao, S. C. (2011).

III. Objectives of the Study

- To examine the problems faced with the customers.
- To determine whether the clients are happy with the staff' service.
- To determine whether the customer is satisfied with the SBI-offered products.

IV. Research Methodology

This study's goal was to determine to draw attention to the difficulties that customers in the banking industry confront. The study adopted research methodology using quantitative (Questionnaire) data collection method. The questionnaire was comprised of a group of 25+ questions including the five characteristics of a high-quality service: dependability, responsiveness, assurance, and empathy. Sampling Method: The main information gathered via the structured questionnaire. Area of the Study: The area of the study was State Bank of India (SBI). Sample Size: 125 customers were selected for the study as a sample. Tools used for Analysis: Descriptive Statistics, Homogeneity of Variances, ANOVA, and Chi – Square are carried out.

Hypothesis:

ANOVA post-hoc analysis was utilised by the researcher to determine the correlation between respondents' educational backgrounds on Quality of Banking Services.

H0: There is no connection of any significance between respondents' educational background and Quality of Banking Services.

H1: There is a strong correlation between respondents' educational background and Quality of Banking Services.

Dependent Variable: Quality of Banking Services. It is observed that the 10th grade students have responded the most in regards to the rating of quality of banking services as shown in Table 1.

Table 1

Descriptive Statistics of Quality of banking services

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
10th Grade	4	4.25	.957	.479	2.73	5.77	3	5
12th Grade	17	2.94	1.819	.441	2.01	3.88	1	6
Degree	75	3.04	1.688	.195	2.65	3.43	1	6
Postgraduate	12	2.75	1.765	.509	1.63	3.87	1	6
Total	108	3.04	1.696	.163	2.71	3.36	1	6

Table 2

Test of Variance Homogeneity

		Levene Statistic	df1	df2	Sig.
How would you rate the quality of banking services you currently use?	Based on Mean	1.760	3	104	.159
	Based on Median	.612	3	104	.609
	Based on Median and with adjusted df	.612	3	89.596	.609
	Based on trimmed mean	1.863	3	104	.140

To ascertain if there are homogeneity differences in the independent variable between the groups, Levene's Test of Homogeneity of Variances is used (Educational Qualification). It is clear from the preceding table such that there is homogeneity among groups because P value (0.159) above the threshold of significance (0.05) as shown in Table 2.

Table 3
ANOVA

Quality of banking services						
	Sum Squares	of	df	Mean Square	F	Sig.
Between Groups	7.031		3	2.344	.810	.491
Within Groups	300.821		104	2.893		
Total	307.852		107			

As shown in Table 3 the problem's p value (sig.), which is more than the degree of importance of 0.05, is 0.491. The null hypothesis cannot be ruled out due to a lack of sufficient evidence. This indicates that the respondents' educational background has no bearing on how highly they rate the quality of banking services.

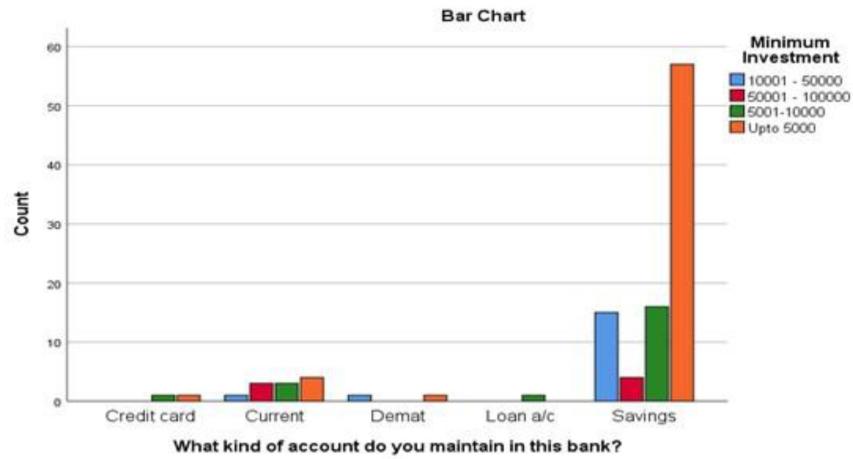

Figure 1
Tangibility

This Bar graph shows type of accounts of the respondents in respect to the minimum investment they made as shown in Figure 1.

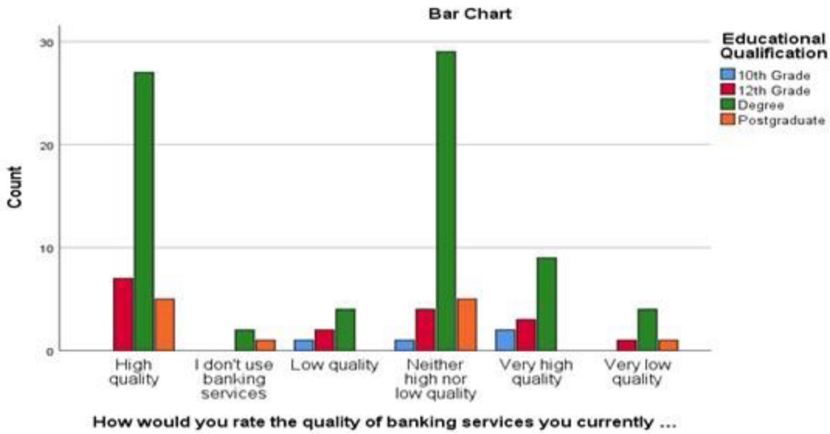

Figure 2

Reliability

This Bar graph shows the Rating of the quality of banking services in respect to the educational qualification of the respondents as shown in Figure 2.

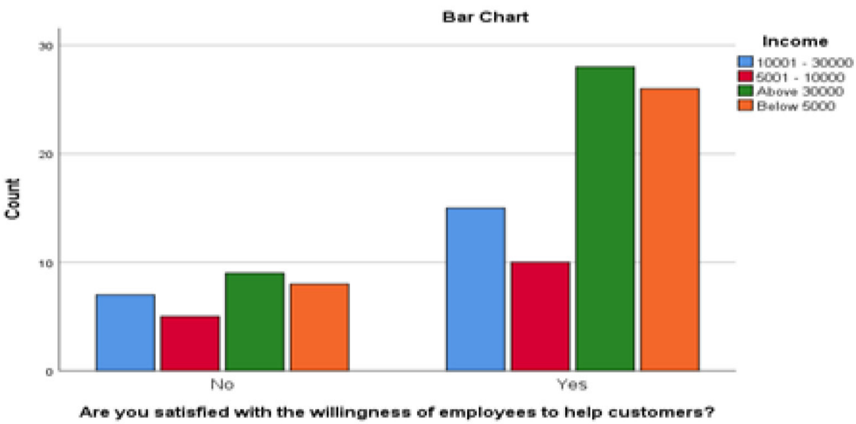

Figure 3

Responsiveness

This Bar graph shows the willingness of employees to help customers in respect to the income of the respondents as shown in Figure 3.

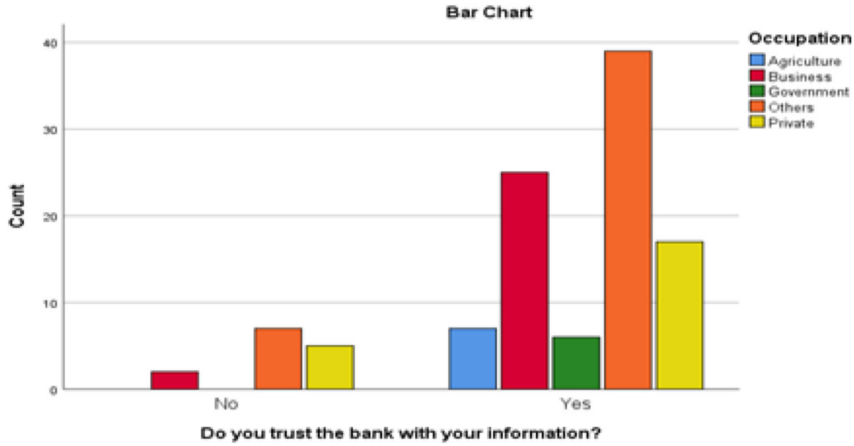

Figure 4

Assurance

This bar graph shows if we can trust the bank with our information with respect to the occupation of the respondents as shown in Figure 4.

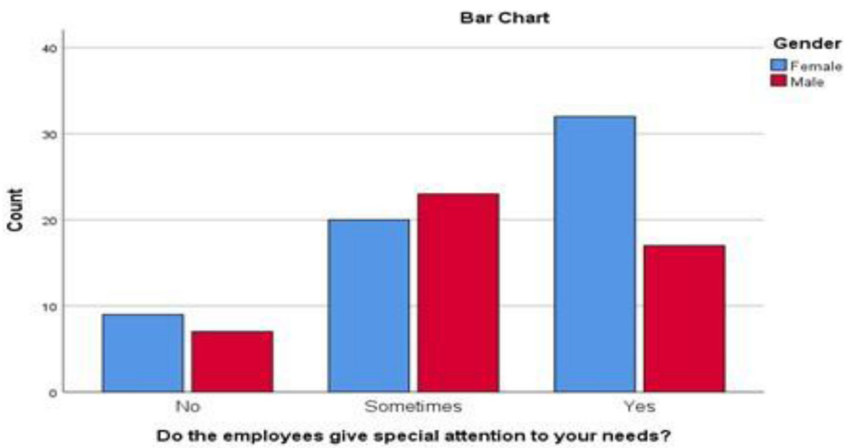

Figure 5

Empathy

This bar graph shows if the employees give special attention to our needs with respect to the gender of the respondents as shown in Figure 5.

Table 4

Summary of results

S.no	Hypothesis & relationship	Test	P value	significance e value	Verification Results
1	H02: Account type and tangibility don't significantly affect one another.	The Chi-square	0.129	0.05	Accept H0
2	H03: Reliability and the caliber of financial services are not significantly correlated.	The Chi-square	0.450	0.05	Accept H0
3	H04: There is no discernible connection between employees' eagerness to assist and responsiveness.	The Chi-square	0.823	0.05	Accept H0
4	H05: There is nothing noteworthy relationship between assurance and banking information.	The Chi-square	0.315	0.05	Accept H0
5	H06: There is nothing noteworthy relationship between needs and empathy.	The Chi-square	0.193	0.05	Accept H0

V. Interpretations & Discussions

H02 - depicts the tabulation of accounts and tangibility in the banking sector. Given that the p value is 0.129 is more than the threshold of significance (0.05), the null hypothesis cannot be disproved. Consequently, it may be said that the types of accounts in SBI are independent of tangibility as shown in Table 4.

H03 - shows the tabulation of quality and reliability in the banking sector. Because the null hypothesis is true since the p value of 0.450 above the threshold of significance (0.05) cannot be disproved. Consequently, it may be said that the quality of banking services in SBI is independent of reliability.

H04 - shows the tabulation of satisfaction and responsiveness in the banking sector. The null hypothesis cannot be denied since it is supported by the fact that the significance is greater than the p value threshold (0.05). As a result, it can be claimed that responsiveness is unrelated to consumer satisfaction with personnel services at SBI.

H05 - shows the tabulation of trust and assurance in banking sector. The significance is greater than the p value. threshold (0.05), which means that the null hypothesis is accepted and cannot be refuted. Consequently, it may be said that the trust of customers in SBI is separate from assurance.

H06 - displays a table of need and empathy in banking sector. Because p value is greater than significance threshold (0.05), which indicates that the null hypothesis is supported, it cannot be refuted. Consequently, it may be said that the needs of customers in SBI are independent of empathy.

VI. Conclusion

This study investigates the effects of customer service quality perception and issues in SBI by utilising the SERVQUAL Model. A total of 100+ people were surveyed on a convenient basis for the above purpose. Descriptive Statistics, Homogeneity of Variances, ANOVA, Chi - Square are carried out. When banks can suit the demands of their clients, they make a name for themselves in a improved level of market competition. The study's primary conclusions demonstrated that the Type of Account and Tangibility, Quality of Banking Services and Reliability, Willingness of Employees to help and Responsiveness, Banking Information and Assurance, Needs and Empathy are weakly associated with one another. Providing consumers with high-quality services that raise their level of satisfaction is crucial for banks. However, inadequate and subpar services decrease client interest in the banking industry. Therefore, it can be inferred that there is a connection between customer happiness and the sense of service quality.

References

[1] Mbama, C. I., & Ezepue, P. O., Digital banking, customer experience and bank financial performance: UK customers' perceptions. *International Journal of Bank Marketing* (2018).

[2] Zameer, H., Tara, A., Kausar, U., & Mohsin, A., Impact of service quality, corporate image and customer satisfaction towards customers' perceived value in the banking sector in Pakistan. *International Journal of Bank Marketing*, 33(4), 442-456 (2015).

[3] Ivanauskienė, N., Auruškevičienė, V., Škudienė, V., & Nedzinskas, Š., Customer perceptions of value: case of retail banking. *Organizations and Markets in Emerging Economies*, 3, 75-88 (2012).

[4] Tam, J. L., An integrative model of customer perception, service quality, and perceived value 20(78), 897-917 (2004). *Journal of Marketing Management.*

[5] Jover, A. V., F. J. L. Montes and L. M. M. Fernandez. factors that affect the relationship between thorough quality management and good organisational performance. *International Journal of Quality and Reliability Management*, 20(2), 189–209 (2003).

[6] J. J. Cronin Jr. and S. A. Taylor. Reconsidering and extending the concept of service quality measurement. 55–68 in *Journal of Marketing*, 56(3) (1992).

[7] K. Teas. consumer perceptions of quality, performance evaluation, and expectations. *Marketing Journal*, 57(4), 18-34 (1993).

[8] N. Bolton, J. H. Drew. a long-term examination of how consumer sentiments are affected by service modifications. 55(1), 1–9 in *Journal of Marketing* (1991).

[9] K. Jain and Gupta. SERVQUAL vs. SERVPERF scales for evaluating service quality. 29(2) of Vikalpa, 25–38 (2004).

[10] Swan, J. E., McCleary, K. J., and P. Asubonteng. A revisited SERVQUAL review of service quality. *Marketing of Services Journal* (1996).

[11] Chen, Y. K., & Hsieh, T., A study of the relationship among experiential marketing, experiential value and customer satisfaction. *Journal of Statistics and Management Systems*, 13(6), 1283-1303 (2010).

[12] Donbosco, B., & Malarvizhi, R., A study of customer perception towards online shopping with special reference to Tambaram. *Journal of Statistics and Management Systems*, 25(5), 1255-1262 (2022).

[13] Sannegadu, R., Batra, B., Juwaheer, T. D., & Pudaruth, S., Impact of perceived value on the adoption of contactless mobile payments in small island developing states (SIDS): A study on emerging payments systems from Mauritius. *Journal of Statistics and Management Systems*, 25(7), 1709-1725 (2022).

[14] Wu, M. Y., & Liao, S. C., Consumers' behavioral intention to use internet shopping: an integrated model of TAM and TRA. *Journal of Statistics and Management Systems*, 14(2), 375-392 (2011).

[15] Renganathan, R., Balachandran, S., & Govindarajan, K., Customer perception towards banking sector: Structural equation modeling approach. *African Journal of Business Management*, 6(46), 11426-11436 (2012).

[16] Muyeed, M. A., Customer perception on service quality in retail banking in developing countries-a case study. *International Journal of Marketing Studies*, 4(1), 116 (2012).

[17] Vasanthakumari, H., & Sheela Rani, S., Customer Perception of Service Quality in the Retail Banking Sector". *European Journal of Business and Management*, 3(3), 299-306 (2011).

[18] Zephaniah, C. O., Ogba, I. E., & Izogo, E. E., Examining the effect of customers' perception of bank marketing communication on customer loyalty. *Scientific African*, 8, e00383 (2020).

[19] Omar, A., Sultan, N., Zaman, K., Bibi, N., Wajid, A., & Khan, K., Customer perception towards online banking services: Empirical evidence from Pakistan. *Journal of Internet Banking and Commerce,* 16(2) (2011).

[20] Paudel, U. R., Parajuli, S., Devkota, N., & Mahapatra, S. K., What Determines Customers'perception of Banking Communication? An Empirical Evidence from Commercial Banks of Nepal. *Global Economy Journal*, 20(04), 1-21 (2020).

[21] Roig, J. C. F., Garcia, J. S., Tena, M. A. M., & Monzonis, J. L., Customer perceived value in banking services. *International Journal of Bank Marketing*, 24(5), 266-283 (2006).

[22] Abor, J., Technological innovations and banking in Ghana: an evaluation of customers' perceptions. *IFE Psychologia: An International Journal*, 13(1), 170-187 (2005).

[23] Hossain, M., & Leo, S., Customer perception on service quality in retail banking in Middle East: the case of Qatar. *International Journal of Islamic and Middle Eastern Finance and Management* (2009).

[24] Ladhari, R., Ladhari, I., & Morales, M., Bank service quality: comparing Canadian and Tunisian customer perceptions. *International Journal of Bank Marketing*, 29(3), 224-246 (2011).

[25] Singhal, D., & Padhmanabhan, V., A study on customer perception towards internet banking: Identifying major contributing factors. *Journal of Nepalese Business Studies*, 5(1), 101-111.

[26] Sureshchandar, G. S., Rajendran, C., & Anantharaman, R. N., Customer perceptions of service quality in the banking sector of a developing economy: a critical analysis. *International Journal of Bank Marketing*, 21(5), 233-242 (2003).