

**FINANCIAL SERVICES MARKETING:  
A STUDY ON MARKETING PRACTICES OF  
BANKS IN KERALA ON SERVICE QUALITY  
DIMENSIONS**

*Thesis submitted in partial fulfillment  
of the requirements for the degree of*  
**DOCTOR OF PHILOSOPHY**  
*in*  
**COMMERCE**

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**DEPARTMENT OF COMMERCE AND MANAGEMENT STUDIES  
UNIVERSITY OF CALICUT  
2007**

DEPARTMENT OF COMMERCE AND MANAGEMENT STUDIES

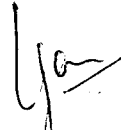
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*C E R T I F I C A T E*

I, Dr. V.K. Janardhanan, do hereby certify that this thesis entitled "*Financial Services marketing: A study on Marketing practices of banks in Kerala on Service quality dimensions*" is a record of bonafide study and research carried out by Kalidas. M.G. under my supervision and guidance.



  
Dr. V.K. Janardhanan  
(Supervising teacher)

## DECLARATION

I, Kalidas. M.G, hereby declare that this thesis "*Financial Services marketing: A study on Marketing practices of banks in Kerala on Service quality dimensions*" has not been submitted by me for any award of degree or diploma in this or any other University.

Calicut University  
12<sup>th</sup> September, 2007



Kalidas. M.G

*Dedicated to...*

*My Parents and Gurus*

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# CONTENTS

LIST OF TABLES

LIST OF FIGURES

<b>Chapter</b>	<b>Topic</b>	<b>Page No.</b>
I	INTRODUCTION AND METHODOLOGY	1-31
II	BANKING SERVICES SECTOR IN KERALA – AN OVERVIEW	32 - 42
III	REVIEW OF LITERATURE	43 - 78
IV	SERVICE QUALITY – THEORETICAL OVERVIEW	79 - 99
V	AWARENESS LEVEL, REASONS AND PROBLEMS ETC., OF CUSTOMERS OF BANKS	100 - 136
VI	SERVICE QUALITY PERCEPTION OF BANKS	137 - 273
VII	SUMMARY, FINDINGS AND SUGGESTIONS	274 - 311
	BIBLIOGRAPHY	312 - 324
	APPENDICES	

## LIST OF TABLES

Table No	Topic	Page No
1.1.	Bank's category wise market share in different years (in percentage)	4
1.2	Details of number of branches and aggregate deposits	10
1.3	Comparison of paper based and electronic transaction in different years	12
1.4	Results of Reliability test	26
2.1	Growth of scheduled commercial bank branches in Kerala and in India	33
2.2	Bank category wise growth of deposit in Kerala	35
2.3	Bank category wise growth of Advance in Kerala	38
2.4	Sector wise CD ratio of banks in Kerala during the period 1996-2006	41
5.1	Bank wise mean scores of factors considered for opening a bank account	102
5.2	Results of one – way ANOVA among banks and factors considered for opening a bank account	103
5.3	District wise mean scores of considered for operating a bank account	105
5.4	Results of One-way ANOVA between districts and factors considered for opening a bank account	106
5.5	Region wise mean scores of factors considered for opening a bank account	108
5.6	Results of One-way ANOVA between regions and factors considered for opening a bank account	109
5.7	Bank wise details of problems faced by respondents	111
5.8	District wise details of problems faced by respondents	112

5.9	Bank wise number of respondents and sources of information	115
5.10	Bank wise number of respondents and most important source of information	116
5.11	District wise number of respondents and sources of information	117
5.12	Bank and district wise number of respondents and most important source of information	118
5.13	Bank wise mean scores of customer awareness programs	120
5.14	Result of one-way ANOVA on customer general awareness level among banks	121
5.15	District wise mean scores of customer general awareness level	122
5.16	Result of one – way ANOVA between districts and general awareness level of customers	122
5.17	Bank wise number of respondents and knowledge perception level	124
5.18	Result of One way ANOVA between banks and knowledge levels	125
5.19	District wise number of respondents and knowledge perception levels	127
5.20	Result of one-way ANOVA between districts on knowledge perception level	128
5.21	Bank wise mean scores of usage of value added services	129
5.22	Result of one-way ANOVA among banks on usage of value added services	130
5.23	District wise mean scores of usage of value added services	131
5.24	Result of one-way ANOVA between districts and usage of value added services	132
5.25	Region wise mean scores of usage of value added services	134
5.26	Result of One-way ANOVA between regions and usage of value added services	135

6.1	Bank wise Perception level of respondents on Reliability dimension	140
6.2	Results of one way ANOVA on perception level of reliability dimension between banks.	142
6.3	Results of Post-Hoc test on perception level of Reliability dimension between banks.	143
6.4	Bank category wise Perception level of respondents on reliability dimension	144
6.5	Result of independent samples t-test on perception level of reliability dimension – bank category wise	145
6.6	Category and district wise perception level of respondents on reliability dimension	145
6.7	Result of Univariate test between districts of respondents and their perception level of reliability dimension	146
6.8	Category and Region wise perception level of respondents on Reliability dimension.	147
6.9	Result of Univariate test between Category and Region wise perception level of Reliability dimension	148
6.10	Category and age group wise perception level of respondents on reliability dimension	150
6.11	Result of Univariate test between category wise age groups of respondents and perception level of reliability dimension	151
6.12	Category and gender wise perception level of respondents on reliability dimension	152
6.13	Result of univariate test between category wise gender difference of respondents and their perception level of reliability dimension	153
6.14	Category and Education status wise perception level of respondents on reliability dimension	154
6.15	Result of univariate test between category wise education status of respondents and their perception level of reliability dimension	155
6.16	Category and Occupation status wise perception level of respondents on reliability dimension	156

6.17	Result of Univariate test between category wise occupation status of respondents and their perception level on reliability dimension	158
6.18	Category and income level of wise perception level of respondents on reliability dimension.	159
6.19	Result of Univariate test between category wise income level of respondents and their perception level on reliability dimension	160
6.20	Over-all bank wise perception level of Responsiveness dimension	162
6.21	Result of ANOVA on perception level of responsiveness dimension among banks	164
6.22	Result of Post Hoc on perception level of responsiveness dimension among banks	165
6.23	Category wise perception level of responsiveness dimension	166
6.24	Result of Independent samples t-test on category wise perception level of responsiveness dimension.	167
6.25	Category and district wise perception level of respondents on responsiveness dimension	168
6.26	Result of Univariate test on district wise perception level of responsiveness dimension	169
6.27	Category and region wise perception level of respondents on responsiveness dimension.	170
6.28	Result of Univariate test between category and region wise perception level on responsiveness dimension.	171
6.29	Category and age group wise perception level of respondents on responsiveness dimension	172
6.30	Result of Univariate test between category wise age group of respondents and perception level of responsiveness dimension	173
6.31	Category and gender wise perception level of respondents on responsiveness dimension	174
6.32	Result of Univariate test between category wise gender difference and perception level on responsiveness dimension	175

6.33	Category and Education status wise perception level of respondents on responsiveness dimension	176
6.34	Result of Univariate test between category wise education status and perception level on responsiveness dimension	177
6.35	Category and Occupation wise perception level of respondents on responsiveness dimension	179
6.36	Result of Univariate test between category and occupation status wise perception level on responsiveness dimension	180
6.37	Category and income level wise perception level of respondents on responsiveness dimension	181
6.38	Result of Univariate test between category wise income levels and perception level on responsiveness dimension	182
6.39	Bank wise perception level of respondents on Assurance dimension	184
6.40	Result of one-way ANOVA between banks and perception level of respondents on assurance dimension	186
6.41	Result of Post-hoc test between banks and perception level on Assurance dimension.	187
6.42	Category wise perception level of respondents on Assurance dimension	188
6.43	Result of Independent samples t-test on category wise perception level of Assurance dimension	189
6.44	Category and district wise perception level of respondents on Assurance dimension	190
6.45	Result of univariate test in district wise perception level of Assurance dimension	191
6.46	Category and Region wise perception level of respondents on Assurance dimension	192
6.47	Result of Univariate test on region wise perception level of Assurance dimension	193
6.48	Category and Age group wise perception level of respondents on Assurance dimension	194

6.49	Result of Univariate test between category wise age groups and perception level of Assurance dimension	195
6.50	Category and gender wise perception level of respondents on Assurance dimension	196
6.51	Result of Univariate test between category wise gender difference of respondents and perception level on Assurance dimension	197
6.52	Category and Education status wise perception level of respondents on Assurance dimension	198
6.53	Result of Univariate test between category wise education status and perception level of Assurance dimension	199
6.54	Category and occupation status wise perception level of respondents on Assurance dimension	201
6.55	Result of Univariate test between category wise occupation status and perception level on Assurance dimension	202
6.56	Category and Income level wise perception level of respondents on Assurance dimension	203
6.57	Result of Univariate test between category wise income level and perception level on Assurance dimension	205
6.58	Bank wise perception level of respondents on Empathy dimension	207
6.59	Result of one –way ANOVA between Banks and perception level on Empathy dimension	209
6.60	Result of Post-Hoc test on perception level of empathy dimension among banks	210
6.61	Category wise perception level of respondents on Empathy dimension	211
6.62	Result of Independent samples t-test between category wise perception level of Empathy dimension	212
6.63	Category and district wise perception level of respondents on Empathy dimension	213
6.64	Result of Univariate test on district wise perception level of Empathy dimension	214

6.65	category and Region wise perception level of respondents on Empathy dimension	214
6.66	Result of Univariate test between Region wise perception level on Empathy dimension	215
6.67	Category and Age group wise perception level of respondents on Empathy dimension	216
6.68	Result of Univariate test between category wise age groups and perception level on Empathy dimension	218
6.69	Category and gender wise perception level of respondents on Empathy dimension	219
6.70	Result of Univariate test between category wise gender difference and perception level on Empathy dimension	220
6.71	Category and Education status wise perception level of respondents on Empathy dimension	221
6.72	Result of Univariate test between category wise education status and perception level on Empathy dimension.	222
6.73	Category and occupation status wise perception level of respondents on Empathy dimension	223
6.74	Result of Univariate test between category wise occupation status and perception level on Empathy dimension	224
6.75	Category and Family income wise perception level of respondents on Empathy dimension	225
6.76	Result of Univariate test between category wise income level and perception level on Empathy dimension	227
6.77	Bank wise perception level of respondents on Tangibility dimension	229
6.78	Result of one-way ANOVA between banks and perception level of Tangibility dimension	231
6.79	Result of Post-Hoc test on perception level of Tangibility dimension among banks.	232
6.80	Category wise perception level of respondents on Tangibility dimension	233

6.81	Result of Independent samples t-test between category and perception level on Tangibility dimension	234
6.82	Category and District wise perception level of respondents on Tangibility dimension.	235
6.83	Results of Univariate test between category wise districts and perception level on Tangibility dimension	236
6.84	Category and Region wise perception level of respondents on Tangibility dimensions	237
6.85	Result of Univariate test between category wise region and perception level on Tangibility dimension	238
6.86	Category and Age group wise perception level of respondents on Tangibility dimension	239
6.87	Result of Univariate test between category wise age groups and perception level in Tangibility dimension	240
6.88	Category and gender difference wise perception level of respondents on Tangibility dimension	241
6.89	Result of Univariate test between category wise gender difference and perception level on Tangibility dimension	242
6.90	Category and Education status wise perception level of respondents on Tangibility dimension	243
6.91	Result of Univariate test between category wise education status and perception level of respondents	245
6.92	Category and occupation wise perception level of respondents on Tangibility dimension	246
6.93	Result of Univariate test between category wise occupation status and perception level on Tangibility dimension	247
6.94	Category and Income level wise perception level of respondents on Tangibility dimension	248
6.95	Result of Univariate test between category wise income levels of respondents and perception level on Tangibility dimension	250
6.96	Bank wise perception level of respondents on Total Service Quality	252
6.97	Result of One-way ANOVA between banks and Total Service Quality perception	254
6.98	Result of Post-Hoc test among banks on Total Service Quality perception	255

6.99	Category wise Total Quality Perception	256
6.100	Result of Independent samples t-test on category wise total service quality perception	257
6.101	Category and district wise total service quality perception	257
6.102	Result of Univariate test between category wise districts and total service quality perception	258
6.103	Category and Region wise total service quality perception	259
6.104	Result of Univariate test between category wise regions and total service quality perception	260
6.105	Category wise age groups of respondents and their total service quality perception	261
6.106	Result of Univariate test between category wise age groups and total service quality perception	262
6.107	Category wise gender difference and total service quality perception	263
6.108	Result of Univariate test between category wise gender difference and total service quality perception	264
6.109	Category and Education status wise Total Service Quality perception	265
6.110	Result of Univariate test between category and education status wise total service quality perception	266
6.111	Category and Occupation status wise total service quality perception level	268
6.112	Result of Univariate test between category and occupation status wise total service quality perception	269
6.113	Category and Income level wise total service quality perception	271
6.114	Result of Univariate test between category and income level wise total service quality perception	272
7.1	Status of null hypotheses – I	276
7.2	Status of null hypotheses – II	278

## LIST OF FIGURES

Figure No	Topic	Page No
1.1.	Flow chart showing sample selection process and distribution of sample size	24
2.1	Figure showing bank category wise market share of deposit in Kerala in various years.	36
2.2	Figure showing bank category wise market share of Advances in Kerala in various years.	39
4.1	Expectation level of customer	89
4.2	Relation of Service quality dimensions to service quality perception	92
4.3	Gap analysis model of service quality	96
6.1	Correspondence analysis map representing perception level on reliability dimension of all selected banks.	141
6.2	Correspondence analysis representing perception level on responsiveness dimension of all selected banks	163
6.3	Correspondence analysis map representing perception level on assurance dimension of all selected banks	185
6.4	Correspondence analysis map representing perception level on empathy dimension of all selected banks	208
6.5	Correspondence analysis map representing perception level on tangibility dimension of all selected banks	230
6.6	Correspondence analysis map representing perception level on total service quality of all selected banks	253
7.1	Model showing Total Service Quality for Banks (TSQBs)	305
7.2	Total Service Quality Measurement Model for Banks (TSQBM)	309

## Chapter I

# INTRODUCTION AND METHODOLOGY

- ⇔ *Introduction*
- ⇔ *Market oriented approach in Indian Banking*
- ⇔ *Significance of the study*
- ⇔ *Statement of problem*
- ⇔ *Objectives*
- ⇔ *Variables under the study*
- ⇔ *Hypotheses*
- ⇔ *Methodology*
- ⇔ *Research design*

## **1.1. Introduction**

Banking services sector is one of the major segments in Indian economy and is growing rapidly. Its contribution with the service industry to the Gross Domestic product (GDP) of the nation has been increased from 2.78% rate in 1980-81 to 6.81% in 2003-04.<sup>1</sup> This sector of the Indian economy recorded an annual growth rate of 10.3 percent during 2005-06.<sup>2</sup> The financial sector reforms and policies implemented by the government of India and Reserve Bank of India since 1991 has resulted in high rate of growth. A significant feature of the policy is the shift in the government and Reserve Bank of India's role from micro-regulation to the macro regulation of the financial sector. After that this sector has witnessed tremendous changes viz., massive expansion of the foreign and new generation banks, tough competition, increased importance of customers and their attitude or behaviour, innovations in products, technology, aggressive promotion etc. Also, the terms or concepts like quality, satisfaction, loyalty etc., got greater importance in the present Indian banking services market.

## **1.2. Market Oriented Approach in Indian Banking**

Modern banking started in India during the 18<sup>th</sup> century by the incorporation of the General Bank of India in the year 1786<sup>3</sup>. After that, number of banks were started banking business. The emergence of Imperial Bank of India in the year 1921, by amalgamating Bank of Bengal, The Bank of Bombay and the Bank of Madras, has a great historical importance in the Indian banking history. Later it was renamed as the State Bank of India (SBI) in the year 1955 and formed its seven Associate banks in the year 1959. Another historic step taken by the then rulers of British India was the introduction of Reserve Bank of India (RBI) as a Central Bank in the year 1935.

After independence of India, Government of India nationalised the Reserve Bank of India. It happened in the year 1949. During this period banks used traditional approaches in developing and distributing banking products. At that time both customers and products were un important and banks gave more emphasis on their financial interest. The attitude of banks towards customers was just like “take it or leave it” approach. Because of these reasons it failed to obtain the public confidence and it led to failure of banks. To overcome these situations government of India enacted the Banking Regulation Act in the year 1949, and has taken steps for nationalisation of major banks.

After nationalisation of 14 major commercial banks in 1969, the role of banks were redefined. Public sector banks (PSBs) went in for phenomenal branch expansion to cover every nook and corner of the country. They achieved a commanding height in banking during this period and seemed a gradual shift in their focus towards marketing products. The first major steps in this direction was initiated by State Bank of India in 1971.<sup>4</sup> During the post nationalisation era, banks used 'mass marketing' technique and adopted 'selling concept' to sell their products. The aim of the selling concept is to sell what they make rather than make what the market wants.<sup>5</sup> However, public sector banks had faced deficiencies and it reflected in the decline of productivity and efficiency. It was because of the apathy of the bank staff towards developmental activities and increased customer dissatisfaction.

Till 1990, the banking services sector didn't accept fully, the marketing philosophy as a corporate philosophy. Though India has the largest network of bank branches in the world, innovative banking remained years behind the developments of the new world of banking. But after the implementation of liberalisation policies and reforms in financial sector, things were changed dynamically. Banks realised the need of aggressive marketing and had taken steps for the implementation of the same. Major changes witnessed, after the implementation of policies were, adoption of prudential norms, asset classification, capital adequacy requirements, entry of new private and foreign banks, deregulation of interest rates structure etc. As a result of these,

emerged tough competition in the market mainly between public and new generation private banks. The impact of this tough competition can be seen in their market share. It shows a decreasing trend in the case of public sector banks and it was decreased from 85% in 1995 to 73,14% in 2006. Table 1.1. explain it in detail.

**Table 1.1.**

**Bank's category wise market share in different years (in percentage)**

Category	Year			
	1995	2000	2003	2006
Public sector	85	76	71	73.14
Old private	05	07	07	5.44
New private	00	05	12	15.06

Source: *Report on Trends & progress of Indian banks, 2004-05, 05-06.*  
[Iba.org.in/sme.asp](http://Iba.org.in/sme.asp)

In this environment, emerged the performance and efficiency issues as the touch stone of success. Banks started developing the niche market segments, especially in the Urban and Metropolitan areas, where the competition between the banks is fierce and keen. They also started to practice product differentiation and introduced a number of new products with advanced technology adoption. There was a shift in their strategy viz., from market oriented strategy to customer oriented strategy. This shift was from the

realization of the slogan ‘ Customer is the King’, as realized by other sectors of Indian economy very early. They also realized the significance of maintaining quality of services - in its development, delivery - and customer satisfaction and the direct relation of these two to their performance and efficiency. Important factors that lead banks to these realizations are the features of present Indian banking services market like new financial reforms and policies, competition, technology adoption, change in the customer attitude etc. The study conducted by Raheem, A. Abdul, 2005<sup>6</sup> is apparent to this.

In this scenario, an analysis of the intensity of relation between these factors and service quality in the Indian banking services market and in Kerala banking service market in particular has an immense importance.

### **1.2.1. Indian Experience**

#### ***a) Financial sector reforms and policies:***

In India the process of banking sector reforms begun in July 1991 triggered by a balance of payment crisis. It aimed to create an efficient and profitable financial services industry operate in the environment of operating flexibility and functional autonomy. A special emphasis was given to building up the risk management capabilities of the Indian banks. In this context, the Narsimham committee and its recommendations assumes significance. The committee was constituted to consider the relevant aspects of the structure,

organisation, function, and procedures of the financial system. It submitted its first phase of report in the year 1991. The main elements of the first phase of framework of reforms relate to capital adequacy, accounting policies, structure, procedures, regulation, supervision and legislative measures.

The second phase of the Narsimham committee was exclusively related to banking sector. This phase of the report came out in the year 1998. The efforts through second phase of reform related to enhance the ability of banks to meet the challenges of competition and to meet the requirements of an expanding economy. The main elements of recommended framework are given below.<sup>7</sup>

- With regard to capital adequacy, committee has recommended that capital adequacy requirements should take into account market risk in addition to the credit risk. The minimum capital to risk weighted assets ratio should be increased to 10 percent from its present level of eight percent in a phased manner.
- The level of NPAs of banks should be reduced to three percent. It is zero to banks with international presence.
- With regard to prudential norms and disclosure requirements committee recommended that the maturity pattern of assets/ liabilities, foreign currency assets/ liabilities, movements in provision accounts and NPAs should be disclosed.

- Banks should pay attention to asset liability management to avoid mismatch and to cover liquidity and interest rate risks.
- Banks should bring out revised operational manuals and update them regularly, keeping in mind the emerging needs with a view to promoting good customer service.
- Committee listed out a series of implementation steps for achieving rapid induction of information technology in the banking system.

Also, the committee recommended series of guidelines in regulation, supervision, legal and legislative areas of banking sector. The implementation of several recommendations of Narsimham committee I and II changed the Indian banking sector dramatically. Major reforms and policies implemented by the Reserve Bank of India and Government of India are pointed out below.<sup>8</sup>

- One of the most important policy initiative taken to strengthen the financial institutions was the introduction of prudential norms in the areas capital adequacy, income recognition, asset classification and provisioning, exposure norms, disclosures, risk management and asset liability management.
- The capital to Risk-weighted Assets Ratio (CRAR) system, suggested by the Narasimham Committee and Basels committee introduced in April 1992 and capital charge for market risk introduced from the year

ended March 31, 2005. Initially the CRAR was 8% and was raised to 9% with at least 50% of tier I capital.

- To enhance competition in this field, granted, operational autonomy to public sector banks and reduction of government stake in public sector banks to 49%. The Banking Companies (Acquisition and Transfer of undertakings) Act 1969 and the state Bank of India Act, 1955 were amended to allow banks to raise capital not exceeding 49% of their paid up equity capital.
- Set up norms, that led to the entry of private sector, foreign and joint venture banks and permitted Foreign Direct Investment (FDI) and Foreign Institutional Investment (FII) in the banking services sector.
- Another major reform was related to legal measures such as setting up of Lok Adalats, Debt recovery tribunals, asset reconstruction companies etc. Besides these, the Parliament enacted or amended number of Acts. It enacted the Credit Information Companies (Regulation) Act 2005 etc., and amended the securitisation and Reconstruction of Financial Assets and Enforcement of security Interest Act 2002 (SARFAESI). The Recovery of Debts due to Banks and Financial Institutions Act 1993, The Companies Act 1956 etc.
- As a supervisory measure, Reserve Bank of India introduced the Board for Financial Supervision as the apex supervisory authority for

commercial banks and NBFCs. It also introduced CAMELs (Capital adequacy, Asset quality, Management, Earnings, Liquidity and Systems and controls) supervisory rating system to summarise those functions and business relating to banking.

- Reserve Bank of India instituted Banking Ombudsman scheme with an objective to create a forum for the speedy redressal of customers' grievances and to facilitate the settlement of such grievances.
- Constituted number of committees viz., Narasimham Committee, Verma Committee, Vyas Committee, Ganguly working group etc., to recommend changes in different areas of Banking Services Sector in India.
- Reserve Bank of India released the financial sector technology vision document in the year 2005. It provided a broad overview of the thrust areas of the direction provided by the Reserve Bank in respect of Income Tax for the financial sector for more than two decades and sets out a road map for 2005-08.

Besides these reform measures Reserve Bank of India released number of guidelines and policies to enhance Indian bank's efficiency and competitiveness to the International Standards.

### ***b) Competition***

As a result of the deregulation of banking sector, new players- new private and foreign banks were entered into the Indian banking services market. The entry of these banks revamped the rules of banking in the country. The new private banks have grown tremendously over the last decade and captured about 20% of the market, which was zero in 1995.<sup>9</sup> A corresponding erosion in the market share of public sector banks (from 85% in 1995 to 73.14% in 2005) has also been witnessed.

One of the major indication of “competition is prevailing in the market” is the present trend of mergers, consolidation etc. Big banks are absorbing small banks to become more big so that they can perform better with the increased capital base. During the period 1990-2005, about 18 banks mergers have been taken place in Indian banking service sector.<sup>10</sup> (refer appendix 4 for details). As this, there is a significant increase in the total number of branches operating in India and in the aggregate deposit in banks. The details are given in table 1.2.

**Table 1.2**

**Details of number of branches and aggregate deposits**

<b>Year</b>	<b>No.of bank offices</b>	<b>Aggregate deposits in Crore</b>
June 1969	8262	4646
March 2000	67868	851593
March 2005	70373	1700198
March 2006	71177	2109049

Source: *Report on trends and progress of banking in India, 2004-05,05-06.*

But the number of branches opened in the rural areas is comparatively not significant except public sector banks. Now public sector banks have 40% of their total number of branches in rural areas which was 10% during the year 1964.<sup>11</sup> By this wide spread of banks' branches, customers get banking services at their most convenient places.

### *c) Technology*

Technology leveraging by Indian banks had made tremendous impact on the quality of services delivered by banks and their customer's satisfaction levels. In the initial stage, Indian banks had struggled a lot for the introduction of computers in the past as it was held that machines are competitive to men and their increased use may deter the employment potential. After that environment had been changed and banks went for rapid computerisation of their branches and now it stands at the adoption of core banking system and e-banking system. Now, among the public sector bank branches 77.5% of their branches are either fully computerised or under core banking application systems and 100% in the case of new generation banks and foreign banks.<sup>12</sup> Banks used technology to create multiple delivery channels such as automated teller machines (ATMs), Internet banking, mobile banking and so on. As per the statistics on March 2006, public sector banks have 12984 ATMs, new private banks have 6112 ATMs and foreign banks have 880 ATMs, respectively.<sup>13</sup>

Another evidence of degree of technology adoption in the banking sector is the increasing trend in the electronic transaction both in volume and value. Table 1.3 shows it in detail.

**Table 1.3**  
**Comparison of paper based and electronic transaction in different years**

Year	Paper based		Electronic transaction	
	Volume in lakhs (numbers)	Value in crore (rupees)	Volume in lakhs (numbers)	Value in crore (rupees)
2002 - 03	10139	13424313	1730	37536
2003 - 04	10228	11595960	2152	67461
2004 - 05	11671	10120716	4200	4221153
2005 - 06	12895	11337062	11300	11884429

Source: *Report on Trends & Progress of banking in India, 05-06.*

The above table shows the intensity of technology adoption and increased technology savvy of customers.

#### ***d) Consumer's attitude***

In the pre-liberalisation era customer's expectations have no value because of the sellers market prevailing during that time. After 1990 the expectations of the consumer have been growing and customer loyalty has been diminishing. Different classes of customers have different expectations from their banks. As a result of this, banks started to segment their customers as corporate, institutional clients, high net worth individuals and retail

customers. Also, the retail customer segment again sub- divided on the basis of their demographic features like income, occupation etc. Corporates expect excellent cash management services from banks while high net worth individuals expect personalised services. Also, most of these customers are technology savvy and are becoming more quality conscious. To satisfy these different segments banks are developing innovative and modified products and services suitable to customer's expectations. They re- engineered their business process in order to get customer convenience more care. As a result of these changes, banks now offer diversified services through multi delivery channels like credit cards, debit cards, ATMs, e-banking etc., to run in tune with customer expectations. Besides these, services at the door steps has been the latest innovation in this sector.

So as a result of these factors – Government policies, competition, change in taste of customers etc., service quality has got higher importance in all areas of banking services viz., service development, service process and service delivery stages. Banks started focusing on promptness, timeliness, personalized services, more infrastructure facilities, liberalised procedures for banking etc., to increase their quality of service to the level of expectation of customer to satisfy them.

Besides, growing importance of service quality compelled banks to change their marketing strategy to incorporate internal marketing in addition to the external marketing practices. By this they are trying to deliver quality

services to customers through a satisfied group of employees. So, in brief, the increased significance of service quality has changed drastically the Indian banking service sector. In this background, analysed the growth and performance of banks in the banking services market of Kerala and the same is discussed in the next chapter.

### **1.3. Significance of the study**

Implementation of reform measures in the Indian banking sector resulted in remarkable changes such as, increased competition, technology leveraging product diversification etc., in this sector. The impact of reform measures also reflected in the Kerala banking services market. A considerable number of New private banks were entered and Foreign banks expanded their business in Kerala. As a result, the public sector banks started facing cut-throat competition from these new banks. All these called for improved innovative, quality infused services with up graded technology linked services delivery and services management. The new generation banks and foreign banks are far ahead of public sector banks in the case of above mentioned matters. They offer better customer service through upgraded technology. For the last 15 years after the introduction of financial sector liberalisation most of public sector banks had been trying to compete with these macro environmental factors through diversification in areas of product or service innovations, technology up gradation, multi channel delivery system etc. In this scenario, a study with an objective to evaluate the quality of services

delivered by the public sector banks and its comparison with leading new private sector banks in the geographical area of Kerala state, one of the rapid growing banking services market in India, will be appropriate.

#### **1.4. Statement of problem**

Banking services sector in Kerala has been witnessing intense competition and dynamic changes for the last one and half decade. The expectation of customers in different segments of market have been growing with different pace, in different directions. Moreover, the entry of new generation banks have changed the perceptions of customers and this resulted a paradigm shift of customer satisfaction. As a result of changes in expectation of customers, their perception of service also changed. Banks offer modified and diversified products in different ways in order to make customer expectation and perception of services in an equilibrium position. It will increase the level of customer perceived quality of service to a 'satisfactory' state and lead to increased loyalty amongst their customers. The increased loyalty will help in success and survival of the bank in the present competitive environment of banking services market of Kerala.

In brief, the problem under study is that, whether public sector banks in Kerala provide quality services as expected by their customers or not and to compare the perception level of service quality of public sector banks with new private banks in order to know differences, if any.

### 1.5. Scope of the Study

The present study covers only service quality dimensions of the banks as it is the most important single factor that determines the customer satisfaction. Most of the other factors like service charge, interest rate etc., are more or less the same in different banks.

### 1.6. Objectives

The study is based on the following objectives:-

1. To know the level of customer awareness on services rendered by public sector banks.
2. To evaluate the quality of services rendered by public sector banks.
3. To compare the quality of services and level of customer awareness of services between public sector and new private banks.
4. To suggest effective practical solutions for improving present situations, if needed.

### 1.7. Variables under the study

Main variables	Sub variables
1. Factors considered for opening a bank account.	<ol style="list-style-type: none"> <li>1. Greater spread of branches</li> <li>2. Near to home/ office</li> <li>3. Better image of the bank</li> <li>4. Easy procedures</li> <li>5. Personal relation with staff</li> <li>6. Statutory obligation</li> <li>7. Variety of service</li> <li>8. Technological advancement</li> <li>9. Rate of return and service charge</li> <li>10. Promptness and timeliness</li> <li>11. Security and confidentiality</li> </ol>

2. Problems faced	<ol style="list-style-type: none"> <li>1. Too much formalities</li> <li>2. Lack of evening banking service</li> <li>3. Shortage of cash</li> <li>4. Minimum balance for C/D account</li> <li>5. Non-availability of various denominations of currency</li> <li>6. Delay in payment</li> <li>7. Absence of personalized services</li> <li>8. Lack of courtesy of the staff</li> <li>9. Absence of proper co-operation and guidance</li> </ol>
3. Awareness level	<ol style="list-style-type: none"> <li>1. Sources of Information about banks and its services</li> <li>2. General awareness about banks and services</li> <li>3. Knowledge level on value added services</li> <li>4. Usage of value added services</li> </ol>
4. Service quality perception	
(a) Reliability	<ol style="list-style-type: none"> <li>1. Regularity</li> <li>2. Timeliness</li> <li>3. Keep customers informed</li> <li>4. Procedures</li> </ol>
(b) Responsiveness	<ol style="list-style-type: none"> <li>1. Punctuality</li> <li>2. Presence</li> <li>3. Attitude and responsiveness</li> <li>4. Promptness</li> </ol>
(c) Assurance	<ol style="list-style-type: none"> <li>1. Behaviour of employees</li> <li>2. Job knowledge and skill</li> <li>3. Courtesy of employees</li> <li>4. Security</li> <li>5. Professional commitment</li> </ol>

(d) Empathy	<ol style="list-style-type: none"> <li>1. Individual attention</li> <li>2. Variety of services</li> <li>3. Personalised services (nature of service)</li> </ol>
(e) Tangibility	<ol style="list-style-type: none"> <li>1. Infrastructure facilities</li> <li>2. Books, forms and papers</li> <li>3. Technology</li> <li>4. Convenient business hours</li> </ol>

### 1.8. Hypotheses to prove

The following null hypotheses are formulated on the basis of the objectives. These are as follows:-

#### Main hypotheses

*Null Hypothesis 1* – There is no significant difference in the level of customer awareness of services – rendered by public sector and new private banks.

#### Sub hypotheses:

*Null Hypothesis 1.1* – There is no significant difference in general awareness of services

*Null Hypothesis 1.2* – There is no significant difference in awareness level of value added services

*Null Hypothesis 1.3* – There is no significant difference in usage rate of value added services.

***Null Hypothesis 2*** – There is no significant difference in service quality between public sector banks.

**Sub hypotheses:**

*Null Hypothesis 2.1* – There is no significant difference in Reliability dimension.

*Null Hypothesis 2.2* – There is no significant difference in Responsiveness dimension.

*Null Hypothesis 2.3* – There is no significant difference in Assurance dimension.

*Null Hypothesis 2.4*. There is no significant difference in Empathy dimension.

*Null Hypothesis 2.5*. There is no significant difference in Tangibility dimension.

***Null Hypothesis 3*** – There is no significant difference in service quality between public sector banks and new private banks

**Sub hypotheses**

*Null Hypothesis 3.1*. There is no significant difference in Reliability dimension.

*Null Hypothesis 3.2*. There is no significant difference in Responsiveness dimension.

*Null Hypothesis 3.3.* There is no significant difference in Assurance dimension.

*Null Hypothesis 3.4.* There is no significant difference in Empathy dimension.

*Null Hypothesis 3.5.* There is no significant difference in Tangibility dimension.

### **1.9. Methodology**

This study is descriptive in nature, because it is a description of the state of affairs viz., awareness level, service quality etc., as exists at present. This method is also known as 'Expost facto research'.

### **1.10. Research design**

Since it is a descriptive study it is mandatory to define selections of sample, type and method of data collection and method of analysis applicable for the current study. Detailed explanation about these are pointed out below.

#### **1.10.i. Sample design**

Sampling is the method or process of selection of some part of an aggregate or totality on the basis of which a judgment or inference about the aggregate is made. It is used when the population under study is large.

##### **1.10.i.a. Population**

Since it is a study intended to compare some aspects of public sector banks and new private banks in Kerala, the population consists of customers of banks in both public sector and new private categories in Kerala.

### 1.10.i.b. Sample size of customers

A good sample must be adequate or optimum in size in order to be reliable. But the determination of optimum size is difficult because it depends on factors like nature of universe, size of population, nature of study etc.

In this study sample size is determined on the basis of the following equation.<sup>14</sup>

$$n = \frac{Z^2 \sigma^2}{e^2}$$

here, n = size of sample

Z = the value of standard variate at a given confidence level (It is 1.96 for a 95% significance level)

$\sigma$  = Standard deviation of population (estimated from a trial sample)

e = Acceptable error (difference between population mean and sample mean)

Here, Z = 1.96,  $\sigma = 33.316$  e = + or - 4 (assumed)

therefore sample size is,

$$n = \frac{(1.96)^2 (33.316)^2}{4^2} = \underline{\underline{266.5004}}$$

that is, sample size is 267. On the basis of Law of inertia of large numbers<sup>\*15</sup> and considering other factors such as time, cost etc, it has been raised to 380. The acceptable error (e) has been reduced from + or – 4 near to + or –3.3.

#### **1.10.i.b. Sample selection**

From the two categories of banks – public sector and new private sector, the researcher selected a total of five banks, three banks from public sector and two from new private banks category. The three public sector banks are selected viz., SBT, Canara Bank and Punjab National Bank for a total of 25 public sector banks operating in Kerala and two new private banks are selected viz., ICICI bank and HDFC bank from a total of five banks in this category, operating in the state. All these five banks are selected on the basis of performance and their special relation with the banking service sector of Kerala. In brief, purposive sampling method is used for the selection of five banks.

For the selection of 380 respondents from the customers of five selected banks in Kerala, the following procedure is used. First, Kerala state is grouped into two regions namely, Southern region and Northern region. One district each from both groups were selected at random. They are Ernakulam and Kozhikode. Again, two taluks each are selected from each districts –

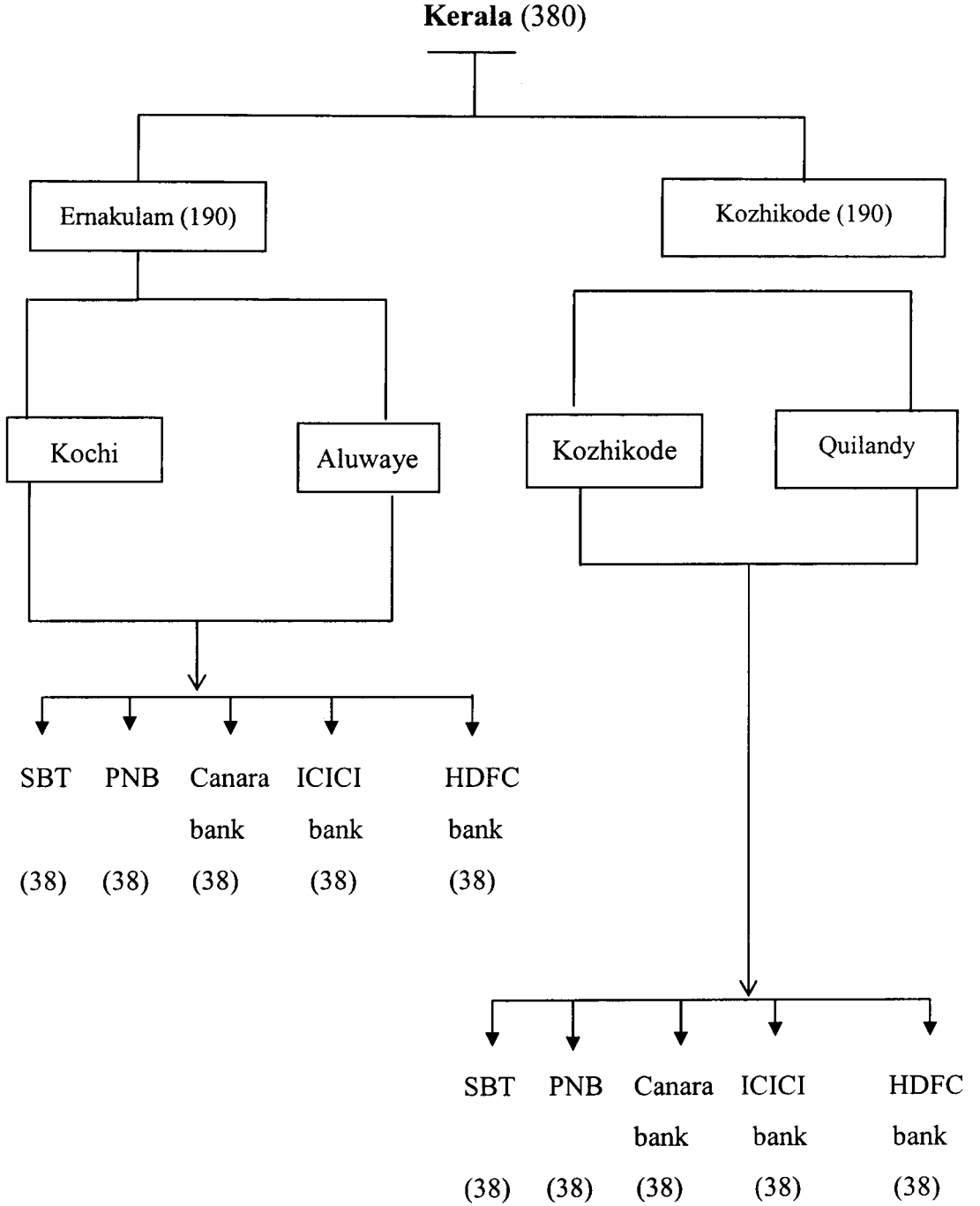
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\* Law of Inertia of large numbers says that, other things being equal, larger the size of the sample, more accurate the results are likely to be. This is because large numbers are more stable as compared to small ones.

Kochi and Aluwaye from Ernakulam districts, Kozhikode and Quilandy from Kozhikode districts, by using simple random method. Finally, the sample frame consists of customers of these five banks belong to the above mentioned four taluks. The taluk wise distribution is not entertained because, ICICI bank and HDFC bank have no branches in Quilandy taluk of Kozhikode districts. There is a total of 122 branches (63 branches in Ernakulam and 59 branches in Kozhikode) of these five banks within the jurisdiction of four selected taluks. From this sample frame, 38 respondents each of five banks from the two groups of taluks were met. The flow chart of the sample selection process will clearly explain it.

**Figure 1.1.**

**Flow chart showing sample selection process and distribution of sample size**



Note: Number in bracket is sample size.

The features of sample selected are presented in appendix-2.

## **1.10.ii. Data Collection**

### **1.10.ii.a. Type and sources of data**

Both primary and secondary data are used for this study. Primary data are collected by interviewing customers of banks belongs to Ernakulam and Kozhikode districts. Personal interviews with bank managers were also conducted.

The sources of secondary data are;

- Books
- Journals like Prajnan, Vinimaya, journal of marketing, journal of service research, International journal of Bank management, journal of consumer research, VIKALPA etc.
- Publications of Reserve Bank of India, State level Banker's committee, Indian banks Association, News papers etc.
- Ph.D Theses and dissertations of different Universities in Kerala.
- Web sites of banks, University Grants Commission (UGC), National Institute of Bank Management (NIBM), Kerala Planning Board, Indian Banks Association (IBA), Reserve Bank of India (RBI) etc.

### 1.10.ii.b. Tools of data collection

For collecting primary data, an interview schedule has been developed. Scaling technique, points distribution method, simple response marking methods etc., are used for framing the interview schedule.

**Reliability test** - To test the reliability of the interview schedule a pilot survey has been conducted with a sample size of 20 respondents and the responses are provided for reliability test with the help of statistical package for social sciences (SPSS). After necessary modifications the final interview schedule is framed and its reliability statistics are given in the table 1.4.

**Table 1.4.**

#### **Results of Reliability test**

Cronbach's Alpha	.918
Mean	204.85
Standard deviation	33.316
N	20

*Note: Required minimum value of Cronbach's Alpha is 0.7*

*Refer appendix III for details.*

### 1.10.iii. Period of study

For this study, data related to Indian banking services sector and Kerala banking services sector for ten years, ie, 1996-2006 are considered, compiled and presented in relevant places.

The period consumed for the collection of primary data is two months each in the years 2005 and 2006.

#### **1.10.iv. Data Analysis**

##### **1.10.iv.a. Frame of Analysis**

In this study, analysis is conducted mainly on variables like service quality perception and awareness level of respondents etc. The latter one is analysed on the five dimensions – reliability, responsiveness, assurance, empathy and tangibility – in the bank, district, region and demographic features point of views. Other variables are analysed in bank and district point of views.

##### **1.10.iv.b. Tools of analysis**

In the study, the common statistical tools like weighted averages, standard deviations, t-tests, ANOVA (one-way and two – way) are used in appropriate situations. Besides these, Post-Hoc test and correspondence analysis map technique are used for analysis of data. A brief note on Post-Hoc test and correspondence analysis map technique are as follows:-

**Post-Hoc test** – It is the pair wise comparison of mean of items or groups used in ANOVA. It is used when inner comparison of items within groups is needed. The test statistic used in this study is Least Square Difference (LSD).

**Correspondence analysis map** – It is a presentation tool. It is used to present results of data analysis as a picture.

### **1.11. Limitations of the study**

This study is subject to certain limitations. These are occurred during the collection, classification, tabulation etc of the data. These are pointed out below.

1. This study does not cover the corporate customers.
2. Data published by lead banks and state level bankers committee do not include the figures of each banks for certain years.
3. This study is based on a sample population of 380 respondents of five selected banks in two districts of Kerala State. So the conclusions drawn are appropriate to those districts and to a some extent, appropriate to the whole of Kerala.
4. Sample was selected by applying sampling techniques, hence it has its own limitations.
5. Respondents were reluctant to spare their time to fill the interview schedule either due to their busy schedule or due to their unwillingness to co-operate due to some of their personal reasons.

6. Owing to security and confidentiality reasons banks were reluctant to give the name list of customers and it created some difficulty during the sample selection.
7. The study is come out with a few suggestions to overcome the constraints in maintaining service quality and increase the awareness level of customers. The impact of these suggestions cannot be assessed quantitatively because this study has not been of the action – oriented nature.

### **1.12. Chapter scheming**

The whole thesis is divided into six chapters for the convenience of presenting data, results and discussions. The chapter division and a brief note about its ingredients are presented below:-

CHAPTER 1	: Introduction and Methodology
CHAPTER 2	: Banking Service Sector in Kerala – An Overview
CHAPTER 3	: Review of Literature
CHAPTER 4	: Service Quality – A theoretical overview
CHAPTER 5	: Awareness level, reasons and problems etc of customers of banks.

CHAPTER 6	:	Service quality perception of banks
CHAPTER 7	:	Summary, Findings and Suggestions
Bibliography	:	
Appendices	:	<ol style="list-style-type: none"> <li>1. Specimen of Interview Schedule</li> <li>2. Features of sample population selected.</li> <li>3. Reliability test statistics.</li> <li>4. List of bank merges in India during 1990-2005.</li> </ol>

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## **Chapter II**

# **BANKING SERVICES SECTOR IN KERALA – AN OVERVIEW**

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⇔ *Growth of bank branches*

⇔ *Growth of deposit*

⇔ *Growth of advance*

⇔ *Trend of credit to deposit ratio*

## **2.1. Introduction**

As the banking service sector in India, the same in Kerala also recorded a tremendous growth in the post – liberalisation period, especially for the last one decade. The policy changes, entry of new players, technology up gradation etc. Very well affected the banking sector of Kerala. These factors accelerated pace of competition between banks. To overcome or defend competition banks changed their strategy and started practice of product differentiation, product innovation etc. by leveraging technology. These factors helps to realize and increase the importance of service quality and now it became one of the focus area of banks to differentiate their products from competitors and to provide satisfaction to customers in a better manner.

The step by step growth of banking services sector in Kerala to the above mentioned height is discussed in this chapter with the help of parameters of performance and growth like, bank branches, deposits, advances etc.

## 2.2. Growth of bank branches

In Kerala, there are 51 scheduled commercial banks including two Regional Rural Banks and Kerala State Co-operative bank – operating to satisfy different banking needs of people. They play a lead role through a network of 3553 as on March 2006 which was only 601 as on June 1969.<sup>1</sup> The details of increase in bank branches through various years are presented in table 2.1.

**Table 2.1**

### **Growth of scheduled commercial bank branches in Kerala and in India**

<b>Year</b>	<b>No.of bank branches in Kerala</b>	<b>Incremental increase</b>	<b>No. of bank branches in India</b>	<b>Incremental increase</b>
June – 1969	601	---	8262	---
June – 2000	3255	2654	67868	59606
June – 2001	3298	43	67937	69
June – 2002	3334	36	68195	258
June – 2003	3370	36	68500	305
March – 2004	3404	34	69170	670
March – 2005	3493	89	70373	1203
March – 2006	3553	60	71177	804

*Source: Trends and progress of banking in India – 2004-05, 05-06*

*Quarterly statistics by RBI, March 2006.*

*Kerala Planning board.org.*

Out of 3553 branches in March – 2006, 350 branches are in rural area, 2375 branches in semi urban area and 828 branches in Urban area. Besides these branches there are number of co-operative banks operating in various parts of Kerala.

### **2.3. Decrease in population per branch**

Another important factor that underlines the growth of banking in Kerala is the reduction in population per bank branch. In the year 1969, there was a bank branch for every 34,000 population<sup>2</sup> and now, as on June – 2005, it has been reduced to 9000 population.<sup>3</sup> It shows that the banking network has been widened more than three times during the period 1969-2005. This ratio is far better than that of growth of Indian banking services sector. In June –2005, all India ratio of population/branch is 16000 population per one bank branch. The financial inclusion rate – the common bench mark used to assess the degree of reach of financial services – is also an apparent to the tremendous growth of banking services sector of Kerala. As on March 31, 2004 Kerala reported a ratio as high as 89 percentage, but in India the ratio was only 59 percentage during that time.<sup>4</sup>

### **2.4. Growth of deposit**

In the post-liberalisation period the growth of deposit showed a mixed trend, that is, in some years it grew at a higher rate and in some other years it showed a lower percent of growth. In the year 1996, there was a total deposit of Rs. 20418.96 crore and it has been increased to Rs.80,515.29 crore by the

end of the year 2006, that is, an increase of more than three times from the year 1996. As on 2006 private sector banks, including new private sector banks, registered a highest growth of 4.38 times from the year 1996, where public sector banks were in second position. The details of bank category wise growth of deposit is shown in table 2.2.

**Table 2.2**  
**Bank category wise growth of deposit in Kerala**

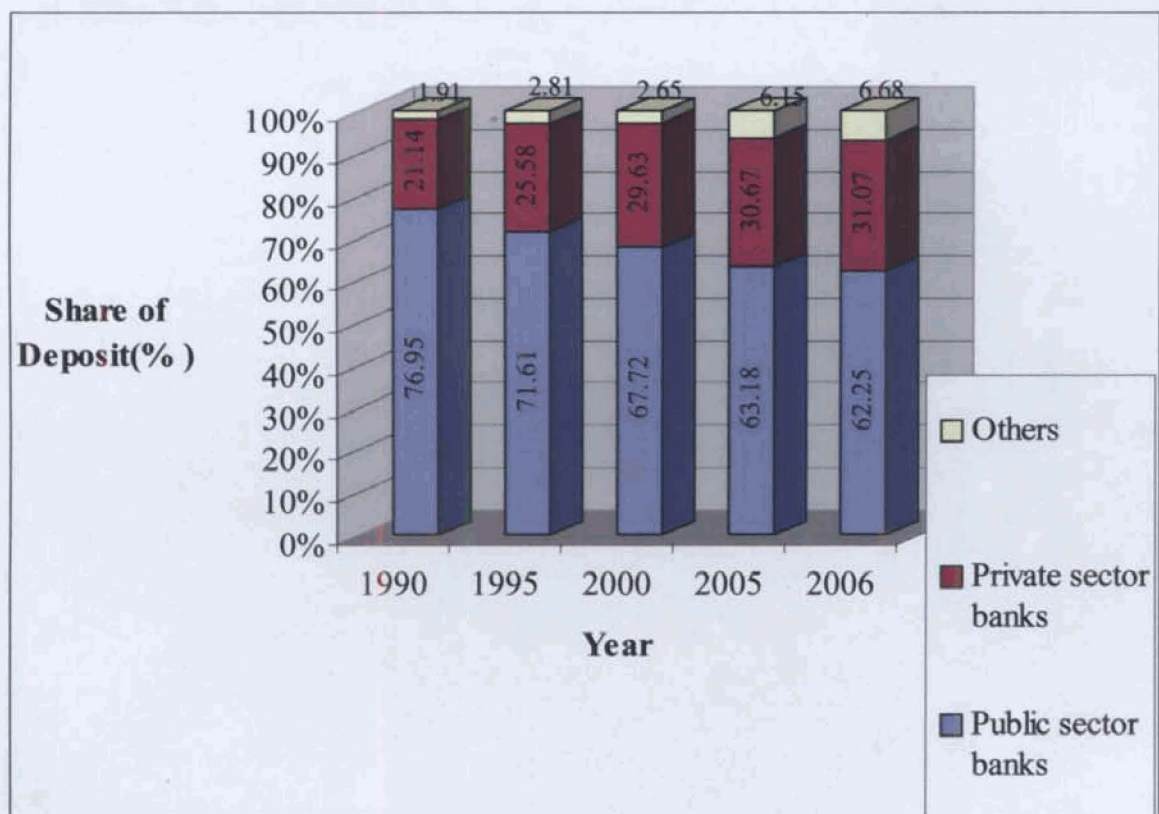
Year	Public sector banks		Private sector banks		Others		Total	
	Amount	% of growth from base year	Amount	% of growth from base year	Amount	% of growth from base year	Amount	% of growth from base year
1996	14197.58	---	5710.33	---	511.05	---	20418.96	---
1997	16117.32	13.52	6576.22	15.16	659.33	0.290	23352.87	14.37
1998	18693.78	31.67	8065.02	41.24	813.26	0.591	27572.06	35.03
1999	20639.76	45.38	9914.39	73.62	977.69	0.913	31531.84	54.42
2000	26153.55	84.21	11442.39	100.38	1022.9	1.002	38618.84	89.13
2001	29839.06	110.17	13848.15	142.51	1162.94	1.276	44850.15	119.65
2002	33975.7	139.31	16302.23	185.49	1377.85	1.696	51655.78	152.98
2003	39455.52	177.9	18293.05	220.35	1650.79	2.230	59399.36	190.90
2004	43186.02	204.18	20891.72	265.86	1883.37	2.685	65961.11	223.04
2005	45398.85	219.76	22037.99	285.93	4423.64	7.656	71860.48	251.93
2006	50117.77	253.00	25012.45	338.02	5385.07	9.537	80515.29	294.32
Overall growth in times		3.53		4.38		10.54		3.94

Source: Kerala planning board.org

The table shows that, private sector banks have been growing at a higher rate than that of public sector banks. That means, the share of deposit of public sector banks to the total deposit is reducing year-after-year. In the year 1990, public sector banks had a share of 76.95 percent of total deposit and that has been reduced to 62.25 percent in the year 2006. The lion part of this reduction has been captured by the private sector banks and showed an increasing trend in the rate of growth of deposit. The figure 2.1. shows the details of market share of deposit in various years.

**Figure 2.1.**

**Figure showing bank category wise market share of deposit in Kerala in various years.**



## **2.5. Growth of Advance**

Another proof to the growth of banking services sector in Kerala is the growth of credit deployment in the state. The advance by the commercial banks is rising year-by-year at a faster rate than that of deposit. Private banks, especially, New private sector banks raised tough competition in this field by liberalising procedures and formalities for getting loans and advances. In the 2006 private sector banks in Kerala has distributed Rs.16641.75 crore- a six times increase from the year 1996. On the other side public sector banks are trying hard to over come the competition. They are growing too but at a lower rate than private sector banks. The growth of advances by the commercial banks in Kerala has been presented in the table 2.3 below.

**Table 2.3**  
**Bank category wise growth of Advance in Kerala**

Year	Public sector banks		Private sector banks		Others		Total	
	Amount	% of growth from base year	Amount	% of growth from base year	Amount	% of growth from base year	Amount	% of growth from base year
1996	6025.59	---	2583.61	---	397.46	---	9006.66	---
1997	6867.05	13.96	3175.5	22.91	522.55	0.315	10565.1	17.3
1998	8216.24	36.36	3542.4	37.11	605.6	0.524	12364.24	37.28
1999	8752.02	45.25	4107.97	59.00	716.68	0.803	13576.67	50.74
2000	10773.11	78.79	4312.79	66.93	854.96	1.151	15940.86	76.99
2001	12377.06	105.41	5741.5	122.23	1061.71	1.671	19180.27	112.96
2002	14633.16	142.85	6248.91	141.87	1179.87	1.969	22061.94	144.95
2003	17784.44	195.15	7878.67	204.83	1346.42	2.388	27006.53	199.85
2004	21261.29	252.85	8981.31	247.63	1624.71	3.088	31867.31	251.82
2005	26191.46	334.67	12670.78	390.43	5135.19	11.920	43997.43	388.5
2006	32741.97	443.38	16641.75	544.13	5930.37	13.921	55314.09	514.15
Overall growth in times		5.43		6.44		14.92		6.14

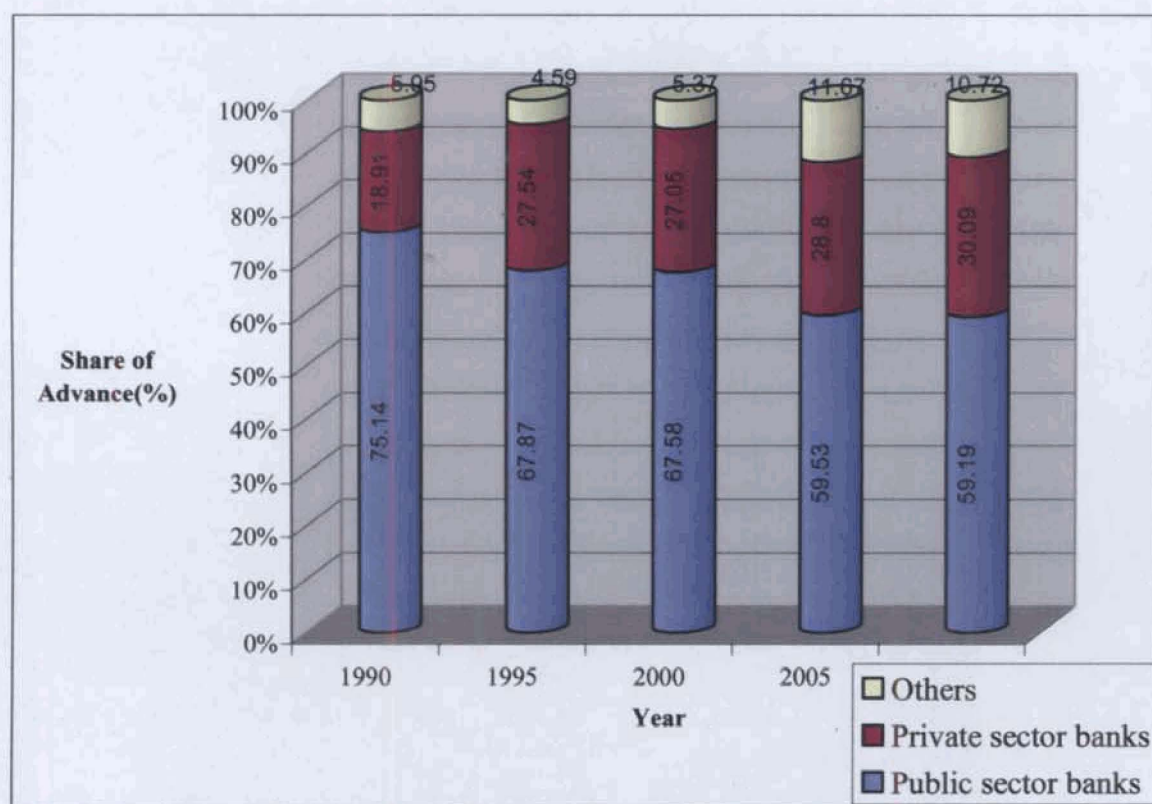
Source: Kerala Planning Board.org.

Another fact that related to the advance is that, the share of public sector banks to the total advance in Kerala is reducing day-by-day at a greater

pace than that of what is happening in the case of deposits. In the year 1990, Public sector banks have 75.14 percent share of total advance and now, in the year 2006 it has been reduced to 59.19 percent. In the mean time the private sector banks has increased their market share and it reached 30.09 percent in the year 2006. The figure 2.2. given below, will illustrate this aspect very clearly.

**Figure 2.2**

**Figure showing bank category wise market share of Advances in Kerala in various years.**



The above mentioned facts shows that there is a cut throat competition between public sector banks and private sector banks in Kerala. It also

revealed that the private sector banks are growing faster than that of public sector banks during the previous decade period.

## **2.6. Trend of Credit to Deposit ratio (CD ratio)**

Another indicator of growth or performance of banks in Kerala is the trend of credit to deposit ratio (CD ratio). Until the early 1990s, banks in Kerala had maintained credit-deposit ratio of over 60 percent. But after financial sector reforms began, the CD ratio showed a continuous decrease and the trend continued till the end of the year 2000. The CD ratio in respect of Kerala dipped from 62.87 percent in the year 1990 to 41.28 percent in the year 2000. After the year 2000 the CD ratio recorded gradual increase and it touched an all time high of 70.07 percent by the end of the year 2006.<sup>5</sup> This increased CD ratio reveals the high rate of credit deployment by banks in the banking service market of Kerala. The details of CD ratio of banks in Kerala during the period 1996-2006 is shown in Table 2.4.

Table 2.4

## Sector wise CD ratio of banks in Kerala during the period 1996-2006

Year	Public sector banks in %	Private sector banks in %	Foreign banks in %	Total in%	CD ratio in India
1996	42.44	45.24	18.47	44.11	54.90
1997	42.61	48.29	25.67	45.24	56
1998	43.95	43.92	22.01	44.84	56.5
1999	42.4	41.43	22.09	43.06	51.1
2000	41.19	37.69	26.50	41.28	53.3
2001	41.48	41.46	25.83	42.77	53.5
2002	43.07	38.33	24.67	42.71	53.8
2003	45.07	43.05	37.97	45.47	56.9
2004	49.23	42.99	45.35	48.31	55.9
2005	57.69	57.50	56.83	61.23	62.6
2006	65.33	66.53	53.53	68.70	70.07

Source: [www.Kerala.planning.board.org/html/economic%20review%202006/chapt.2017/appendix/2017.5.pdf](http://www.Kerala.planning.board.org/html/economic%20review%202006/chapt.2017/appendix/2017.5.pdf).

The table shows that, after the year 2000 public sector banks recorded a steady increase in the CD ratio. At the same time private and foreign sectors showed a mixed trend. But in the year 2006 private sector has a better credit deployment rate compared to the same of other sectors of banks in Kerala.

## 2.7. Conclusion

With the growth of the banking services sector of Kerala, the importance and use of the concept 'service quality' has also been growing.

One of the reasons for this huge significance may be the realization of the fact that service quality is an important parameter or factor that influences the customer satisfaction and customer retention. Rigorous and disciplined efforts are taken by banks in Kerala to maintain and deliver high quality services through which they can obtain satisfaction and retention of customers – two mandatory elements for the success and survival of banks in the competitive business environment.

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## **Chapter III**

### **REVIEW OF LITERATURE**

- ⇔ *Literature review in Service quality*
- ⇔ *Literature review in Customer satisfaction*
- ⇔ *Literature review in Financial services sector*
- ⇔ *Literature review in other Services sector*

### **3.1. Introduction**

Banking services sector of India is experiencing a prolific growth in the development and distribution of innovative and quality services or products. There is a growing realization that the key for developing a sustainable competitive advantage is to become customer driven. All sectors of Indian banks are combining their resources and marketing strategies to gain minds of new customers and to create a loyal customer group. For this, they are adopting differentiation in their services by integrating innovation in nature of service, technology, quality etc.

The study of service quality of banking services and satisfaction level of bank customer has to start with a review of earlier works conducted and theories developed in this area to give a formal design to the present task. All works related to the concerned area had been categorized into four as – 1) Literature review in service quality 2) Literature review in customer satisfaction 3) Literature review in financial services sector 4) Literature review in other services sector. Important among them are stated below.

### 3.2. Literature in Service Quality

Prabha, Divya et al. (2006)<sup>1</sup>, in their study analyzed the service quality perceptions of the Corporate customers in Coimbatore regarding the services provided by their banks. For the study they considered both product and service based sectors and SERVQUAL scale based questionnaire for the survey. By this study it has been revealed that even though customers are more satisfied with the competence and customer orientedness dimensions of service quality, still banks need to focus upon the aspects of communication, modernization and quickness of service.

Bhat, Mushtaq A. (2005)<sup>2</sup> conducted a study to examine service quality in banks and its variation across demographic variables. The data required for the study has been collected from 800 customers of five different banks, viz., State Bank of India, Punjab National Bank, Jammu & Kashmir Bank, City Bank and SCGB, scattered over four northern states of India. The study revealed that service quality of foreign banks is comparatively much better than that of Indian Banks and there are service quality variations across demographic variables like age, income, occupation, geographic location of banks etc.

Bhat, Mushtaq A. (2005)<sup>3</sup> studied service quality perceptions of Indian banks in comparison with that of foreign banks. SERVQUAL instrument developed by Parasuraman et al. in the year 1988 and its five dimensions such

as reliability, responsiveness, empathy, assurance and tangibility were used for collecting primary data. A major finding of the study was that Indian banks fall much below the perceptions of their customers on all dimensions of service quality. Foreign banks are exceeding the perceptions of their customers on tangibility and reliability dimensions of service quality.

Krishna Chithanya, V. (2005)<sup>4</sup> studied the meaning, nature and scope of financial activities in India and its features and to frame a marketing strategy to attain service quality and to suggest effective channel of distribution. By this study, service quality is the difference between the perceptions of actual service quality and expectation of customers and the customer courtesy, credibility and security. It proposed a two way channel for distributing financial services such as, remote - T.V, Phone, PC etc., and face-to-face - traveling, visiting offices etc.

Bauer, Hans H. et al. (2005)<sup>5</sup> empirically examined characteristics of a website that transform into an extensive e-banking portals and to analyse different facets of the quality of services delivered through e-banking portals in order to process a service quality measurement model. The measurement model constructed in this study was based on different dimensions such as security and trust, basic service quality, cross-buying service quality, added value, transaction support and responsiveness. Here, the identified dimensions were classified on the basis of its nature as core services, additional services and problem solving services.

Bodla, B.S. (2004)<sup>6</sup> through his empirical study, tried to examine and measure the quality of services provided by commercial banks in India. For the study, sample consisted of the customers of four private sector banks and four public sector banks in Chandigarh, Delhi and Haryana. The study revealed the significant gap existed between the expectations and perceptions in relation to quality of services offered by these selected banks. It also found that service quality of private sector banks is better than that of public sector banks on all dimensions except 'assurance'.

Chang, Tung-Zong (2004)<sup>7</sup> pointed out in his study that superior service quality has a positive effect on business profitability. It proposed a model for the positive relationship between market orientation and business performance, i.e., market orientation → service quality → business performance.

Sharma, Alka et al. (2004)<sup>8</sup> compared four leading banks by using American perspective concept of service quality – SERVQUAL/SERVPERF, on the assumption that customers do not perceive quality as a one-dimensional concept. This model explains the service quality on the basis of gap between the expected level of service and perception of the customers regarding the level of service received. The study pointed out that ICICI bank and SBI provide better quality services compared to the services of other banks and public sector banks have failed to satisfy their customers.

Israel, D. et al. (2004)<sup>9</sup> focused on how to measure the service quality in banking sector. The required data has been collected by distributing SERVQUAL tool among the customers selected by using snow ball sampling technique. The study found that the performance and marketing strategies of public sector banks were very weak compared to the same with private sector banks or foreign banks. It also found that private sector banks have some problems with reliability, credibility and security aspects in delivering services to their customers.

Sachdev, Sheetal B. et al. (2004)<sup>10</sup> attempted to examine the role of nature of service in knowing the order of importance of service quality dimensions. SERVQUAL tool is used to measure the difference between perception of delivered service and expected quality of service. The methods used to find the relative importance of service quality attributes and to establish consistency in their order of importance are zone of tolerance, regression and direct evaluation. The study found that tangibility is assessed as least important and empathy as the second least in banking services marketing. Zone of tolerance and direct evaluation methods were used to reach this finding.

Jain, Sanjay K. et al. (2004)<sup>11</sup> made an attempt to a comparative assessment of SERVQUAL and SERVPERF scales in the Indian context in terms of their validity, ability to explain variance in the overall service quality, diagnostic ability to provide insight for managerial intervention in

case of quality short falls. The study found that, it is the SERVQUAL scale with outperforms, the SERVPERF scale by virtue of possessing higher diagnostic power to pinpoint areas or managerial interventions in the event of service quality short falls. One of the serious problem revealed in this study with SERVQUAL scale was that it entails gigantic data collection task.

Owen, Lynn et al. (2004)<sup>12</sup> pointed out in his study that service quality is an important issue in Islamic banking industry. This study intended to examine the multi dimensionality of service quality model in Islamic banking industry. 'CARTER' measurement model was used to measure service quality attributes. The study indicated that it is important for Islamic banks to put cultural differences at the front when adopting service quality and suggested a new model- CARTER, to measure service quality, which is based on 34 items. The study discussed the strong link between service quality and customer satisfaction and defined it as a system of CARTER items -- processes inputs and overall satisfaction outputs.

Dhar, Upinder et al. (2004)<sup>13</sup> undertook an exploratory study to identify different service quality factors in the private and public sector banks. It also focused on understanding the perceptual gaps in service quality while comparing the employees and customers of private and public banks. Major findings of the study was that the service quality of private and public sector banks in terms of tangibility and responsiveness differ significantly, as

perceived by the customers. It also found that the employees also perceived it in the same manner.

Hsieh, Yi-ching et al. (2004)<sup>14</sup> tried to understand perceived quality of customer – employee interaction, service environment and service outcome quality through a multi dimensional service quality model in empirical way. It also examined the linkages between service quality and relationship quality in a variety of service industries. The study revealed that the interaction quality, physical environment quality and outcome quality had positive impacts on customer trust and satisfaction.

Paswan, Audhesh K. et al. (2004)<sup>15</sup> conducted a study with an objective to identify the search quality dimensions related to financial services and to examine the relationship between demographic variables and the dimensions. A sample size, selected by using quota sampling technique, of 731 was taken for the purpose. It identified four dimensions viz., empathy, tangibility, routine transaction cost and loan transaction cost as domain of consumer's evaluation of search quality in the financial services industry. Out of these dimensions, it has been found that, loan transaction cost was identified as most important factor and only gender and home ownership were emerged as the strongest determinants among the demographic factors.

Spathis, Charalambos et al. (2004)<sup>16</sup> conducted to measure customer's perceptions on service quality of Greek banks and analyse how gender

differences affect customer's perceptions of service quality dimensions viz., effectiveness and assurance, access, price, tangibles etc. This empirical study was conducted by collecting data from 1260 customers of Greek banks. A major finding of the study was that gender affects service quality perceptions and to relative importance attached to various banking service quality dimensions. It also revealed that, effectiveness and reliability are the most important service quality dimensions to male customers where, price and access to women customers.

Shahin, Arash, (2004)<sup>17</sup> in his study examined the significance or relevance of SERVQUAL methodology as an analytical approach for evaluating the difference between customer's expectations and perceptions of quality. The study revealed the fact that, although SERVQUAL could close one of the important service quality gaps associated with external customer services, it could be extended to close other major gaps and therefore, it could be developed in order to be applied for internal customers, ie, employees and service providers.

Gani, A. et al. (2003)<sup>18</sup> attempted to study the service quality and its dimensions in commercial banks by using SERVQUAL scale. The dimensions of service quality considered in this study were tangibility, reliability, responsiveness, empathy and assurance. The result of the study revealed that service quality of foreign banks is comparatively much better than Indian banks. They also identified two reasons for the lower performance

of Indian banks. One reason was that foreign banks operate in selected markets and offer selected services and the second reason was the technological advancement of foreign banks, which gives them differential or comparative edge in financial service markets.

The study conducted by Suresh Chandar, G.S. et al. (2003)<sup>19</sup> has critically examined the service quality issues from the perspective of customers with respect to the developing economy-India. The public sector, private sector and foreign sector in India have been compared with respect to each of the five factors of service quality – reliability, responsiveness, empathy, assurance and tangibility. It revealed that these three sectors are vary significantly in terms of the delivery of the five service quality factors. It also revealed that foreign banks seem to be performing well followed by private sector banks and public sector banks.

Chiu, Hung-Chang (2002)<sup>20</sup> attempted to know the impacts of the cognitive and effective components of service quality upon customer behaviour intentions under different service categories and customer genders. The study revealed that service quality is one of the effective component of marketing. It also revealed the importance of putting marketers more emphasis on improving the cognitive component of service quality to raise customer behavioural intentions.

Suresh Chandar, G.S, et al. (2002)<sup>21</sup> in their study, critically examined the service quality issues in the Indian banking sector from the management's point of view or their perspective. For the purpose, they considered three sectors of banks and investigated the differences between these sectors with respect to the total quality service dimensions. A 12 - dimensions instrument was used for data collection and discriminant analysis technique was used to analyse data. It has been revealed that the public sector banks in India lack an effective quality management program. It also revealed several areas where special attention of management was needed to improve the effectiveness of quality management implementation and quality of service delivered.

Suresh Chandar, G.S. et al. (2001)<sup>22</sup> tried to identify the critical factors of service quality and to develop an instrument to measure customer perceived service quality based on identified factors. They viewed empirical research on service quality and satisfaction has unearthed and criticized the 22 item SERVQUAL instrument on the ground that it has no human element. The study identified five critical factors of service quality and framed a comprehensive instrument to measure and understand customer perceptions of service quality.

Newman, Karin (2001)<sup>23</sup> has conducted a study to examine the validity of SERVQUAL scale in the UK by taking one of the top ten retail banks. It seeks to add some empirical insights to the theoretical literature on service quality through a depiction of a major High Street bank's five year quality

improvement program and through the application of SERVQUAL. The study examined the difficulties that arise in the measurement process including the administration and collection of data, sample selection etc. One of the major finding of the study was that by using SERVQUAL, the value may not be fully realized if the measuring process is not well executed.

Angur, Madhukar.G et al. (1999)<sup>24</sup> conducted a study to examine the performance of alternative measures of service quality proposed by Cronin and Taylor in an international setting and in a developing economy - India. Cronin and Taylor used four alternative measures of service quality SERVQUAL, SERVPERF and importance weighted form of these two. The results of the study revealed that the service quality concept in the developing economy especially in India is a multi dimensional construct i.e., not unidimensional. It also revealed that SERVQUAL scale appears to provide much greater diagnostic information about service quality gaps than SERVPERF scale. In their opinion SERVQUAL is a better instrument for measuring service quality in India.

Kandampully, Jay (1998)<sup>25</sup> tried to examine how a firm's service employees develop the emotional connection with customers which leads to exceptional service and the ability to exceed customer expectations. It revealed that a customer's loyalty and trust is gained by the service personnel's commitment to seamless, consistent and superior service, which manifests itself to the customer as service quality. On this ground he argued

that service quality precedes customer loyalty. He viewed service loyalty as a pre requisite in today's competitive environment if an organization desires to maintain market relationship.

The study conducted by Kangis, Peter et al. (1997)<sup>26</sup> focused on the service quality perceptions and expectations of customers of private and public banks in Greece. They compared the views of customers of public sector banks about the quality perception and expectations of services provided by the private banks and vice versa. The study considered five dimensions of service quality. One of the major finding of the study was that the service offered by banks in the private sector has a more favourable influence on actual perceptions of quality received than in the case with the service from banks in the public sector.

Malhotra, Naresh K. et al. (1994)<sup>27</sup> conducted a study for an evaluation of the determinants of service quality between developed and developing countries. Ten dimensions of service quality, suggested by Parasuraman et al. was used and assigned some environmental factors such as economic and socio-cultural factors to each of ten dimensions. A major finding of the study was that the customers in developed countries have higher expectations and lower tolerance for ineffective services. On the other hand, customers in developing countries tend to have higher tolerance levels and lower quality expectations.

Parasuraman, A. et al. (1985)<sup>28</sup> conducted a study with an objective to give some direction for future research. They suggested exploratory method of research which offers several insights and propositions concerning consumer's perceptions of service quality. This study revealed ten dimensions that consumers use in forming expectations about and perceptions of services. For this study they conducted executive interviews and focus group interviews of consumers and management personnel. This study also pointed out four key discrepancies or gaps on the service provider's side that are likely to effect service quality as perceived by consumers.

Imrie, Brain C. ( )<sup>29</sup> has conducted a study to examine the service quality construct from a cultural perspective, which differs significantly from the western ontology that has hitherto dominated service quality conceptualization in the marketing literature. It examined the dimensionality of the service quality construct as experienced by individuals living in the Republic of China. It revealed that current conceptual models fails to adequately capture the dimensionality of service quality with in the Taiwanese context. Another feature of this study is that it was a multiple case study approach, which examined how Taiwanese consumers perceived service quality.

### 3.3. Literature in Customer Satisfaction

Vannirajan (2006)<sup>30</sup> conducted a study to examine the impact of service quality dimensions on customer satisfaction. It revealed that the important services offered by banks are traditional services, non-traditional services, tangibles, reliability, responsiveness, assurance and empathy. It also found that reliability and non-traditional services affect more on the customer satisfaction level. The study concluded that the private sector banks and associates of State Bank of India are better in providing services to the customers than the nationalist banks and co-operative banks.

Shashikala, P (2006)<sup>31</sup> carried out an empirical study in order to measure customer satisfaction of telecom services providers and to examine relationship between service quality and its variables and to derive key quality elements that could improve customer retention. SERVQUAL scale and its dimensions were used to collect data and used discriminant analysis technique to analyse data. The results revealed that reliability is identified as the important criterion to determine behavioural intention. It also revealed that the service quality includes elements like coverage, connectivity and voice clarity.

Raheem, Abdul A. (2005)<sup>32</sup> conducted a study to identify the latent factors determining satisfaction of the quality parameters in public sector banks. It pointed out four major parameters of service quality such as,

empathy, responsiveness, system and tangibility. The customer perception on these service quality dimensions was obtained by averaging the mean value of the entire dimensions. The study highlighted the areas in which public sector banks need to improve to survive the competition posed by the new entrants in the banking sector.

Laxman, G (2005)<sup>33</sup> analysed the performance of ATM services of Andhra Bank and ascertained the satisfaction level of ATM using customers of Andhra Bank. The study identified number of motivational factors for availing ATM services from Andhra Bank. It also revealed that majority of respondents from middle and higher income groups and above qualification holders expressed good and very good opinion about the services while others expressed performance as average.

The study conducted by Man Siu, Noel Yee et al. (2005)<sup>34</sup> was an attempt to examine customer's service quality perceptions in internet banking as well as the impact of these on customer satisfaction and future consumption behaviour. The study was based on four dimensions of service quality viz., credibility, efficiency, problem handling and security. The results of the study showed that all dimensions except security are important in determining overall service quality perceptions, credibility, problem handling and security are important on customer satisfaction and security and efficiency are significantly associated with future consumption behaviour. It

concluded as, technically functioning websites and quick confirmations are the essential elements in satisfying customer needs.

Selvam, M (2005)<sup>35</sup> conducted a study titled 'Customer satisfaction of banking service an overview' to assess the measurement criteria and to evaluate customer satisfaction of banking services. The study selected 50 customers via, quota sampling method from five branches of 42 banks operating in the Tiruchirappalli city. One of the finding of the study is that the ATM facility is contributed relatively maximum to the ultimate satisfaction. The study revealed that technology adaptation process is slow in banks of that area.

Angelis, Vasilis A. et al. (2005)<sup>36</sup> conducted a research study with an objective of determine customer's satisfaction and also their perceived value received from the banking services -in the country- Greece. The sample size of the study was 1470 customers selected by using quota sampling technique and a modified form of SERVQUAL instrument was used to collect data from them. One of the major findings of the study was that State-controlled bank customers enjoy a higher perceived value in the case of marketing efficiency where as private bank customer enjoy a higher perceived value in the case of professional service and effective communications. It also revealed that state-controlled banks have lower percentage of very 'pleased' and higher percentages of 'pleased' and 'displeased' customers than private banks.

Liang, Chiung-Ju, et al. (2004)<sup>37</sup> empirically studied the relations among attributes, benefits, customer satisfaction and customer behavioural loyalty in a marketing system on the basis of data collected from 1000 customers of Asia Trust Merchant Banking Services in Taiwan. The study pointed out that customers buy dissimilar financial products with different benefits with different attributes, hence the difference in the level of customer satisfaction and behavioural consequences. It also found that the relationship marketing could effectively increase the awareness of customer's trust and commitment.

The empirical study conducted by Vyas, Parimal (2004)<sup>38</sup> tried to measure customer satisfaction considering the prevalent state of IT adoption among selected branches of nationalized, private, co-operative and foreign banks located at Baroda. The total sample size of the study was 121 customers of above categories of banks. The major finding of the study was that there was effective implementations of e-banking services in case of private banks and foreign banks whereas nationalized banks were found to have lesser degree of computerization. It also revealed the fact that, without IT the banking sector would not be able to serve the changing needs of the market.

The study conducted by Lam, Yin, Shun et al. (2004)<sup>39</sup> examined the mediating role of customer satisfaction in the impact of customer value on customer loyalty and explore reciprocal effects of customer satisfaction and loyalty on each other. It also aimed to empirically analyse a conceptual frame

work considering customer value, satisfaction and switching costs on customer loyalty in a bank to bank context. The study found that the effect of customer satisfaction on the two loyalty dimensions viz., recommendation and patronage are not significantly stronger than the effects of switching costs on these constructs.

Shanker, Venkatesh et al. (2003)<sup>40</sup> conducted a comparative study of customer satisfaction level and loyalty of online and offline environments. They divided customer satisfaction into two viz., service encounter satisfaction and overall customer satisfaction. The results of the study revealed that the level of customer satisfaction for a service chosen online is same as in the off line, but the loyalty to the service provider online is higher than that of off line. It concluded as loyalty and satisfaction have a reciprocal relationship such that each positively reinforces the other and this relationship between overall satisfaction and loyalty is further strengthened online.

Devlin, F. James et al. (2003)<sup>41</sup> conducted a study with an objective to provide an insight into some factors which explain why customers in the retail banking sector might consider switching from traditional methods of conducting their banking activities to internet banking either partially or fully. An important finding was that the level of bank charges and level of overdraft interest rates were not significant in motivating individuals to internet banking. It also revealed that the level of satisfaction with elements of the existing retail banking services have a significant impact on their propensity

to use internet banking. It also found that a high level of satisfaction with in – branch service is associated with a lower propensity to switch to internet banking.

Kayis, B. et al. (2003)<sup>42</sup> examined the level of influence of TQM practices on service quality, customer satisfaction, customer loyalty and employee satisfaction. Here customer satisfaction was measured by using the three items from the American Customer Satisfaction Index (ACSI) using five point Likert Scale. The study found service quality, customer complaints, satisfaction and loyalty as well as TQM practices and employee satisfaction in both Korean and Australian banking industries. It also found that service quality is a partial determinant of customer satisfaction.

Mahadevan, S et al. (2001)<sup>43</sup> examined how customer loyalty, expectation and reliability in various Indian banking sector related to customer satisfaction. It revealed that public expectation from banking sector and consequential demands on banks especially at operating levels have been growing. The findings of the study were based on nine dimensions of quality which includes reliability, response, reputations, durability etc. On the basis of the results of the study they developed a customer satisfaction model which highlighted the need of training of employees so that they can give the best possible service.

### **3.4. Literature in Financial Services Sector**

Bhayani, Sanjay J. (2006)<sup>44</sup> has analysed the performance of new private sector banks with the help of CAMEL model. For this purpose four leading private sector banks and their five years financial data has been considered. The results of the overall ranks of the selected banks indicated that IDBI was the topmost bank, followed by UTI, HDFC and ICICI bank. According to different aspects of CAMEL, IDBI was the topmost bank in capital adequacy and management, ICICI in asset quality, HDFC in earning efficiency and UTI in liquidity.

Kunju Kunju, Benson (2006)<sup>45</sup> empirically examined how far the banks in Kerala have succeeded in popularizing their new banking services and to find out the reasons for low level of awareness of customers on various services and products. The data were collected from 60 customers of four commercial banks in Kollam city. The results of the study revealed that most of the customers of banks in Kollam city are ignorant about the new services or products provided by the bank to its customers. It also found that staffs of the public sector banks have only limited personal contact with its customers when compared to the new generation and private sector banks.

Khan, Nisar Ahmed et al. (2005)<sup>46</sup> conducted a study to examine the performance of scheduled commercial banks in general and public sector banks in particular during the post reform period. It also analyzed the

performance of three categories of banks viz., public, private and foreign banks by comparing their capital adequacy, asset quality, profitability and participation in rural areas. It revealed that profitability and efficiency of these banks have improved considerably during the period, but the participation in rural areas in terms of number of offices, growth of credit, growth of deposits etc., have significantly declined during the reform period.

Sathye, Milind (2005)<sup>47</sup> examined the impact of privatization on performance and efficiency of banks during the period 1998-2002. The author grouped whole banks into three categories viz., partially privatized, fully privatized and full state owned or public sector banks. The study revealed that financial performance of partially privatized banks and their efficiency were significantly higher than that of the fully public sector banks. Also, the difference in performance and efficiency between fully private and partially private banks was not significant. It concluded as the Indian strategy of gradual privatizations has succeeded.

Kannabiran, G. et al. (2005)<sup>48</sup> conducted a case study by taking International Hope Bank (IHB) as a case to know the experiences of a private sector bank in deploying internet banking and e-commerce in the globalized and liberalized Indian business environment. A major reveal of the study was that the IHB seems to be fore runner among Indian banks and is leading the way in aligning IT with business strategy, by which they could provide enormous benefits to the customers and eventually economic development.

Akamavi, Raphael K. (2005)<sup>49</sup> examined various new product development processes, which form the ground work for new service development processes. The study identifies significant deficiencies and gaps with specific regard to new financial product development relating to the financial services sector. In this study, proposed different types of process for the new product development in the financial services sector and a common feature of all these processes was that in all these processes or models, integrated the role of customers either as co-producers or resources or buyers.

Krishnaveni, R. et al. (2005)<sup>50</sup> analyzed the existing Indian banking scenario in the light of liberalization and globalisation reforms in the country. They also studied the perceptions of the corporate customers regarding the service quality of their bankers. The study found that there is a wide gap between the strategies followed by the Indian banks when compared to the foreign banks. The situation is same in the case of customer perceptions of service quality.

Gopalakrishnan, V (2004)<sup>51</sup> has inquired the challenges of Indian financial services market. This study revealed that the entry of new foreign banks and private sector banks with their advanced knowledge base of automation in the banking operations and aggressive marketing strategies has pushed public sector banks to a tight corner. He wars the public sector banks, to survive and succeed banks must identify their marketing areas, develop

adequate resources, convert these resources into healthy and efficient services and distribute them effectively satisfying the manifold tastes of customers.

Saravanan, S (2004)<sup>52</sup> conducted this study with an objective to know the role of 'service marketing' in the field of financial or banking sector and to analyze the impact of modern technology in the concept of bank marketing. The study underlined the significance of adopting modern technologies in the financial services sector. It expected some strategy in the new millennium in the financial services marketing sector like, diversification, armchair banking, web system among banks and internationalization of banking services.

Velouston, Cleopatra et al. (2004)<sup>53</sup> analysed the relative role of certain drives of bank loyalty. It examined the links between image, perceived quality, satisfaction, commitment and loyalty in the Greek retail banking sector. The data were collected from a sample of 216 retail bank customers of five different banks in Athens, Greece. It found that image has a positive impact on perceived quality and satisfaction and perceived personalization of the service provided has a positive relations with customer satisfaction, which is the key factor that leads to loyalty.

Hway-Boon, Oug et al. (2003)<sup>54</sup> by their study, intended to determine the extent to which identified success factors, in highly developed banking systems, are relevant in the context of Malaysia where e-banking is a

relatively recent phenomenon. The net sample size of the study was 72 and correlation was the major technique used for data analysis. The results of the study revealed that bank's operation management is the main factor affecting the success of ATMs and branch banking, while product innovation and knowledge development factors are found to have the most significant effect on the success of banking kiosks and phone banking respectively.

Lee, Jinkook (2002)<sup>55</sup> in his study tried to better understand how consumers want to conduct financial business with their financial services providers. They classified services into face-to-face direct services and direct delivery of services by phone, mail etc. Consumers preference towards fifteen different financial products and services were considered. The study found a significant variations in consumer preferences across different financial products and services and the profile of consumers are developed based on their performance. It also revealed that a significant proportion of house holds who currently have an account did not have strong preference toward either face-to-face interaction or direct means.

Mukherjee, Avinandan et al. (2002)<sup>56</sup> conducted a study with an objective to explore efficiency analysis and performance benchmarking of individual commercial banks in the Indian banking sector and the strategic grouping of these banks based on their performance parameters. It also explores the linkage between performance bench marking and strategic homogeneity of Indian commercial banks. In this study, it was revealed that

the public sector banks generally out perform the private and foreign banks in this rapidly evolving and liberalizing sector.

Nair, Manju S. (2001)<sup>57</sup> tried to examine the impact of government policies and the role of banking in the changing service sector scenario. The study pointed out that private banks witnessed an increase in expenditure incurred after the implementation of liberalization process by the government compared to the public sector banks. It also revealed that there was a significant change in the performance of public and private sector banks in the reform period. The performance of banks had been evaluated by using trend method and ratio method.

Selvarajah, Christopher (2001)<sup>58</sup> conducted a study among 181 student managers – both part time and full time, in three tertiary education establishments, in Auckland, Newland, explores and analyses the factor that influence students in maintaining an on-going relationship with their bank. Factor analysis – a multivariate method is used in addition to frequencies, averages and percentages. This study revealed that over three-fourth of the customers do look at the performance of banks before approaching a particular bank. Another finding of this study was a majority of student customers continued to be loyal customers.

Varghese, Eapan (2000)<sup>59</sup> has conducted a comparative study between public and private sectors of banks by taking two banks each from each

category. It also focused on analyzing the performance of bank branches situated in the state, Kerala. A major reveal of the study was that the differences in the customer services rendered by the public and private sector banks is not significant and the internal marketing strategies of these two categories of banks is same.

Asif, Saadia et al. (2000)<sup>60</sup> tried to examine the nature of communication process, role of internal communication in an organization, the outcomes there of and identify those variables that have the capacity to moderate outcomes. The study was conducted in United Kingdom based on two clearing banks. The study revealed that many staff felt that they were performing optimally in their job roles and others were not. It also found that informal communications in the organization remain poorly developed.

Heaney, Joo-Gim et al. (1999)<sup>61</sup> empirically examined how the variables – perceived cost, perceived benefit, perceived risk and perceived knowledge – influence the extent of external information search for banking services. The authors tested these within a proposed structural equation, cost-benefit based Banking Services Model (BSM). The results of the study showed that the extent of consumer's information search for banks was influenced by perceived benefits of search, costs of the search and consumer's level of knowledge of banking services. It also found that there is no direct influence of perceived risk on information search.

Sasidharan, K (1993)<sup>62</sup> examined in his work the growth of commercial banking in Kerala since independence under the major areas like growth of deposits, advances, branch expansion and to measure the level of customer satisfaction. The study found that the growth of banking sector in Kerala since independence especially after the nationalization was phenomenal compared to that at the national level. Another finding of the study was that the customer select their banks mainly based on quality of service rendered by banks.

Bhattacharyay, Biswa N. et al. (1989)<sup>63</sup> discussed problems and perspectives of marketing banking services in the decade of 1990-1999 and review the growth and diversification of commercial banking during the post nationalization period. The authors said that, in the light of the study, the dynamic process of diversification coupled with technological changes has brought Indian banking towards new banking or deregulated banking and the author expects a further diversification, which will expand the field of banking operations widely. They concluded as, the 90's will see an aggressive marketing approach in rural and semi-urban sectors anticipating, identifying, reciprocating and satisfying the customer's needs effectively, efficiently and profitably and there by impose the banker-customer relationship.

### **3.5. Literature in other services sector**

Gronroos, Christian et al. (2002)<sup>64</sup> analysed the requirement for the development of a productivity concept for service operations. Based on the results, they developed a service productivity model, which views the service productivity as a function of effective utilization of capacity, effective production process and the integration of quality and outcome of service. The study pointed out the need of a deeper understanding of the concept and of the various factors involved in measuring productivity.

Kumari, M Surat (2002)<sup>65</sup> conducted a study with an objective to evaluate the strategies adopted by South Central Railway (SRC) in improving the services provided by the SRC. The author also tried to identify the pattern of services provided by the SRC and to find out customers' needs and expectations of services from the SRC. After analyzing the data collected from selected customers of different classes of people viz., students, business men etc., found SRC is more product oriented than customer oriented and marketing is a peripheral activity and the commercial department is engaged only in selling business. Hence it misses customer focus and customer satisfaction is not an organizational mission and vision.

Kabir, M (2002)<sup>66</sup> conducted a study with an objective to compare the growth of service sector in Travancore and Malabar regions during the period 1901-1951. The researcher examined various services sectors like trade,

finance, transportation etc. It was an interdisciplinary study because it relies on economic and social history and employs the concepts of sociology and economics. The study revealed that the two regions differed in the pattern of service growth based on the differences in their agrarian structures, internal social changes and systems of governance.

Strader, Troy et al. (1999)<sup>67</sup> identified the factors that effect the customer motivation in e-market viz., lower price, lower transportation cost, more convenience, analytical purchase, minimized risks. The e-market success or failure is likely affect by consumer opportunity, ability and motivation to participate in e-markets. Being a trusted early entrant in an e- market can result in long-term success and a large number of loyal customers. The author proved this view by quoting the case of Amazon.com – an online business unit.

Brown, Stephen W. et al. (1989)<sup>68</sup> tried to explore the concept of professional services quality and its evaluation from both the provider and client perspectives. This empirically conducted study was considered medical profession as the focus area. Thirteen physicians in private practice and adult patients seen in a month constituted the total sample frame. Factor analysis, regression analysis etc., were used to analyse the data. One of the findings of the study was that the physician interaction factor had the greatest single impact on the overall services evaluation.

## 2.6. Conclusion

Review of literature revealed the fact that this is an area where a large number of studies had been conducted and even in the present scenario, lot of works regarding to this area is currently undergoing. Service quality and customer satisfaction have their own significance because of the dynamic nature of the sector and technology advancement. The reviewed literature includes studies in the aspects service quality and customer satisfaction – its nature, measurement etc. Both Indian and foreign based studies were considered for review. Indian based studies reviewed were largely carried out in the Northern regions and its focus area were aspects like service quality, customer satisfaction, product development, distribution, technology adoption, internal marketing etc.

Studies conducted from time to time in different parts of India have indicated that the customers are interested primarily in promptness, accuracy, completeness and speed in delivery of service by banks. The present study is in a different dimension - a study with an objective to measure the quality of services provided by public sector banks operating in Kerala and a comparison of the same with new private sector banks operating in Kerala is more appropriate. It also tries to analyse major reasons that led customers to open a bank account, their awareness level, their major sources of information about banks and the intensity of usage of value added services provided by banks.

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## Chapter IV

### SERVICE QUALITY – THEORETICAL OVERVIEW

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- ⇔ *Definitions of Service quality*
- ⇔ *Dimensions of Service quality*
- ⇔ *Service quality based on expectations and perceptions of service*
- ⇔ *Measurement of Service quality*

## **41. Introduction**

Service sector has made an instrument of social changes in our country. The forces of deregulation, globalisation and advancing technology have greatly increased the competitive pressures in all the industries especially in the banking industry. The Indian banking industry too is going through turbulent times. Indian banks are functioning increasingly under competitive pressures emanating from within the banking system, from non-banking institutions as well as domestic and international capital markets. Thus in this area of increased competition, in order to prosper, it will be imperative for the banks to develop long-term relationships with the customer by offering quality service.

Developing long-term relations with customer or capturing customer lifetime value depends basically on three dimensions.

- Product quality
- Relationship quality, and
- Service quality

In this chapter an attempt is made to explain the above mentioned dimensions by giving a special emphasis on the concept – service quality.

#### **4.2. Product quality**

The ‘product’, here in banking services, means or includes services provided by banks. Banks offers a variety of services or products to their customers. In a highly competitive market the quality of product is important, because, it has a direct link to the customer satisfaction. Customer satisfaction is mandatory for building a long-term relationship with them.

A product is said to be high quality when it satisfied a particular need of the customer effectively and efficiently than its competitor can provide. The quality of a product determines the features of product and expectations of targeted group of customers. If the product has the ability to rise to the level equal to the level of expectation, that product can be called a ‘quality product’. So, in order to improve or maintain quality of product, while designing a product or service, service providers need to take a holistic view of the entire performance they want customers to experience. The design of service included three stages viz., design of core product, design of supplementary services and design of service procedures or features.

The core product supplies the central problem- solving benefits that customer seek from that product. The function of supplementary service is to facilitate core product’s use and enhancing its value and appeal. It also plays a

role in differentiating and positioning the core product. The third component deals with the procedures used to deliver both the core product and the supplementary services.

Hence, in order to increase the quality of product or service integration of the above mentioned three components at an optimum level is needed. The level will be changed with the change in the nature of product, needs and wants of targeted customers etc. Also, the targeted market should be homogeneous in nature, so that they can reduce the conflicts between customers.

Another way to increase service or product quality is that, set or design standards with sufficient high to satisfy or even delight customers, on the basis of the customer expectations learnt through both formal research and on-the-job experiences. These standards may include time parameters, the script for a technically correct performance and prescriptions for appropriate style and demeanor.

#### **4.3. Relationship quality**

The second dimension in the task of capturing customer lifetime value is the quality in the relationship between customer and the service provider. The task of creating long term customer relationship starts by identifying and targeting the right customers. Customers differ widely in terms of needs and the value they can contribute to a service provider. So matching customer to

the firm's capabilities is vital. Besides, they need to consider the competence of their personnel, both personal style and technical, in meeting the expectations of customers.

Relationship marketing is another way to increase and maintain relationship quality of a service provider. It means building and maintaining long-term satisfying relations with both internal and external customers. The internal customers are employees or other personals or units who took part a role in delivery of products or services. The external customers are people who buy or use these products or services.

According to Kotler, Philip et al. "Customer relationship management is the over all process of building and maintaining profitable customer relationship by delivering superior customer value and satisfaction". It deals with all aspects of acquiring, keeping and growing customers.

Delivering superior customer value and satisfaction can increase the relationship quality. Customer value means perceived value or utility customer expects from a product or service choice. The customer satisfaction is the extent to which a product's perceived performance matches a buyer's expectation. If the performance of the product falls short of expectations, the customer is dissatisfied. If performance exceeds expectations, the customer is highly satisfied or delighted. The service provider can increase the relationship quality by building relationship levels depending on the nature of the target market. The different levels are.

- Basic relationship – It is the one extreme point of relationship with customer. It is suitable when the firm seek to develop relationship with many low- margin customer through advertisement or sale promotion activities.
- Full relationship – It is another extreme point of relationship between service provider and customer. It can be practiced in those situations when there are a few customers and high margins. In other words it is the task of building relation with key customers to satisfy their requirements fully.

In between these two extremes, firms can practice any number of appropriate customer relationship levels such as, club marketing programs, frequency marketing programs etc.

#### **4.4. Service quality**

The term ‘Service Quality’ is an association of two different words; ‘service’ and ‘quality’. Service means “any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything.”<sup>1</sup>

Quality has come to be recognized as a strategic tool for attaining operational efficiency and better performance of business.

‘Service quality’ means the ability of a service provider to satisfy customer in an efficient manner through which he can better the performance of business.

In the service sector too ‘quality’ is an important element for the success of business. It is because of the realization of its positive link with profits, increased market share, customer satisfaction. Several earlier studies and authors pointed out that quality concept in service is different from the concept prevalent in the goods sector. The reasons for such a treatment are inherent features of services like intangibility, inseparability from the provider, heterogeneous etc. Hence there is a distinct frame work for quality explication and measurement.

#### **4.5. Definitions of Service quality**

The term ‘Service quality’ is harder to define and judge. Number of authors tried to define it and give definitions in different point of views.

Philip Kotler and Gary Armstrong defined the term ‘service quality’ as “it is the ability of a service firm to hang on to its customers’.<sup>2</sup> That is, in their opinion customer retention is the best measure of service quality.

Christian Gronroos suggested that the quality of service as perceived by the customer has two dimensions – technical or outcome dimension and the function of process related dimension.<sup>3</sup>

A. Parasuraman, Valarie A. Zeithaml and L. Berry defined service quality as “the delivery of excellent or superior service relative to customer expectation.”<sup>4</sup> They conducted extensive research into service quality and identified ten criteria in evaluating service quality. Later, they reduced it into five broad dimensions viz.,

1. Reliability
2. Responsiveness.
3. Assurance
4. Empathy
5. Tangibility

So, from the above discussions it is clear that the service quality is a difficult concept to define in a single definition. This concept seems to refer several different areas, namely, quality of the output, quality of the process, quality of the delivery system and quality as a general philosophy of the organization.

#### **4.6. Dimensions of service quality**

The above definitions reveals one fact that, the concept ‘service quality’ is not an independent term, means, its formation depends upon several factors related to service and service firms. These factors are grouped

into five broad dimensions such as, reliability, responsiveness, assurance, empathy and tangibility. Each one is discussed below.<sup>5</sup>

#### **4.6.i. Reliability**

Reliability is defined as the ability to perform the promised service dependably and accurately. In broad sense reliability means, service firms' promises about delivery, service provisions, problem resolutions and pricing. Customers like to do business with those firms, who keep their promises. So it is an important element in the service quality perception by the customer and his loyalty. Hence the service firms need to be aware of customer expectation of reliability. In the case of banking services, the reliability dimension includes – regularity, attitude towards complaints, keep customers informed, consistency, procedures etc.

#### **4.6.ii. Responsiveness**

Responsiveness is the willingness to help customers and to provide prompt service. This dimension focuses in the attitude and promptness in dealing with customer requests, questions, complaints and problems. It also focuses on punctuality, presence, professional commitment etc., of the employees or staff. It can be calculated on the length of time customers wait for assistance, answers to questions etc. The conditions of responsiveness can be improved by continuously view the process of service delivery and employees attitude towards requests of customers.

#### **4.6.iii. Assurance**

The third dimension of service quality is the Assurance dimension. It can be defined as employee's knowledge, courtesy and the ability of the firm and its employees to inspire trust and confidence in their customers. This dimension is important in banking, insurance services because customers feel uncertain about their ability to evaluate outcome. In some situations like insurance, stock broking services firms try to build trust and loyalty between key contact persons like insurance agents, brokers etc and individual customers. In banking services "personal banker" plays the role of key contact person. This dimension focuses on job knowledge and skill, accuracy, courtesy etc of employees and security ensured by the firm.

#### **4.6.iv. Empathy**

Another dimension of service quality is the Empathy dimension. It is defined as the caring, individualized attention provides to the customers by their banks or service firms. This dimension try to convey the meaning through personalized or individualized services that customers are unique and special to the firm. The focus of this dimension is on variety of services that satisfies different needs of customers, individualized or personalized services etc. In this case the service providers need to know customers personal needs or wants and preferences.

#### **4.6.v. Tangibility**

The fifth dimension of service quality is the Tangibility which is defined as the appearance of physical facilities, equipments, communication materials and technology. All these provide enough hints to customers about the quality of service of the firm. Also, this dimension enhances the image of the firm. Hence tangibility dimension is very important to firms and they need to invest heavily in arranging physical facilities.

#### **4.7. Service quality based on expectations and perceptions of service.**

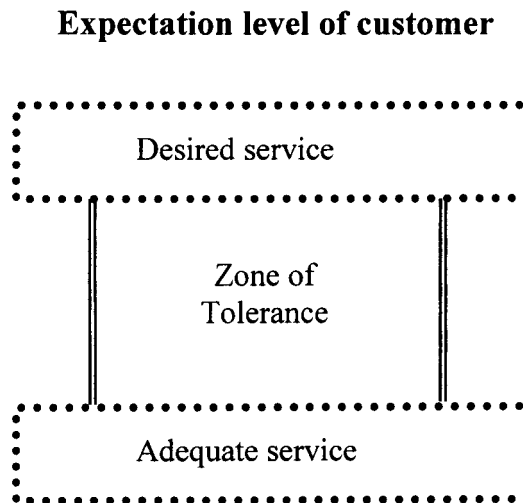
Service quality or perceived service quality can be judged by comparing customer expectations of service and their perceptions of service.

##### **4.7.i. Customer expectation**

Customer expectations are beliefs about service delivery that is used as a base or bench mark against which the performance of the service is judged. Customers have different types of expectations about service. These expectations can be grouped into two as, desired service and adequate service. The desired service means the level of service the customer hopes to receive or wishes to receive from a company. Adequate service is the level of expectation when the customer recognizes that his hope to achieve desired service is not possible. Hence adequate service stands lower to desired

service. The difference between these two is the zone of tolerance of a customer, which is represented in figure 4.1.

**Figure 4.1**



*Source: Zeithaml, Valarie A. and Binter, Mary Jo (1996). Service marketing, Malaysia, Mc Graw Hill – p,80.*

The expectation of customer may influence the factors like,

- Personal needs of customer
- External communication of the service provider
- Personal and non personal statements made by others to the customer, that is, word of mouth.
- Past experience of customer.

#### 4.7.ii. Customer perception

Customer perceptions are judgments about the actual service performance or delivery by a company. This perceived value is the overall assessment of the organization by the customer and these are subjective. It is because the determinants of perception of service quality will be affected or felt differently to each customers. The determinants or factors of customer perception are,

1. *Service encounters* – Service encounters occurs when the customer interacts with the service firm. When the customer has had multiple interactions with a firm, each individual encounter is important in creating a composite image of the firm in the customer's memory. The positive experiences add up to a composite image of the high quality and negative experience or interactions create low quality. There are three types of service encounters such as, remote encounters (eg. ATM system of banks), phone encounters and face-to-face encounters.
2. *The evidence of service* – Another factor that influence customer perception of service quality is the evidence of service. It is important because, services are intangibles and hence customers search for evidence of service in every interactions. The evidence as experienced by the customer are – people, process and physical evidence. These elements are

present in every encounters and are important in managing the quality of service.

3. ***Reputation or image*** - The reputation or image about service provider in the mind of customer influence his service quality perceptions. These images are built up in the customer's mind through advertisement, public relations, word of mouth etc.
4. ***Price*** – The price of the service also affects the perceptions of customers about the quality. If the price is high customers expect high quality and their perception will be influenced by this expectation.
5. ***Perceived value*** - The customers will evaluate the quality of service on the basis of their perceived value. The value is the customer's overall assessment of the utility of a product based on perceptions of what he received and what he gave. It is the relation between the benefits received and cost of service.

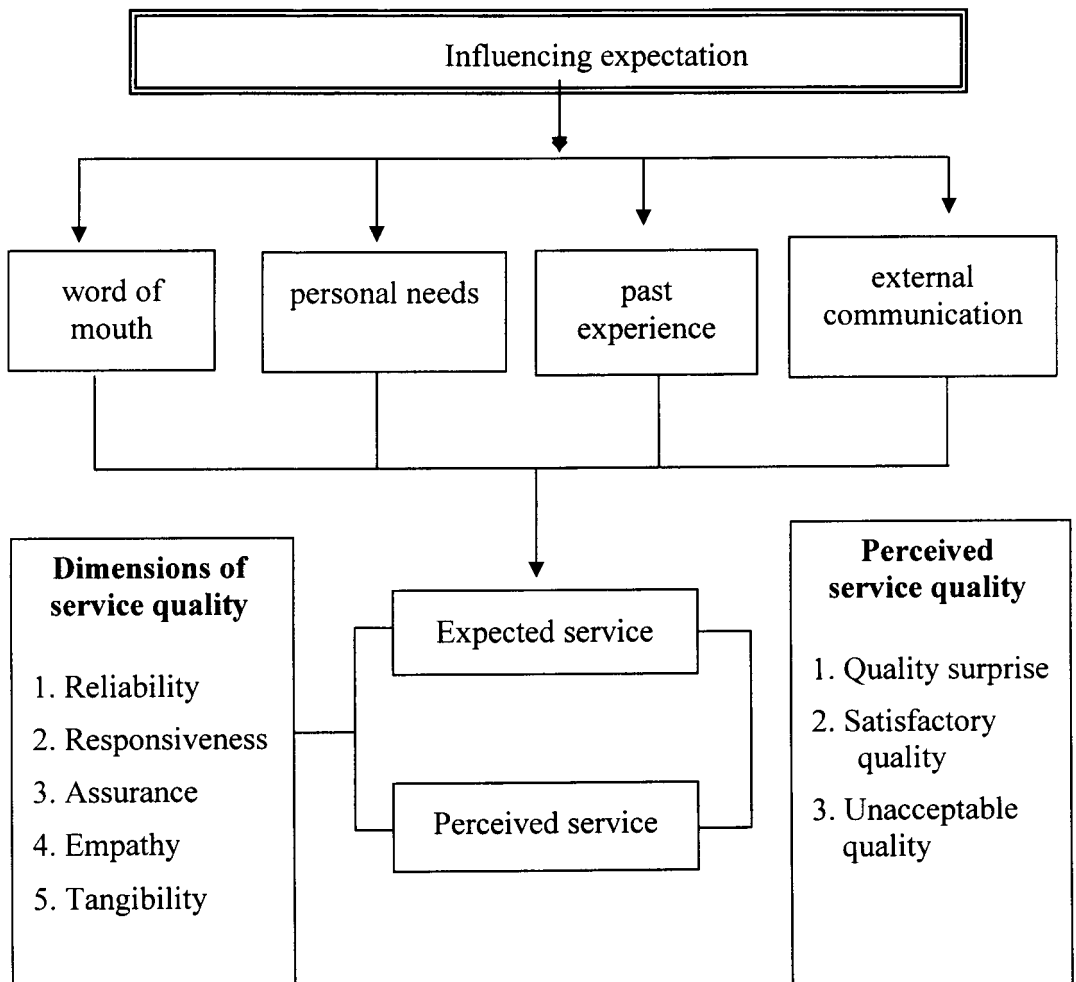
#### **4.7. iii. Perceived Service Quality**

Since the expectations and perceptions or experience of services are different to customers, their perceived quality is also different. Perceived value of service quality is the difference between expectation of service and perception of service. The customers feel quality surprise when their perception exceeds expectation and they feel un acceptable quality when

their perception of service not met their expectations. If their perception is just enough to meet their expectation, it is the state of satisfactory quality. The figure 4.2. given below explains the relation between dimensions of service quality and customer perception of service quality.

**Figure 4.2.**

**Relation of Service quality dimensions to service quality perception**



Source: Parasuramana, A. et a.l (1985). "A conceptual model of service quality and its implications for future research", *Journal of Marketing*, Vol-49, p.48.

## 4.8. Measurement of Service quality

In the case of tangible goods, quality can be assessed by examining the goods. Quality control can be used to check specifications and reject defective goods. But service quality cannot be assessed in the same way as a tangible product due to particular feature of service such as, intangibility, in separability etc.

As in the case of goods, the service provider cannot undertake quality check before the service is finally delivered to the customer. In order to assess the service quality the customer judges the expected service quality against the perceived quality when they receive it. There are mainly two methods for measuring service quality viz.,

- Gap analysis
- Service performance measures

### 4.8.i. Gap analysis

Gap analysis model of service quality was developed by Parasuraman, A. et al. in the year 1985. The model indicated that customer perception of quality was influenced by a series of five distinct gaps. They are mentioned below.

**Gap – 1** – Gap between customer expectation and Management perception.

The reasons for this gap are lack of adequate market research and lack of upward communication. This gap can be narrowed by adopting adequate research programs to know customer needs and to improve the communication system. It can be measured by using the SERVQUAL scale and comparing the scores obtained from the management and customers.

**Gap – 2** – Gap between Management perception and service quality specification.

This gap exists in service firms because of the lack of whole hearted commitment of management to service quality, inadequate service leadership etc. It can be closed by standardizing service delivery process and setting proper organizational goals.

**Gap – 3** – Gap between Service quality specification and service delivery.

The third gap originates from the discrepancies in the actual service delivery, that is, the service providers or employees do not perform at the level expected by the management. It is because of the ineffective recruitment, lack of proper incentives and motivations etc. This gap can be eliminated by providing the employees with adequate support system, better human resource management system etc.

**Gap – 4** – Gap between Service delivery and external communication.

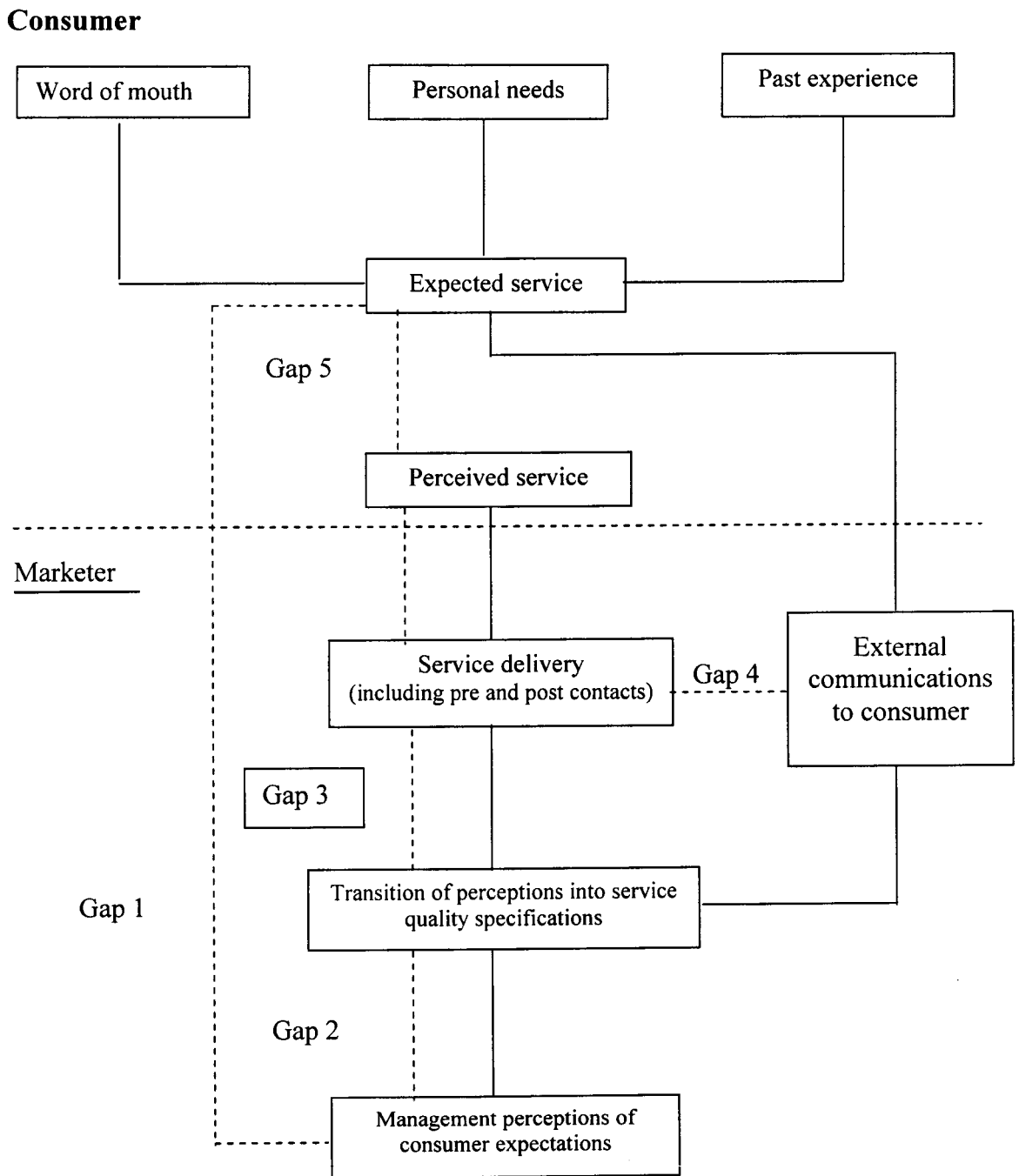
The gap between service delivery and external communication occurs due to exaggerated promise or ineffective communication to the customer, which raise customer expectations. This can be narrowed by efficient and effective communication system.

**Gap – 5** – Gap between expected quality and perceived quality.

This gap exists because of the inequality in the service expectation of customer and his service perception. This can be overcome by identifying, quantifying and monitoring customer expectations and perceptions through the effective use of marketing and marketing research tools.

A pictorial presentation of these five gaps are depicted in figure 4.3.

**Figure 4.3**  
**Gap analysis model of service quality**



Source: *ibid*, p44.

#### **4.8.ii. Service performance measures**

An alternative to using gap theory methodology for measuring service quality is the service performance measures. The two types of performance measures can be used under this method. One is, Soft measures of service quality and other one is, Hard measures of service quality. These are explained below.

##### **4.8.ii.a. Soft measures of service quality**

Soft measures are those that cannot easily be observed and must be collected by talking to customers, employees or others. Under this method the banks can measure quality in the following ways-

*1. Customer satisfaction surveys* – Under this method individual customers or corporate customer may be asked to rate their specific and overall impression of service delivery. For this a questionnaire or interview schedule can be used. Besides this, focus group interviews and other market research techniques can be utilized for this purpose.

*2. Internal performance analysis* – In this method employee surveys are conducted to determine perception of the quality of service delivered to customers on specific dimensions. Also, feed back from quality circles, performance evaluation reports, customer retention levels etc., provide information to monitor quality of services.

#### **4.8.ii.b. Hard measures of service quality**

This method includes those characteristics and activities that can be counted, timed or measured through audits. Such measures may include waiting time for the pass book to be updated by a bank, time taken to issue a demand draft, delay in clearing and crediting a cheque deposited by the customer etc.

#### **4.9. Conclusion**

In the increasing competitive market, especially banking services market, the focus on service quality is essential to service firms for their survival and success. The management of service quality helps the management to maintain consistency in service delivery and to meet changing customer expectations more efficiently and effectively . Also, it provides some benefits to firms such as, service differentiation from competitors, better image, higher profitability, increased customer satisfaction, increase customer retention and loyalty, staff morale, productivity etc. Hence measurement of service quality is an inevitable task to the service firms, especially banking service companies.

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## **Chapter V**

# **AWARENESS LEVEL, REASONS AND PROBLEMS ETC., OF CUSTOMERS OF BANKS**

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- ⇔ *Factors considered for opening a bank account*
- ⇔ *Problems faced by respondents*
- ⇔ *Awareness level of respondents*

## **5.1. Introduction**

In the present banking scenario, customer's awareness about different services provided by banks is important. It is because banks are providing variety of services and most of them are technology integrated services. So, banks must have to take steps to make aware of their customers and encourage to use these products again and again.

In this chapter it is tried to analyse the following aspects-

- ↳ Factors considered for opening a bank account
- ↳ Problems faced by respondents
- ↳ Awareness level of respondents

## **5.2. Factors considered for opening a bank account**

For the purpose to know why respondents selected a particular bank for satisfying their banking needs, identified eleven factors and was presented

before respondents. Their responses are analysed in bank wise, district wise and region wise. The details are given below.

### 5.2.1. Factors considered for opening a bank account- Bank wise

The bank wise analysis reveals that, in the case of State Bank of Travancore (SBT) the highly motivated factor, as said by the respondents is 'Near to house/office' (mean score 17.88), followed by the factor 'Better image of the bank' (15.92) and 'Greater spread of branches' (13.59) in the second and third position respectively. It is factors 'Better image of the bank' (13.83) and 'Greater spread of branches' (13.37) in the first and second position to the Punjab National Bank. In the Canara bank case, 'Near to the house/office' factor is the highly motivated factor (18.08) followed by the factor 'Security and Confidentiality' (12.74). To the ICICI bank one of the New private sector banks in the sample, 'Near to the house/office' (16.42) and 'Security and confidentiality'(11.30) are the most influenced factors at the first and second position respectively. But it is 'Greater spread of branches' (14.74) in the top position and 'Near to house/office' (13.95) in the second position, as highly influenced reasons to start banking with HDFC bank. Table 5.1. given below presents the results of analysis in detail.

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Table 5.1

## Bank wise mean scores of factors considered for opening a bank account

Banks		Greater spread of branches	Near to house/office	Better image of the bank	Easy procedures	Personal relation with staff	Statutory obligation	Variety of services	Technological advancement	Rate of return and service charge	Promptness and Timeliness	Security and confidentiality
SBT	Mean	13.59	17.88	15.92	6.12	8.99	5.66	6.01	5.13	4.22	5.57	10.49
	N	76	76	76	76	76	76	76	76	76	76	76
	Std. Deviation	14.396	16.558	15.466	9.450	16.663	16.628	8.944	12.412	6.434	7.881	13.475
Punjab National Bank	Mean	13.37	8.39	13.83	10.20	11.54	10.08	6.71	5.53	6.13	5.97	7.93
	N	76	76	76	76	76	76	76	76	76	76	76
	Std. Deviation	15.734	9.238	9.534	8.545	13.744	11.930	7.666	7.236	6.446	7.202	9.496
Canara Bank	Mean	9.83	18.08	11.92	11.95	6.13	2.50	6.09	4.55	6.54	9.00	12.74
	N	76	76	76	76	76	76	76	76	76	76	76
	Std. Deviation	10.793	18.430	9.352	8.543	7.764	5.798	9.146	6.027	7.786	8.202	12.928
ICICI Bank	Mean	11.09	16.42	7.71	9.18	4.89	5.54	7.16	7.80	7.68	9.84	11.30
	N	76	76	76	76	76	76	76	76	76	76	76
	Std. Deviation	10.193	15.845	8.765	8.155	5.336	7.329	8.791	7.675	8.295	7.923	14.994
HDFC Bank	Mean	14.74	13.95	6.91	12.11	7.17	5.16	11.03	8.18	10.07	4.47	4.41
	N	76	76	76	76	76	76	76	76	76	76	76
	Std. Deviation	9.306	16.193	8.123	8.297	9.031	5.960	9.713	6.972	6.608	4.515	7.999
Total	Mean	12.52	14.94	11.26	9.91	7.74	5.79	7.40	6.24	6.93	6.97	9.37
	N	380	380	380	380	380	380	380	380	380	380	380
	Std. Deviation	12.409	15.902	11.090	8.840	11.465	10.637	9.025	8.455	7.374	7.527	12.330

Source: Primary data

### 5.2.1.a. Testing of hypothesis

***Null Hypothesis*** - There is no significant different among banks in considering factors for opening a Bank account.

For testing the above hypothesis one-way ANOVA is performed in each reasons case and the result is shown in table 5.2.

**Table 5.2.**  
**Results of one – way ANOVA among banks and factors considered for opening a bank account**

Reasons	Greater spread of branches	Near to house/office	Better image of the bank	Easy procedures	Personal relation with staff	Statutory obligation	Variety of services	Technological advancement	Rate of return and service charge	Promptness and Timeliness	Security and confidentiality
p- value	0.093	0.001	0.000	0.000	0.003	0.000	0.003	0.013	0.000	0.000	0.000

The above table reveals that the differences in mean scores between banks in each factors except first factor – ‘greater spread of branches’ – are found significant, that is, the p-value in all cases except first reason are less than 0.05. That means respondents of different banks are indifferent to the first factor – ‘greater spread of branches’. But they respond differently against all other reasons.

### 5.2.2. Factors considered for opening a bank account – District wise

The district wise analysis of factors influenced to approach a particular bank points out that, respondents in both Ernakulam and Kozhikode districts of State Bank of Travancore told ‘near to house or office’ is the main

factor (16.03 and 19.74 respectively). The second major factor influenced by the respondents in Ernakulam district is 'greater spread of branches' (13.68) and it is 'better image of the bank' (18.42) to respondents in Kozhikode district. In the case of Punjab National Bank, it is 'better image of the bank' (14.05) as told by respondents in Ernakulam district and it is 'greater spread of branches' (16.03) to respondents in Kozhikode district. But respondents of Canara Bank in both district responded 'Near to house/office' is the major reason for approaching this bank (16.68 and 19.47 to Ernakulam and Kozhikode districts respectively). The respondents of ICICI bank in both districts also responded in the same way-as Canara Bank respondents (mean scores:17.39 and 15.45 to Ernakulam and Kozhikode districts respectively). But as told by respondents of HDFC bank in Ernakulam district 'greater spread of branches' is the leading factor (15.39) and 'Near to house/office' is the major reason (15.00) in the case of respondents on HDFC bank in Kozhikode district. The details of this analysis is shown in table 5.3, below-

Table 5.3

## District wise mean scores of considered for operating a bank account

Banks	Districts		Greater spread of branches	Near to house/ office	Better image of the bank	Easy procedures	Personal relation with staff	Statutory obligation	Variety of services	Technological advancement	Rate of return and service charge	Promptness and Timeliness	Security and confidentiality
SBT	Ernakulam	Mean N Std. Deviation	13.68 38 9.812	16.03 38 15.568	13.42 38 8.867	8.16 38 8.365	6.13 38 7.545	5.00 38 5.873	6.74 38 7.187	8.05 38 16.446	6.71 38 7.021	6.18 38 6.493	9.18 38 11.437
	Kozhikode	Mean N Std. Deviation	13.50 38 17.995	19.74 38 17.502	18.42 38 19.834	4.08 38 10.125	11.84 38 22.117	6.32 38 22.915	5.29 38 10.459	2.21 38 4.927	1.74 38 4.683	4.95 38 9.109	11.79 38 15.290
Punjab National Bank	Ernakulam	Mean N Std. Deviation	10.71 38 6.584	9.89 38 10.342	14.05 38 9.447	11.42 38 8.620	9.74 38 9.138	8.50 38 9.658	6.74 38 7.804	6.26 38 7.839	6.97 38 6.545	7.16 38 8.109	8.16 38 8.800
	Kozhikode	Mean N Std. Deviation	16.03 38 21.071	6.89 38 7.835	13.61 38 9.741	8.97 38 8.404	13.34 38 17.109	11.66 38 13.787	6.68 38 7.630	4.79 38 6.601	5.29 38 6.320	4.79 38 6.041	7.71 38 10.259
Canara Bank	Ernakulam	Mean N Std. Deviation	9.26 38 7.958	16.68 38 14.647	12.16 38 7.250	11.95 38 8.207	5.11 38 6.172	2.63 38 4.207	5.97 38 6.720	5.11 38 6.713	7.63 38 7.947	9.63 38 8.452	13.11 38 12.233
	Kozhikode	Mean N Std. Deviation	10.39 38 13.120	19.47 38 21.679	11.68 38 11.162	11.95 38 8.977	7.16 38 9.051	2.37 38 7.099	6.21 38 11.153	4.00 38 5.286	5.45 38 7.568	8.37 38 8.008	12.37 38 12.233
ICICI Bank	Ernakulam	Mean N Std. Deviation	10.66 38 9.425	17.39 38 18.742	7.76 38 8.626	8.53 38 9.354	5.34 38 6.186	5.16 38 5.390	5.74 38 7.948	7.34 38 7.327	6.95 38 7.490	10.74 38 8.481	13.26 38 17.658
	Kozhikode	Mean N Std. Deviation	11.53 38 11.018	15.45 38 12.479	7.66 38 9.017	9.84 38 6.812	4.45 38 4.391	5.92 38 8.918	8.58 38 9.452	8.26 38 8.080	8.42 38 9.069	8.95 38 7.326	9.34 38 11.400
HDFC Bank	Ernakulam	Mean N Std. Deviation	15.39 38 8.333	12.89 38 9.489	6.05 38 6.384	12.24 38 8.982	6.32 38 5.657	5.21 38 6.265	12.68 38 10.514	9.03 38 7.376	10.92 38 6.764	4.21 38 4.431	3.68 38 6.005
	Kozhikode	Mean N Std. Deviation	14.08 38 10.257	15.00 38 20.957	7.76 38 9.565	11.97 38 7.671	8.03 38 11.481	5.11 38 5.722	9.37 38 8.663	7.34 38 6.532	9.21 38 6.423	4.74 38 4.642	5.13 38 9.620

### 5.2.2.a. Testing of hypothesis

The null hypothesis is ;

***Null Hypothesis* - There is no significant difference between districts in considering factors for opening a bank account.**

The results of one way ANOVA test conducted for testing above hypothesis is presented in table 5.4.

**Table 5.4.**

**Results of One-way ANOVA between districts and factors considered for opening a bank account**

Reasons	Greater spread of branches	Near to house/office	Better image of the bank	Easy procedures	Personal relation with staff	Statutory obligation	Variety of services	Technological advancement	Rate of return and service charge	Promptness and Timeliness	Security and confidentiality
p-value	0.362	0.654	0.318	0.228	0.038	0.359	0.794	0.035	0.011	0.091	0.868

Since p-value of reasons ‘personal relation with staff’, ‘technological advancement’ and ‘rate of return and service charge’ are less than 0.05 (0.038, 0.035, 0.011 respectively). Hence there is a significant difference in views of respondents in different districts on the above mentioned factors. The other reasons are made more or less equal influence on respondents in both districts.

### **5.2.3. Factors considered for opening a bank account – Region wise**

While analysing the factors that are influenced to open a bank account region wise urban and rural - reveals that in the case of SBT, urban respondents considered this particular bank because of the reason 'Near to house/office' (18.63), but rural main reason (19.63) behind their approach to SBT. In the case of Punjab National Bank, major factor influenced by the urban respondents is bank's better image (14.19). But rural respondents preferred this bank mainly because of the reason that 'greater spread of branches' (23.92). The urban and rural respondents of Canara Bank Selected 'Near to house or office' as main reason for approaching this particular bank (17.10). In the case of ICICI bank, it is 'Near to house or office' and 'Greater spread of banks' are felt as main reasons (17.79 and 15.00 respectively) to urban respondents and rural respondents respectively. But in the HDFC bank case, 'greater spread of banks' and 'Near to house or office' reasons are influenced greatly to the respondents in urban and rural areas (15.40 and 21.54 respectively). Table 5.5 provides relevant details of this analysis.

**Table 5.5**  
**Region wise mean scores of factors considered for opening a bank account**

Banks	Districts		Greater spread of branches	Near to house/ office	Better image of the bank	Easy procedures	Personal relation with staff	Statutory obligation	Variety of services	Technological advancement	Rate of return and service charge	Promptness and Timeliness	Security and confidentiality
SBT	URBAN	Mean N Std. Deviation	13.17 30 13.458	18.63 30 16.980	11.77 30 8.908	5.67 30 6.445	11.83 30 20.225	5.00 38 5.873	6.97 30 10.453	8.17 30 18.100	5.07 30 6.848	4.40 30 6.083	9.27 30 12.261
	RURAL	Mean N Std. Deviation	13.87 46 15.117	17.39 46 16.447	18.63 46 18.125	6.41 46 11.038	7.13 46 13.793	6.09 46 20.938	5.39 46 7.867	3.15 46 5.959	3.67 46 6.165	6.33 46 8.842	11.28 46 14.287
Punjab National Bank	URBAN	Mean N Std. Deviation	11.39 64 6.897	9.63 64 9.499	14.19 64 8.619	11.84 64 8.295	9.92 64 8.222	9.47 64 9.641	5.81 64 5.626	6.20 64 7.631	6.41 64 6.772	6.62 64 7.508	8.20 64 10.162
	RURAL	Mean N Std. Deviation	23.92 12 35.656	1.83 12 3.040	11.92 12 13.767	1.42 12 1.975	20.17 12 28.361	13.33 12 20.597	11.50 12 13.774	1.92 121 2.575	4.67 12 4.228	2.50 12 3.896	6.50 12 4.543
Canara Bank	URBAN	Mean N Std. Deviation	9.17 52 10.293	17.10 52 19.042	13.42 52 8 626	12.38 52 8.790	6.46 52 8.410	3.12 52 6.830	5.08 52 8.359	3.81 52 6.123	7.27 52 8.763	8.67 52 8.143	13.04 52 13.701
	RURAL	Mean N Std. Deviation	11.25 24 11.910	20.21 24 17.225	8.67 24 10.201	11.00 24 8.081	5.42 24 6.241	1.17 24 1.857	8.29 24 10.511	6.17 24 5.600	4.96 24 4.859	9.71 24 8.462	12.08 24 11.317
ICICI Bank	URBAN	Mean N Std. Deviation	10.21 62 9.607	17.79 62 16.584	7.52 62 8.896	8.92 62 8.189	4.06 62 5.328	4.77 62 4.744	6.19 62 7.957	8.11 62 7.750	8.37 62 8.804	9.40 62 8.060	12.89 62 15.837
	RURAL	Mean N Std. Deviation	15.00 14 12.089	10.36 14 10.463	8.57 14 8.419	10.36 14 8.196	8.57 14 3.631	8.93 14 13.753	11.43 14 11.168	6.43 14 7.449	4.64 14 4.584	11.79 14 7.234	4.29 14 6.157
HDFC Bank	URBAN	Mean N Std. Deviation	15.40 63 9.431	12.38 63 13.792	7.38 63 8.560	10.79 63 6.910	6.75 63 9.803	5.75 63 6.294	12.35 63 9.926	7.02 63 6.519	9.76 63 4.439	4.92 63 4.709	5.32 63 8.513
	RURAL	Mean N Std. Deviation	11.54 13 8.263	21.54 13 24.099	4.62 13 5.189	18.46 13 11.435	9.23 13 2.774	2.31 13 2.594	4.62 13 5.189	13.85 13 6.504	11.54 13 12.972	2.31 13 2.594	0.00 13 0.000

### 5.2.3.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between regions in considering factors for opening a bank account.*

One – way ANOVA is conducted to test the hypothesis on each reasons and the result is given in table 5.6, below.

**Table 5.6.**  
**Results of One-way ANOVA between regions and factors considered for opening a bank account**

Reasons	Greater spread of branches	Near to house/office	Better image of the bank	Easy procedures	Personal relation with staff	Statutory obligation	Variety of services	Technological advancement	Rate of return and service change	Promptness and Timeliness	Security and confidentiality
p-value	0.083	0.463	0.100	0.126	0.344	0.927	0.927	0.196	0.002	0.913	0.492

Since the p-values are greater than 0.05 except in the case of reason ‘Reason of return and service charges’. Hence it can be said that respondents in different regions are indifferent to all factors except to the reason, rate of return and service charges.

### 5.2.4. Conclusion

From the explanations presented above, it can be concluded that, in the case of both public sector and New private sector banks, reasons or factors like ‘greater spread of bank branches’, ‘Near to house/office’, ‘better image of banks’ etc., are found significant for selecting banks to satisfy banking needs

by the respondents. It can also be said that these reasons influences respondents more or less equally whether these are considered district wise or region wise.

### **5.3. Problems experienced**

In this session, analysis had done on different types of problems faced by respondents while dealing transaction with their banks. For this purpose, nine problems were identified viz., too much formalities, lack of evening branches, delay in payment, absence of personalized services etc. (The questions were set in a 5- point Likert scale – from ‘always’ to ‘not faced’). The details of analysis of data are presented below.

#### **5.3.i. Problems experienced – Bank wise**

The analysis of different problems faced by respondents of selected banks and its intensity shows that, to all banks, ‘too much formalities’, ‘lack of courtesy of staff’, ‘absence of personalized services’ and ‘lack of evening branches’ are the major problems faced by their customers. These problems had experienced ‘often’ or ‘rare’ situations. In the case of SBT ‘too much formalities’ is the major problem (3.36). It is same in the case of other banks, except HDFC bank. In the case of HDFC bank ‘lack of courtesy of staff’ is the major problem, as experienced by their respondents. Table 5.7 explains the results in detail.

**Table 5.7**  
**Bank wise details of problems faced by respondents**

Bank		Too much formalities	Lack of evening branches	Shortage of cash	Minimum balance of C/D G/C	Non-availability of various denomination of	Delay in payment	Absence of personalised services	Lack of courtesy of the staff	Absence of proper co-operation and guidance
<b>SBT</b>	Mean	3.36	2.63	1.80	1.87	1.88	2.29	2.49	2.43	2.54
	N Std dev	76 1.373	76 1.495	76 1.200	76 1.237	76 1.166	76 1.198	76 1.390	76 1.320	76 1.437
<b>Punjab National Bank</b>	Mean	2.83	2.17	1.79	1.88	1.42	1.99	2.50	2.37	2.51
	N Std dev	76 1.389	76 1.290	76 .984	76 1.095	76 .698	76 1.149	76 1.562	76 1.632	76 1.677
<b>Canara Bank</b>	Mean	2.79	2.37	1.91	1.84	2.03	2.05	2.34	2.25	2.54
	N Std dev	76 1.473	76 1.325	76 1.213	76 1.144	76 1.222	76 1.106	76 1.342	76 1.415	76 1.527
<b>ICICI Bank</b>	Mean	3.64	2.68	2.32	2.34	2.54	2.34	2.64	2.93	2.68
	N Std dev	76 1.303	76 1.235	76 1.235	76 1.372	76 1.399	76 1.271	76 1.589	76 1.619	76 1.610
<b>HDFC bank</b>	Mean	2.89	2.53	2.38	2.42	2.22	2.32	2.88	3.12	2.58
	N Std dev	76 1.588	76 1.447	76 1.316	76 1.369	76 1.103	76 1.191	76 1.591	76 1.697	76 1.753
<b>Total</b>	Mean	3.10	2.48	2.04	2.07	2.02	2.20	2.57	2.62	2.57
	N Std dev	380 1.461	380 1.368	380 1.216	380 1.268	380 1.195	380 1.187	380 1.502	380 1.573	380 1.597

*Source: Primary data*

### 5.3.ii. Problems experienced – District wise

The result of district wise analysis of major problems faced by the respondents are presented in table 5.8, below.

**Table 5.8**  
**District wise details of problems faced by respondents**

Bank	District		Too much formalities	Lack of evening branches	Shortage of cash	Minimum balance of C/D G/C	Non-availability of various denomination of currency	Delay in payment	Absence of personalised services	Lack of courtesy of the staff	Absence of proper co-operation and guidance
SBT	Ernakulam	Mean	3.37	2.71	2.39	2.26	2.29	2.53	2.39	2.68	2.89
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.422	1.206	1.306	1.223	1.313	1.246	1.285	1.416	1.448
	Kozhikode	Mean	3.34	2.55	1.21	1.47	1.47	2.05	2.58	2.18	2.18
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.341	1.751	.704	1.133	.830	1.114	1.500	1.182	1.353
Punjab National Bank	Ernakulam	Mean	2.82	2.18	1.97	2.11	1.55	2.08	2.45	2.47	2.50
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.449	1.291	1.127	1.247	.828	1.260	1.589	1.623	1.704
	Kozhikode	Mean	2.84	2.16	1.61	1.66	1.29	1.89	2.55	2.26	2.53
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.346	1.305	.790	.878	.515	1.034	1.554	1.655	1.704
Canara Bank	Ernakulam	Mean	3.00	2.37	2.05	1.97	2.24	2.11	2.42	2.37	2.71
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.542	1.324	1.251	1.241	1.364	1.158	1.348	1.496	1.659
	Kozhikode	Mean	2.58	2.37	1.76	1.71	1.82	2.00	2.26	2.13	2.37
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.388	1.344	1.173	1.037	1.036	1.065	1.349	1.339	1.384
ICICI	Ernakulam	Mean	3.76	2.76	2.61	2.66	2.84	2.61	2.79	2.97	2.74
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.304	1.283	1.326	1.381	1.346	1.306	1.545	1.515	1.537
	Kozhikode	Mean	3.53	2.61	2.03	2.03	2.24	2.08	2.50	2.89	2.63
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.310	1.198	1.078	1.306	1.403	1.194	1.640	1.737	1.699
HDFC	Ernakulam	Mean	2.282	2.55	2.39	2.50	2.16	2.42	2.84	2.97	2.29
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.591	1.501	1.264	1.351	1.079	1.266	1.534	1.684	1.642
	Kozhikode	Mean	2.97	2.50	2.37	2.34	2.29	2.21	2.92	3.26	2.87
		N	38	38	38	38	38	38	38	38	38
		Std. Dev	1.602	1.409	1.384	1.400	1.137	1.119	1.667	1.719	1.833

Source: Primary data

112

From the evaluations of the above table, it can be understood that, 'too much formalities' is the major problem or difficulty faced by respondents, except the respondents of HDFC bank in both Ernakulam and Kozhikode districts. They felt lack of courtesy of bank employees as their major difficulty. Other major problems faced by respondents in both districts are 'lack of evening banking services', delay in payment, absence of personalized services, lack of courtesy of employees, absence of proper guidance. The other problems are not at all important to banks and respondents in both districts.

### **5.3.iii. Conclusion**

As found in the analysis, the major problem faced by the respondents while doing business with their respective banks are, too much formalities, lack of courtesy of staff, lack of evening bank branches, delay in payment, absence of personalized services. In most of the banks, 'too much formalities' is the major difficulty faced by respondents. The district wise analysis also revealed the same above result.

### **5.4. Awareness level of respondents**

Awareness or perceived knowledge, here, means internal knowledge or information that customers have related to a particular product class. In the present scenario of Indian banking sector banks introduce or offer variety products in different ways and technology became an important ingredient in

all these products or services. In this situation customers must have knowledge in areas like, accessing, acquiring, usage etc of services. On the other side banks have to take steps to educate their customers and make them aware in the above mentioned areas.

In this session, analysed aspects such as, sources of information, awareness level of respondents on value added services and the frequency of usage of value added services like ATM services, Internet banking etc.

#### **5.4.1. Sources of Information**

To know the sources of information about banks and their services, five options such as newspaper, friends or relatives, audio or visual media, bank employees and bank brochures were identified and presented before the respondents. Most of the respondents told they get information through more than one source.

##### **5.4.1.i. Sources of information – bank wise**

It has been found from the analysis that, out of 380 respondents (.190 each from public sector and New private sector) 283 respondents told news paper as a source of information. Out of this 283, 161 respondents are of public sector category and 122 respondents from new private sector category. Similarly in the case of ‘friends and relatives’ option, out of 380 respondents 190 respondents are chosen this as their one of the sources of information. In the category wise, 117 respondents of public sector banks and 73 respondents

in the new private banks category selected this option as their sources of information. To the option – ‘audio-visual media’, out of 380 respondents 159 respondents (82 of public sector and 77 of New private banks) ticked as one of their sources of information. A detailed presentation of the analysis in table 5.9, below;

**Table 5.9**

**Bank wise number of respondents and sources of information**

Bank	Sources of Information				
	News paper	Friends/ relatives	Audio/ visual media	Employees of bank	Bank brochures
SBT	58	40	32	28	35
Punjab National Bank	50	41	27	29	30
Canara Bank	53	36	23	34	26
<b>Total</b>	<b>161</b>	<b>117</b>	<b>82</b>	<b>91</b>	<b>91</b>
ICICI Bank	56	39	33	27	45
HDFC Bank	66	34	44	24	52
Total	122	73	77	51	97
<b>Grand total</b>	<b>283</b>	<b>190</b>	<b>159</b>	<b>142</b>	<b>188</b>

*Source: Primary data*

**5.4.1.i.a. Most important source of information - bankwise**

Among the five identified sources of information which source is preferred by most of the respondents is analysed in this part.

As told by respondents of each bank ‘News paper’ is the major source of information to all banks except to HDFC bank. In the case of HDFC bank, it is ‘Audio/Visual’ option is at the top position. ‘Friends or relative’ option stands next to ‘News paper’ all banks except ICICI bank, where ‘Audio/

Visual' option occupies the second position. It also reveals that, 'Employees of bank' option is the least accepted sources of information by the respondents. Table 5.10. given below shows the details.

**Table 5.10.**

**Bank wise number of respondents and most important source of information**

Bank	Sources of Information					
	News paper	Friends/ relatives	Audio/ visual media	Employees of bank	Bank brouchers	Total
SBT	22 (29)	20 (26)	11 (14)	8 (11)	15 (20)	76 (100)
Punjab National Bank	24(32)	21(28)	6(8)	11(14)	14(18)	76(100)
Canara Bank	31(40)	15(20)	8(11)	8(11)	14(18)	76(100)
Total	77	56	25	27	43	
ICICI Bank	32(42)	12(16)	20(26)	2(3)	10(13)	76(100)
HDFC Bank	11(14)	18(24)	27(36)	6(8)	14(18)	76(100)
Total	33	30	47	8	24	
Grand total	120(31)	86(23)	72(19)	35(9)	67(18)	380(100)

*Note: Figures in brackets are approximate percentages*

*Source: Primary data*

**5.4.1.ii. Sources of Information – District wise.**

The district wise analysis of sources of information reveals that, to both districts – Ernakulam and Kozhikode- News paper is the major source of information to respondents. It also reveals that, out of 114 respondents of public sector bank in Ernakulam district, 86 respondents chose news paper as a source of information. It is 75 respondents in the case of Kozhikode district out of 76 respondents of New private bank, 62 respondents in Ernakulam

district chose News paper as one among several sources of information. In the case of option 'friends or relatives', 61 respondents in Ernakulam district and 56 respondents in Kozhikode district (out of 114 respondents of public sector banks) selected friends or relatives as their sources of information about banks and its services. But in the case of New private banks 'bank brochures' options stands at the second position in both districts (48 and 49 respondents in Ernakulam and Kozhikode districts respectively) followed by 'friends or relatives' option as third main source of information. The table 5.11 illustrates it in detail.

**Table 5.11**  
**District wise number of respondents and sources of information**

District	Bank	Sources of Information				
		News paper	Friends/ relatives	Audio/ visual media	Employees of bank	Bank brochures
Ernakulam	SBT	33	25	19	14	20
	Punjab National Bank	22	18	14	15	16
	Canara Bank	31	18	13	17	14
	Total	86	61	46	46	50
	ICICI Bank	28	16	14	12	22
	HDFC Bank	34	19	20	11	26
	Total	62	35	34	23	48
	Grand total	148	96	80	69	98
Kozhikode	SBT	25	15	13	14	15
	Punjab National Bank	28	23	13	14	14
	Canara Bank	22	18	10	17	12
	Total	75	56	36	45	41
	ICICI Bank	28	23	19	15	23
	HDFC Bank	32	15	24	13	26
	Total	60	38	43	28	49
	Grand total	135	94	79	73	90

*Source: Primary data*

#### 5.4.1.ii.a. Most important source of information – district wise

In this part, it is tried to analyse that which is the most important source of information among the five identified sources. The details of this point view of analysis is depicted in Table 5.12.

**Table 5.12**

**Bank and district wise number of respondents and most important source of information**

District	Bank	Sources of Information					Total
		News paper	Friends/ relatives	Audio/ visual media	Employees of bank	Bank brochures	
Ernakulam	SBT	13 (33)	11 (29)	7 (18)	2 (5)	5 (13)	38 (100)
	Punjab National Bank	12 (31)	8 (21)	4 (11)	6 (16)	8 (21)	38
	Canara Bank	18 (47)	6 (16)	4 (11)	2 (5)	8 (21)	38
	<b>Total</b>	<b>43</b>	<b>25</b>	<b>15</b>	<b>10</b>	<b>21</b>	
	ICICI Bank	18 (47)	6 (16)	8 (21)	2 (5)	4 (11)	38
	HDFC Bank	9 (24)	9 (24)	11 (29)	2 (5)	7 (18)	38
	<b>Total</b>	<b>27</b>	<b>15</b>	<b>20</b>	<b>4</b>	<b>11</b>	
	<b>Grand total</b>	<b>70</b>	<b>40</b>	<b>34</b>	<b>14</b>	<b>32</b>	
Kozhikode	SBT	9 (24)	9 (24)	4 (11)	6 (16)	10 (25)	38
	Punjab National Bank	12 (32)	13 (34)	2 (5)	5 (13)	6 (16)	38
	Canara Bank	13 (33)	9 (24)	4 (11)	6 (16)	6 (16)	38
	<b>Total</b>	<b>34</b>	<b>31</b>	<b>10</b>	<b>17</b>	<b>22</b>	
	ICICI Bank	14 (36)	6 (16)	12 (32)	0 (0)	6 (16)	38
	HDFC Bank	2 (5)	9 (24)	16 (42)	4 (11)	7 (18)	38
	<b>Total</b>	<b>16</b>	<b>15</b>	<b>28</b>	<b>4</b>	<b>13</b>	
	<b>Grand total</b>	<b>50</b>	<b>46</b>	<b>38</b>	<b>21</b>	<b>35</b>	<b>380</b>

*Note: Figures in brackets are percentages (approx)*

*Source: Primary data*

From the evaluation of table 5.12 it can be understood that majority of respondents in Ernakulam district use 'News paper' for gathering information related to banks and its services. 'Friends or relatives' source is the second major source to them. In Kozhikode district also News paper is the major source followed by 'friends or relatives'. But when it is analysed each bank separately it can be understood that bank 'brochures' is the major source to SBT, 'Friends and relatives' to Punjab National Bank, ' News paper' to Canara bank and ICICI bank, 'Audio visual media' to HDFC bank.

#### **5.4.2. Customer general awareness**

Customer general awareness here means, overall awareness about the bank and its services. It can be attained by a customer through advertisements and other similar customer awareness programs of banks. It included all activities of banks that are conducted to provide some knowledge about them and their services. It is important to banks to know whether their customer awareness programs and advertisements are effective or not, so that they can make necessary modifications in their programs to make it more effective.

In this study it was tried to know customer's overall awareness through their opinion on customer awareness programs and advertisements of their respective banks. The results of analysis is presented below.

##### **5.4.2.i. Customer general awareness – Bank wise**

The analysis of respondents opinion on awareness programs conducted by their banks pointed out that, respondents felt it in between 'average' and

‘good’. Among banks, Punjab National Bank is in better position (3.71) in educating their customers. Canara Bank stands next (3.47) and HDFC bank (3.46) at third position. Among five banks SBT has the poor customer awareness programme (3.42) compared to other banks. The details are presented in table 5.13 below.

**Table 5.13**

**Bank wise mean scores of customer awareness programs**

Bank	Mean	N	Standard deviation
SBT	3.42	76	.853
Punjab National Bank	3.71	76	.727
Canara Bank	3.47	76	.757
ICICI Bank	3.45	76	.870
HDFC bank	3.46	76	.502
Total	3.50	380	.757

Source: *Primary data*

**5.4.2.i.a. Testing of hypothesis**

The null hypothesis is;

*Null Hypothesis - There is no significant difference among banks in customer general awareness level.*

A one way ANOVA has been conducted to test the above hypothesis and the result is given in table 5.14

**Table 5.14****Result of one-way ANOVA on customer general awareness level among banks**

	Sum of squares	df	Mean square	F	p-value
Between groups	4.221	4	1.055	1.860	0.117
Within groups	212.776	375	,567		
Total	216.997	379			

Since p-value is greater than 0,05 (0.117), accepted null hypothesis, that is, there is no significant difference on customer general awareness level among banks.

**5.4.2.ii. Customer general awareness – District level**

The district wise analysis of customer general awareness level of banks reveals that, respondents in both Ernakulam and Kozhikode districts opined as ‘average’ (3.48 and 3.52 respectively) or it is in between ‘average’ and ‘good’. When it is compared in Ernakulam district, Punjab National Bank is in a better position (3.63) followed by HDFC bank (3.53) in the second position. In Kozhikode district, Punjab National bank retains its position (3.79) followed by SBT (3.53) in the second place. Table 5.15 provides the details of the analysis.

**Table 5.15****District wise mean scores of customer general awareness level**

Bank	District	Mean	N	Standard deviation
SBT	Ernakulam	3.32	38	0.739
	Kozhikode	3.53	38	0.951
Punjab National Bank	Ernakulam	3.63	38	0.714
	Kozhikode	3.79	38	0.741
Canara Bank	Ernakulam	3.47	38	0.725
	Kozhikode	3.47	38	0.797
ICICI bank	Ernakulam	3.47	38	0.862
	Kozhikode	3.4.2	38	0.889
HDFC bank	Ernakulam	3.53	38	0.506
	Kozhikode	3.39	38	0.495

Source: *Primary data*

**5.4.2.ii.a. Testing of hypothesis**

The null hypothesis formulated here is;

*Null Hypothesis - There is no significant difference between districts in customer general awareness level*

The result of one-way ANOVA conducted to test the above hypothesis is given in table 5.16

**Table 5.16****Result of one – way ANOVA between districts and general awareness level of customers**

	Sum of squares	df	Mean square	F	p-value
Between groups	0.431	1	.431	.752	.386
Within groups	216.567	378	.573		
Total	216.997	379			

The calculated p-value - 0.386 is higher than 0.05, hence the null hypothesis is accepted; that means, there is no significant difference in the customer general awareness level between districts – Ernakulam and Kozhikode.

#### **5.4.3. Perceived knowledge level on value added services**

The value added services here means, or includes those type of services which are provided by banks on free of cost or on very small amount of fees. Examples of value added services are, ATM services, Internet banking, mobile banking etc. These types of services are recently originated and customer's knowledge on how to use these services etc., are inevitable.

In this session, it is tried to analyse the perceived knowledge level of respondents on the above mentioned aspects.

##### **5.4.3.i. Perceived knowledge level – Bank wise**

The results of analysis of perceived knowledge level of respondents on value added services provided by their banks are presented in table 5.17.

**Table 5.17****Bank wise number of respondents and knowledge perception level**

Bank	Knowledge perception levels					Total	Mean Score
	Little awareness	A little awareness	Moderate	Well aware	Very well aware		
SBT	29 (38)	10 (13)	20 (26)	14 (19)	3 (4)	76 (100)	2.37
Punjab National Bank	48 (63)	0 (0)	15 (20)	13 (17)	0 (0)	76 (100)	1.91
Canara Bank	20 (26)	17 (22)	30 (39)	8 (11)	1 (2)	76 (100)	2.38
<b>Total</b>	<b>97</b>	<b>27</b>	<b>65</b>	<b>45</b>	<b>4</b>		
ICICI Bank	34 (46)	10 (13)	11 (14)	10 (13)	11 (14)	76 (100)	2.39
HDFC Bank	31 (41)	17 (22)	15 (20)	10 (13)	3 (4)	76 (100)	2.17
<b>Total</b>	<b>65</b>	<b>27</b>	<b>26</b>	<b>20</b>	<b>14</b>		
<b>Grand total</b>	<b>162 (43)</b>	<b>54 (14)</b>	<b>41 (24)</b>	<b>55 (14)</b>	<b>18 (5)</b>	<b>380 (100)</b>	<b>2.24</b>

*Note: Figures in brackets are percentages (approx)*

*Source: Primary data*

The evaluation of the above table shows that, in the case of SBT, only four percent of respondents (out of 76) are very well aware of the procedures and formalities about value added services. 19 percent of respondents are well aware, 26 percent of respondents are moderately aware and about 38 percent of respondents are little or not aware of these types of services. In the case of Punjab National Bank, around 63 percent of respondents are not aware and nobody has in the level 'very well aware'. Around 39 percent of respondents of Canara bank are moderately aware and 26 percent are not.

Among the respondents of ICICI bank, 14 percent of respondents told they are very well aware of the services and around 46 percent told they not

at all aware about the services. In the case of HDFC bank, 41 percent of respondents are not aware, 22 percent have a little awareness and 20 percent are moderately aware of value added services and its procedures of use.

The table also reveals that, on the basis of mean scores, respondents of ICICI bank have the highest awareness level (2.39) followed by Canara bank (2.38) and SBT (2.37) in second and third position. Punjab National Bank has the least knowledge perception level (1.91) in this aspect.

#### 5.4.3.i.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference among banks in knowledge perception levels on value added services.*

For testing the above hypothesis, exercised a one-way ANOVA and the result is given in table 5.18

**Table 5.18**

**Result of One way ANOVA between banks and knowledge levels**

	Sum of squares	dt	Mean square	F	p-value
Between Groups	22.360	4	5.590	2.842	.024
Within Groups	737.640	375	1.467		
Total	760.000	379			

Since p-value, 0.024 is less than 0.05 rejected null hypothesis. Hence it can be said that there is a significant difference in the knowledge perception of respondents among banks.

#### **5.4.3.ii. Perceived knowledge level – District wise**

The district level analysis of knowledge perception levels of respondents reveals that, in the Ernakulam district, New private sector banks, especially ICICI bank and Canara bank have a better knowledge level on value added services. Among public sector banks Canara bank possessed top position. Out of 38 respondents of ICICI bank, 16 percent are in the category 'very well aware', 11 percent in 'well aware' and 16 percent are in the category 'moderate'. In the case of Canara bank, 39 percent of respondents are moderately aware and 16 percent are well aware about value added services. In the Punjab National bank case, around 63 percent of respondents (out of 38) are not aware of value added services provided by the bank.

In the Kozhikode district also ICICI bank respondents are in a better position in this aspect. They have 13 percent of respondents in 'very well aware' group and 16 percent in 'well aware' category. Among the public sector banks SBT is in a better position with 36 percent respondents in the 'moderate' awareness level, 16 percent in 'well aware' and five percent in 'very well aware' levels of knowledge perception. Canara bank possesses second position in this aspect with around 39 percent of respondents in 'moderate' level of knowledge perception of value added services.

While comparing 'awareness level' mean scores it can be understood that Canara bank is in the top position (2.63) followed by ICICI bank (2.37) and SBT (2.16) in the second and third position respectively. But in the Kozhikode district, SBT possesses top position (2.58) followed by ICICI bank

(2.42) in the second and HDFC bank (2.34) in the third position. The details are illustrated in table 5.19, below.

**Table 5.19**

**District wise number of respondents and knowledge perception levels**

District	Knowledge perception levels							Mean Score
	Bank	Little awareness	A little awareness	Moderate	Well aware	Very well aware	Total	
Ernakulam	SBT	19 (50)	4 (11)	6 (16)	8 (21)	1 (2)	38 (100)	2.16
	Punjab National Bank	24 (63)	0 (0)	8 (21)	6 (16)	0 (0)	38 (100)	1.89
	Canara Bank	6 (16)	10 (27)	15 (39)	6 (16)	1 (2)	38 (100)	2.63
	<b>Total</b>	<b>49</b>	<b>14</b>	<b>29</b>	<b>20</b>	<b>2</b>		
	ICICI Bank	18 (46)	4 (11)	6 (16)	4(11)	6 (16)	38 (100)	2.37
	HDFC Bank	19 (50)	7 (18)	7 (18)	3 (8)	2 (6)	38 (100)	2.00
	<b>Total</b>	<b>37</b>	<b>11</b>	<b>13</b>	<b>7</b>	<b>8</b>		
	<b>Grand total</b>	<b>86</b>	<b>25</b>	<b>42</b>	<b>27</b>	<b>10</b>		
Kozhikode	SBT	10 (27)	6 (16)	14 (36)	6 (16)	2 (5)	38 (100)	2.58
	Punjab National Bank	24 (64)	0 (0)	7 (18)	7 (18)	0 (0)	38 (100)	1.92
	Canara Bank	14 (37)	7 (18)	15 (39)	2 (6)	0 (0)	38 (100)	2.13
	<b>Total</b>	<b>48</b>	<b>13</b>	<b>36</b>	<b>15</b>	<b>2</b>		
	ICICI Bank	16 (42)	6 (16)	5 (13)	6 (16)	5 (13)	38 (100)	2.42
	HDFC Bank	12 (32)	10 (27)	8 (21)	7 (18)	1 (2)	38 (100)	2.34
	<b>Total</b>	<b>28</b>	<b>16</b>	<b>13</b>	<b>13</b>	<b>6</b>		
	<b>Grand total</b>	<b>76</b>	<b>29</b>	<b>49</b>	<b>28</b>	<b>8</b>	<b>380</b>	

*Note: Figures in brackets are percentage (approx)*

*Source: Primary data.*

### 5.4.3.ii.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference among districts of respondents in knowledge perception level on value added services.*

A one-way ANOVA has been exercised and the result is given in table 5.20, below.

**Table 5.20**

**Result of one-way ANOVA between districts on knowledge perception level**

	Sum of Squares	df	Mean square	F	p-value
Between Groups	.445	1	.445	.275	.600
Within Groups	611.795	378	1.619		
Total	612.239	379			

Since the resulted p-value is 0.600, that is, it is greater than 0.05. Hence it can be said that there is no significant difference between districts in knowledge perception levels of respondents.

### 5.4.4. Usage of value added services

Value added services like e-banking, ATM, Tele banking etc., are identified and presented before the respondents to know their usage frequency or intensity. Since it is a new product category most of the respondents are yet to become a regular user of these products.

In this session the usage of these categories of products are analysed in three view points; viz bank wise, district wise and region wise.

#### 5.4.4.i. Usage of value added services – Bank wise

The bank wise analysis reveals that, ATM services is the only popular or regularly using product. Among the respondents, respondents of ICICI bank has the highest position (4.08) followed by HDFC respondents (3.62) and respondents of Canara Bank (3.55) in the second and third position respectively. Among these products credit/debit card is the second regularly using product when comparing mean scores of each products in all banks. In this case also respondents of ICICI bank is in the top position (3.03) in using this service followed by HDFC respondents (2.42) and Punjab National Bank respondents (2.21) in the second and third position respectively. The details are presented in table 5.21.

**Table 5.21**

**Bankwise mean scores of usage of value added services**

Bank		e-banking/ internet banking	Tele banking	ATM service	Mobile banking	Home banking	Credit/ debit card
SBT	Mean	1.29	1.32	3.42	1.28	1.21	1.83
	N	76	76	76	76	76	76
	Std. deviation	.846	.912	1.329	.759	.771	1.350
Punjab National Bank	Mean	1.61	1.46	3.36	1.33	1.62	2.21
	N	76	76	76	76	76	76
	Std. deviation	1.201	1.051	1.240	.839	1.211	1.535
Canara Bank	Mean	1.58	1.53	3.55	1.47	1.55	2.13
	N	76	76	76	76	76	76
	Std. deviation	1.111	1.101	1.237	1.000	1.063	1.279
ICICI Bank	Mean	1.58	1.55	4.08	1.68	1.47	3.03
	N	76	76	76	76	76	76
	Std. deviation	1.062	1.182	1.163	1.146	1.064	1.689
HDFC Bank	Mean	1.54	1.55	3.62	1.08	1.08	2.42
	N	76	76	76	76	76	76
	Std. deviation	.972	.900	1.496	.483	.356	1.585
Total	Mean	1.52	1.48	3.61	1.37	1.39	2.32
	N	380	380	380	380	380	380
	Std. deviation	1.046	1.034	1.316	.893	.961	1.540

Source: Primary data

#### 5.4.4.i.a. Testing of hypothesis

The null hypothesis developed for the purpose is;

*Null Hypothesis - There is no significant difference among banks in usage of value added services by respondents.*

As per the result of the one-way ANOVA conducted to test the hypothesis, p-value is 0.002, ie, it is less than 0.05. Hence it can be inferred that there is a significant difference between banks in usage of value added service by their respondents. The details of test is given in table 5.22.

**Table 5.22**

**Result of one-way ANOVA among banks on usage of value added services**

	Sum of Squares	df	Mean square	F	p-value
Between Groups	416.763	4	104.191	4.272	.022
Within Groups	9146.658	375	24.391		
Total	9563.421	379			

#### 5.4.4.ii. Usage of value added services – District wise

The result of analysis of usage of value added services in districts of respondents is depicted in table 5.23

**Table 5.23**  
**District wise mean scores of usage of value added services**

Bank	District		e- banking/ internet banking	Tele banking	ATM service	Mobile banking	Home banking	Credit/ debit card
SBT	Ernakulam	Mean N Std. deviation	1.39 38 .887	1.45 38 1.005	3.24 38 1.324	1.53 38 1.006	1.32 38 .873	1.84 38 1.366
	Kozhikode	Mean N Std. deviation	1.18 38 .801	1.18 38 .801	3.61 38 1.326	1.03 38 .162	1.11 38 .649	1.82 38 1.353
Punjab National Bank	Ernakulam	Mean N Std. deviation	1.66 38 1.258	1.47 38 1.059	3.55 38 1.267	1.34 38 .847	1.63 38 1.217	2.42 38 1.687
	Kozhikode	Mean N Std. deviation	1.55 38 1.155	1.45 38 1.058	3.16 38 1.197	1.32 38 .842	1.61 38 1.220	2.00 38 1.356
Canara Bank	Ernakulam	Mean N Std. deviation	1.82 38 1.270	1.76 38 1.304	3.71 38 1.250	1.63 38 1.076	1.76 38 1.218	2.45 38 1.408
	Kozhikode	Mean N Std. deviation	1.34 38 .878	1.29 38 .802	3.39 38 1.220	1.32 38 .904	1.34 38 .847	1.82 38 1.062
ICICI	Ernakulam	Mean N Std. deviation	1.66 38 1.169	1.66 38 1.258	4.13 38 1.256	1.71 38 1.228	1.50 38 1.109	2.92 38 1.746
	Kozhikode	Mean N Std. deviation	1.50 38 .952	1.45 38 1.108	4.03 38 1.078	1.66 38 1.072	1.45 38 1.032	3.13 38 1.647
HDFC	Ernakulam	Mean N Std. deviation	1.53 38 1.033	1.45 38 .828	3.79 38 1.545	1.08 38 .487	1.03 38 .162	2.37 38 1.567
	Kozhikode	Mean N Std. deviation	1.55 38 .921	1.66 38 .966	3.45 38 1.446	1.08 38 .487	1.13 38 .475	2.47 38 1.623

Source: Primary data

From the above table it can be inferred that, ATM service is the widely used product in both districts of all banks followed by credit and debit cards in the next position. The table also shows that in the case of ATM services, Ernakulam district has the highest usage rate in all banks except in the case of SBT, where Kozhikode district stands at the top level in using ATM services. While comparing mean scores of Ernakulam district, respondents of ICICI bank has the highest usage rate (4.13) and it is same in the case of Kozhikode district also (4.03). Respondents of HDFC bank stands next to respondents of ICICI bank in using ATM services in both Ernakulam and Kozhikode districts (3.79 and 3.45 respectively).

#### 5.4.4.ii.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between districts in usage of value added services by respondents.*

A one-way ANOVA has been conducted for this purpose and the result is given in table 5.24.

**Table 5.24**

**Result of one-way ANOVA between districts and usage of value added services**

	Sum of Squares	df	Mean square	F	p-value
Between Groups	101.095	1	101.095	4.039	.045
Within Groups	9462.326	378	25.033		
Total	9563.421	379			

Since the p-value (0.045) is less than 0.05 the null hypothesis is rejected and it is inferred that there is no significant difference between districts in usage rate of value added services by respondents.

#### **5.4.4.iii. Usage of value added services – Region wise**

The urban/rural wise analysis of usage of value added services shows that, in this case also, ATM service is the widely and regularly used service in both urban and rural areas. It also reveals that, respondents ICICI bank in both urban and rural areas are in top position in using ATM services (4.08 and 4.07 respectively). Among the urban areas, respondents of HDFC bank has the highest usage rate, (3.76) next to ICICI bank, and respondents of Canara bank in the third position (3.50). Respondents of Canara bank in rural area has the second highest usage rate (3.67) in using ATM services and respondents of SBT in third position (3.57). It also shows that credit/debit card is the second popular product among identified products. A detailed presentation of the result is done in table 5.25.

Table 5.25

## Region wise mean scores of usage of value added services

Bank	Region		e- banking/ internet banking	Tele banking	ATM service	Mobile banking	Home banking	Credit/ debit card
SBT	Urban	N Std. deviation	30 .484	30 .740	30 1.270	30 .461	30 .461	30 .999
	Rural	Mean N Std. deviation	1.35 46 1.016	1.35 46 1.016	3.57 46 1.361	1.35 46 .900	1.24 46 .923	1.96 46 1.534
Punjab National Bank	Urban	Mean N Std. deviation	1.72 64 1.278	1.55 64 1.126	3.33 64 1.222	1.39 64 .902	1.73 64 1.288	2.34 64 1.606
	Rural	Mean N Std. deviation	1.00 12 .000	1.00 12 .000	3.50 12 1.382	1.00 12 .000	1.00 12 .000	1.50 12 .798
Canara Bank	Urban	Mean N Std. deviation	1.58 52 1.94	1.65 52 1.235	3.50 52 1.350	1.58 52 1.109	1.62 52 1.191	2.23 52 1.352
	Rural	Mean N Std. deviation	1.58 24 .929	1.25 24 .676	3.67 24 .963	1.25 24 .676	1.42 24 .717	1.92 24 1.100
ICICI	Urban	Mean N Std. deviation	1.69 62 1.139	1.65 62 1.269	4.08 62 1.135	1.77 62 1.151	1.56 62 1.154	2.89 62 1.651
	Rural	Mean N Std. deviation	1.07 14 .267	1.14 14 .535	4.07 14 1.328	1.29 14 1.069	1.07 14 .267	3.64 14 1.781
HDFC	Urban	Mean N Std. deviation	1.65 63 1.034	1.67 63 .950	3.76 63 1.341	1.10 63 .530	1.10 63 .390	2.33 63 1.470
	Rural	Mean N Std. deviation	1.00 13 .000	1.00 13 .000	2.92 13 2.019	1.00 13 .000	1.00 13 .000	2.85 13 2.075

Source: Primary data

#### 5.4.4.iii.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between regions in usage of value added services by respondents.*

The one-way ANOVA test, conducted to test the above hypothesis, shows that p-value (.016) is less than 0.05. Hence it can be said that there is no significant difference between regions in usage of value added services by respondents. The result of ANOVA is presented in table 5.26, below.

**Table 5.26**

**Result of One-way ANOVA between regions and usage of value added services**

	Sum of Squares	df	Mean square	F	p-value
Between Groups	146.344	1	146.344	5.874	.016
Within Groups	9417.077	378	24.913		
Total	9563.421	379			

#### 5.4.5. Conclusion

Following remarks can be drawn as conclusion. The respondents of banks usually collect information about their banks mainly through newspapers, friends and relatives, and audio/visual medias. The district wise analysis also revealed the same result.

The analysis of awareness level of respondents on value added services revealed that the respondents of ICICI bank have the highest level of awareness level in between 'a little aware' and 'moderately aware' situations.

But Punjab National Bank stands below to 'a little aware' situation. Also, it is found significant among banks, but not among districts.

Regarding customer awareness programs to create general awareness in customers, the performance of banks lies in between 'average' and 'good'. Punjab National Bank is in a better position in building general awareness compared to other banks. It also found that the programs conducted by both public sector and new private sector banks to give general awareness to their customer are not significantly different.

The analysis of usage rate of value added services revealed that ATM services and credit/debit card are the regularly used value added services to both public sector banks and new private sector banks. Also, the difference in usage among banks and districts are found significant in the respective tests.

## **Chapter VI**

### **SERVICE QUALITY PERCEPTION OF BANKS**

- ⇔ *Perception level of Reliability dimension*
- ⇔ *Perception level of Responsiveness dimension*
- ⇔ *Perception level of Assurance dimension*
- ⇔ *Perception level of Empathy dimension*
- ⇔ *Perception level of Tangibility dimension*
- ⇔ *Total Service Quality perception level*

## 6.1. Introduction

Quality is a subject that can be viewed from various angles. It can be defined quite simply as “the degree in which the expectation of customers is met with regard to a service offered”. Customer satisfaction is the key to secure his/her loyalty and generate superior long term performance. Therefore, the banking institutions to be made more responsive to the needs of public. In current context customer care and customer concern have become much more important.

Service quality is crucial to both the customer and the service firm. It is a competitive advantage to the firm and to the customers, it is a differentiator between competitors. It is very complex to assess quality of services than it is in the case of manufactured products. It is because of the nature or features of the service and can't always be measured before delivery and each delivery is unique compared to the previous delivery.

For this study, five dimensions (as suggested by Parasuraman, et al. 1985) such as reliability, responsiveness, assurance, empathy and tangibility are taken for the measurement of service quality among five selected banks.

An interview schedule is framed by including questions needed to get information relating to these five dimensions and questions are framed in five point scale ranging from '5' for extreme positive opinion and '1' for extreme negative opinion. In this session, statistical techniques like mean, standard deviation, ANOVA, t-test, univariate test are used for analysis. The five dimensions, mentioned above, are analysed in different ways viz, overall – bank wise, category wise (as public sector and new private sector), district wise, region wise and demographic features wise. Mean score is used for primary interpretation of the result. In the next stage it has been tried to understand the level of quality of service – high quality, satisfactory quality and below average quality – provided by banks. The above mentioned levels are fixed in the following way.

High quality	→	Equal to or greater than total mean score of the dimension + total standard deviation of the dimension.
Satisfactory quality	→	In between quality surprise and unacceptable quality (or total mean score itself)
Below average quality	→	Less than or equal to total mean score of the dimension – total standard deviation of dimension.

Individual bank' corresponding values are calculated and compared with above mentioned bench marks. When individual banks value equals or exceeds 'High quality' bench mark, then the bank falls into that group. When

it equals or less than 'below average quality' bench mark it lies in that group. In other cases it falls in 'satisfactory' group. If the individual banks values crosses two bench marks then, the bank falls to these level whose value is more closer to individual values.

A detailed discussion of analysis of perception level of service quality dimension is presented below

## **6.2. Perception level of Reliability dimension**

Reliability is the ability to perform the promised service dependably and accurately. It included the following aspects.

- ↳ Regularity
- ↳ Timeliness
- ↳ Procedures
- ↳ Complaint redressed system
- ↳ Keep customer's informed

To measure the perception level of reliability dimensions, questions relating to reliability aspect are grouped, summed the response values and calculated their mean and standard deviation. The interpretation of the analysis is done on the basis of mean scores. The analysis is illustrated below.

### 6.2.1. Perception level of Reliability dimension – Overall bank wise

The bank wise analysis of perception level of respondents on reliability reveals that, respondents of Canara bank have the highest perception level because of the highest mean score – 48.26 followed by State Bank of Travancore – 47.57 and HDFC bank – 47.46 in the second and third position respectively. Punjab National Bank (PNB) has the least reliability perception, which is, 43.92. Table 6.1 shows it in detail.

**Table 6.1.**

#### Bank wise Perception level of respondents on Reliability dimension

<b>Banks</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>SBT</b>	76	47.5658	13.66000
<b>Punjab National Bank</b>	76	43.9211	14.60937
<b>Canara bank</b>	76	48.2632	10.22203
<b>ICICI bank</b>	76	46.7763	15.10285
<b>HDFC bank</b>	76	47.4605	17.12343
<b>Total</b>	380	46.7974	14.32817

*Source: Primary data*

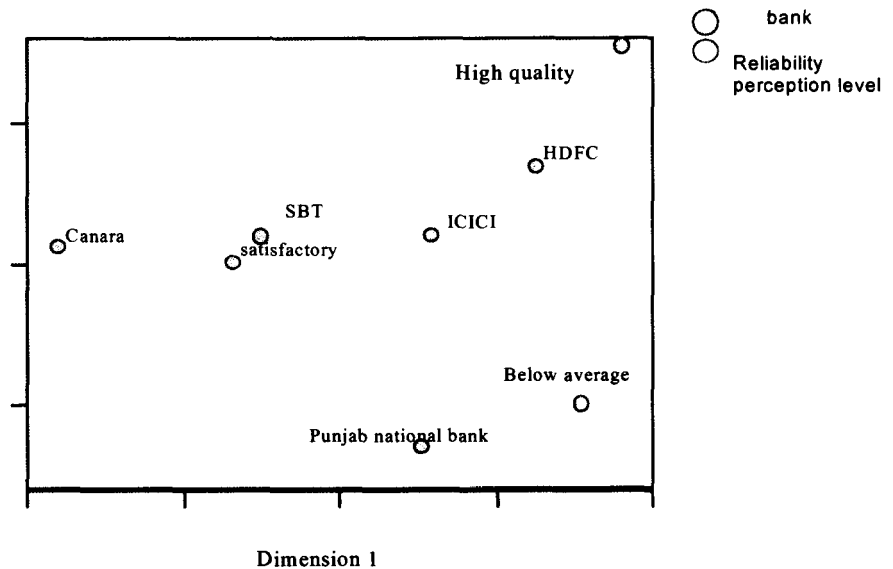
In this case the bench mark values of quality levels are:

High quality	→	Greater than or equal to 61.12557.
Satisfactory quality	→	46.7974
Below average quality	→	Less than or equal to 32.46923

A correspondence analysis map is constructed to present the results of level of quality on reliability dimension of banks. It is given in figure 6.1, below.

Figure 6.1

Correspondence analysis map representing perception level on reliability dimension of all selected banks.



From the above figure it is clear that HDFC bank is the only bank that has been providing 'high quality' on reliability dimension. The performance of SBT, ICICI bank and Canara bank are satisfactory and Punjab National Bank has below average quality on reliability dimension.

### 6.2.1. Testing of hypothesis

To know whether there is any significant difference between banks-overall wise in the perception level of reliability dimension, set the null hypothesis as;

*Null Hypothesis - There is no significant difference among banks on perception level of respondents on reliability dimension.*

A one-way ANOVA is conducted to test the above hypothesis. Table 6.2. presents the result of the test.

**Table 6.2**

**Results of one way ANOVA on perception level of reliability dimension between banks.**

	Sum of Squares	df	Mean Square	F	p-value.
Between Groups	870.384	4	217.596	1.061	.376
Within Groups	76937.013	375	205.165		
Total	77807.397	379			

As per the results of the test, p-value is 0.376. It is greater than 0.05, hence the null hypothesis is accepted. That means there is no significant difference between banks in the perception level of respondents on reliability dimension.

A Post-Hoc test is conducted to make the above result more clear. It also gives the result as same as above. Table 6.3, given below, explains the details.

Table 6.3.

Results of Post-Hoc test on perception level of Reliability dimension between banks.

(I) Bank	(J) Bank	Mean Difference (I-J)	Std. Error	p-value	95% Confidence Interval	
					Lower Bound	Upper Bound
<b>SBT</b>	Punjab national bank	3.64474	2.32359	.118	-.9242	8.2136
	Canara bank	-.69737	2.32359	.764	-5.2663	3.8715
	ICICI bank	.78947	2.32359	.734	-3.7794	5.3584
	HDFC bank	.10526	2.32359	.964	-4.4636	4.6742
<b>Punjab national bank</b>	SBT	-3.64474	2.32359	.118	-8.2136	.9242
	Canara bank	-4.34211	2.32359	.062	-8.9110	.2268
	ICICI bank	-2.85526	2.32359	.220	-7.4242	1.7136
	HDFC bank	-3.53947	2.32359	.129	-8.1084	1.0294
<b>Canara Bank</b>	SBT	.69737	2.32359	.764	-3.8715	5.2663
	Punjab national bank	4.34211	2.32359	.062	-.2268	8.9110
	ICICI bank	1.48684	2.32359	.523	-3.0821	6.0557
	HDFC bank	.80263	2.32359	.730	-3.7663	5.3715
<b>ICICI Bank</b>	SBT	-.78947	2.32359	.734	-5.3584	3.7794
	Punjab national bank	2.85526	2.32359	.220	-1.7136	7.4242
	Canara bank	-1.48684	2.32359	.523	-6.0557	3.0821
	HDFC bank	-.68421	2.32359	.769	-5.2531	3.8847
<b>HDFC bank</b>	SBT	-.10526	2.32359	.964	-4.6742	4.4636
	Punjab national bank	3.53947	2.32359	.129	-1.0294	8.1084
	Canara bank	-.80263	2.32359	.730	-5.3715	3.7663
	ICICI bank	.68421	2.32359	.769	-3.8847	5.2531

### 6.2.2. Perception level of Reliability dimension – bank category wise

In this analysis , it is pointed out that, new private bank category has the highest perception level (47.12) than public sector bank category (46.58) in the reliability dimension. The details are given in table 6.4, below.

**Table 6.4**

#### **Bank category wise Perception level of respondents on reliability dimension**

<b>Category</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Public sector banks	46.5833	228	13.05114
New private sector banks	47.1184	152	16.09489
<b>Total</b>	<b>46.7974</b>	<b>380</b>	<b>14.32817</b>

*Source: Primary data*

#### **6.2.2.a. Testing of hypothesis**

For testing the relation between public sector banks and new private banks in the perception level of reliability dimension, formulated null hypothesis as;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks in the perception level of reliability dimension.*

To test the hypothesis, conducted an Independent samples t-test and the result is presented in the table 6.5.

**Table 6.5**

**Result of independent samples t-test on perception level of reliability dimension – bank category wise**

Reliability	t-test for Equality of Means						
	t	df	p-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-.356	378	.722	-.53509	1.50208	-3.48857	2.41840

As above table points out, p-value of the t-test is 0.722, that is, p-value is greater than 0.05. So that, there is no significant difference in the bank category wise perception level of respondents on reliability dimension.

### 6.2.3. Perception level of reliability dimension – District wise

The result of district wise analysis of reliability perception is given in Table 6.6

**Table 6.6**  
**Category and district wise perception level of respondents on reliability dimension**

Category	District	Mean	Std. Deviation	N
Public sector banks	Ernakulam	45.4737	13.31657	114
	Kozhikode	47.6930	12.74191	114
	Total	46.5833	13.05114	228
New private sector banks	Ernakulam	45.6447	16.27571	76
	Kozhikode	48.5921	15.88221	76
	Total	47.1184	16.09489	152
Total	Ernakulam	45.5421	14.53097	190
	Kozhikode	48.0526	14.04857	190
	Total	46.7974	14.32817	380

Source: Primary data

The above table reveals that, in the case of public sector banks, respondents in Kozhikode district have the greater perception level (47.6930) that of respondents in Ernakulam district (45.4737). It is same in the case of new private banks (48.5921 and 45.6447 in Kozhikode and Ernakulam districts respectively) on the perception level of respondents on reliability dimension. In the over all district case, respondents in Kozhikode district (48.0526) have the greater perception level.

### 6.2.3.a. Testing of hypothesis

Here, the null hypothesis is set as;

*Null Hypothesis – There is no significant difference between public sector banks and new private sector banks on perception level of reliability dimension in different regions.*

An Univariate test is conducted to test the above hypothesis. The table 6.7. gives the details.

**Table 6.7**

**Result of Univariate test between districts of respondents and their perception level of reliability dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	832834.561(a)	4	208208.640	1014.462	.000
Category	26.112	1	26.112	.127	.722
District	608.633	1	608.633	2.965	.086
Category * district	12.086	1	12.086	.059	<b>.808</b>
Error	77170.439	376	205.241		
Total	910005.000	380			

\* *R Squared = .915 (Adjusted R Squared = .914)*

The result reveals that, there is no significant difference between districts of respondents and their in the perception level on reliability dimension, because, as per test results null hypothesis is accepted (p- value is greater than 0.05).

#### 6.2.4. Perception level of Reliability dimension- Region wise

The analysis in this view point reveals that, urban respondents have a greater perception level (47.4022) than rural respondents. In the case of public sector banks, rural respondents have the highest reliability perception level (46.8659) and in the case of New private banks, it is urban respondents (48.5440). The table 6.8 explains it in detail form.

**Table 6.8**

**Category and Region wise perception level of respondents on Reliability dimension.**

Category	Place	Mean	Std. Deviation	N
Public sector banks	Urban	46.4247	13.60113	146
	Rural	46.8659	12.08587	82
	Total	46.5833	13.05114	228
New private sector banks	Urban	48.5440	16.25428	125
	Rural	40.5185	13.76274	27
	Total	47.1184	16.09489	152
Total	Urban	47.4022	14.89310	271
	Rural	45.2936	12.75648	109
	Total	46.7974	14.32817	380

*Source: Primary data*

### 6.2.4.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis – There is no significant difference between public sector banks and new private banks on perception level of reliability, dimension in different regions.*

It is tested with the help of Univariate test (two-way ANOVA) and the result is presented in table 6.9 below.

**Table 6.9**

**Result of Univariate test between Category and Region wise perception level of Reliability dimension.**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	833664.056(a)	4	208416.014	1026.506	.000
category	278.956	1	278.956	1.374	.242
place	897.629	1	897.629	4.421	.036
category * region	1118.648	1	1118.648	5.510	.019
Error	76340.944	376	203.034		
Total	910005.000	380			

*a R Squared = .916 (Adjusted R Squared = .915)*

Since p-value is .019, that is, less than 0.05. Hence it can be inferred that, there is a significant difference between category and region wise perception level of respondents on Reliability dimension. It is found significant in the case of region (p-value 0.036) and found not significant in the case of category (p-value 0.242).

### **6.2.5. Perception level of reliability dimension – Demographic features wise**

This section of the analysis explains how public sector banks and new private banks differ in the reliability dimensions of service quality on the basis of demographic features such as age, sex, education status, occupational status and family income.

#### **6.2.5.1. Perception level of reliability dimensions and age group of respondents**

The analysis, reliability dimension and different age group, reveals that, among the public sector bank respondents, whose age ranges from 18-30 have the highest perception level than other age groups. This age group has the mean score – 48.59. Age group 31-55 occupied second position (45.82) and age group less than 18 have the least perception level (41.8571) on the reliability dimension. Among the new private bank respondents, age group 31-55 has the highest perception level in the reliability dimension (52.6889). Respondents in age group between 18-30 have the least perception level (42.69). Table 6.10 reveals it in detailed form.

**Table 6.10**

**Category and age group wise perception level of respondents on reliability dimension**

Category	Age	Mean	Std. Deviation	N
Public sector banks	Less than 18	41.8571	8.66850	7
	Between 18 - 30	48.5930	12.67176	86
	Between 31 - 55	45.8224	13.63944	107
	Greater than 56	44.5000	12.41117	28
	Total	46.5833	13.05114	228
New private sector banks	Less than 18	52.6818	14.30413	22
	Between 18 - 30	42.6897	15.73376	58
	Between 31 - 55	52.6889	14.05803	45
	Greater than 56	42.8148	17.86496	27
	Total	47.1184	16.09489	152
Total	Less than 18	50.0690	13.84849	29
	Between 18 - 30	46.2153	14.23242	144
	Between 31 - 55	47.8553	14.07379	152
	Greater than 56	43.6727	15.21215	55
	Total	46.7974	14.32817	380

*Source: Primary data*

#### **6.2.5.1.a. Testing of hypothesis**

The null hypothesis framed for testing perception level of respondents on reliability dimension through different age groups, is;

*Null Hypothesis – There is no significant difference between public sector banks and new private banks on perception level of reliability dimension with respect to different age groups.*

A Univariate analysis of variance test is performed to test the hypothesis and result is given in table 6.11.

**Table 6.11**

**Result of Univariate test between category wise age groups of respondents and perception level of reliability dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	836625.856(a)	8	104578.232	530.166	.000
Category	317.456	1	317.456	1.609	.205
Age	1497.349	3	499.116	2.530	.057
Category * age	3335.712	3	1111.904	5.637	.001
Error	73379.144	372	197.256		
Total	910005.000	380			

\* *R Squared = .919 (Adjusted R Squared = .918)*

As per test result, p-value is 0.01, that is, it is less than 0.05. Hence, rejected the null hypothesis, that means, there is a significant difference between perception level of reliability dimension and age groups.

**6.2.5.ii. Perception level of reliability dimension and gender difference of respondents.**

The analysis reveals that, on the basis of total, female respondents have a greater perception level (49.16) than male respondents (45.9536). In the case of both public sector banks and new private banks, female respondents have the highest perception level (47.5652 and 52.7097 respectively) on the

reliability dimension of service quality. Table 6.12 provides details of the above mentioned facts.

**Table 6.12**

**Category and gender wise perception level of respondents on reliability dimension**

Category	sex	Mean	Std. Deviation	N
Public sector banks	Male	46.1572	13.54109	159
	Female	47.5652	11.88112	69
	Total	46.5833	13.05114	228
New private sector banks	Male	45.6860	17.02108	121
	Female	52.7097	10.21826	31
	Total	47.1184	16.09489	152
Total	Male	45.9536	15.11632	280
	Female	49.1600	11.58955	100
	Total	46.7974	14.32817	380

*Source: Primary data*

**6.2.5.ii.a Testing of hypothesis**

The null hypothesis set for the purpose is;

***Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of reliability dimension with respect to gender difference.***

To test the hypothesis univariate test is conducted and the result reveals that, there is no significant difference between category wise gender difference of respondents and their perception level, because, p-value as per the test is greater than 0.05 (.113>.05). The result is depicted in table 6.13.

**Table 6.13**

**Result of univariate test between category wise gender difference of respondents and their perception level of reliability dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	833536.521(a)	4	208384.130	1024.637	.000
category	356.231	1	356.231	1.752	.186
sex	1159.681	1	1159.681	5.702	.017
category * sex	514.424	1	514.424	2.529	.113
Error	76468.479	376	203.374		
Total	910005.000	380			

\* *R Squared = .916 (Adjusted R Squared = .915)*

### **6.2.iii. Perception level of reliability dimension and Education status of respondents**

The details of analysis between reliability and educational qualification of respondents are given in table 6.14.

**Table 6.14****Category and Education status wise perception level of respondents on reliability dimension**

Category	Education status	Mean	Std. Deviation	N
Public sector banks	Professional degree	50.3111	9.37070	45
	Post graduate	45.5714	14.55990	63
	Graduate	46.7250	12.74777	80
	Matriculate	42.4615	15.44857	26
	Others	46.0000	11.48913	14
	Total	46.5833	13.05114	228
New private sector banks	Professional degree	46.0857	20.06808	35
	Post graduate	48.5000	11.92179	32
	Graduate	46.1321	15.27698	53
	Matriculate	48.7778	16.96679	27
	Others	47.0000	17.11724	5
	Total	47.1184	16.09489	152
Total	Professional degree	48.4625	15.05597	80
	Post graduate	46.5579	13.73435	95
	Graduate	46.4887	13.75798	133
	Matriculate	45.6792	16.39626	53
	Others	46.2632	12.67474	19
	Total	46.7974	14.32817	380

*Source: Primary data*

The above table reveals that, among the respondents, professional degree holders have a greater perception level (48.4625) and matriculates have the least perception level (45.6792) on the reliability dimension. It also reveals that, among the public sector bank respondents, those who are professional degree holders have the highest perception level (50.31) followed

by graduates (46.73). In the new private bank case, respondents who are matriculates are at the top in the perception level (48.78) followed by post graduates (48.5). Matriculates (42.4615) and graduates (46.1321) are at the bottom level of perception in the case of public sector banks and new private banks respectively.

### 6.2.5.iii.a. Testing of hypothesis

Formulated null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of reliability dimension with respect to different education status.*

The result of univariate analysis of variance test is given in the table 6.15.

**Table 6.15**

**Result of univariate test between category wise education status of respondents and their perception level of reliability dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	833586.030(a)	10	83358.603	403.600	.000
Category	61.835	1	61.835	.299	.585
Education status	250.756	4	62.689	.304	.876
Category * education status	1051.769	4	262.942	1.273	<b>.280</b>
Error	76418.970	370	206.538		
Total	910005.000	380			

\* R Squared = .916 (Adjusted R Squared = .914)

The test result given in the above table reveals that there is no significant difference between category wise education status of respondents and their perceptual level, because, calculated p-value (.280) is greater than 0.05.

#### 6.2.5.iv. Perception level of reliability dimension and occupation status of respondents

The table 6.16. given below reveals details of the analysis.

**Table 6.16**

**Category and Occupation status wise perception level of respondents on reliability dimension**

Category	Occupation status	Mean	Std. Deviation	N
public sector banks	Govt. employee	50.1585	10.91320	82
	Professionals	47.1333	12.09655	30
	Business man	41.1875	17.02264	32
	Students	42.5278	12.57318	36
	Pensioners	50.2857	9.35150	14
	Others	45.3235	13.81199	34
	Total	46.5833	13.05114	228
new private sector banks	Govt. employee	50.6296	13.18842	27
	Professionals	56.5937	13.36548	32
	Business man	47.7576	8.88478	33
	Students	42.6111	19.46319	36
	Pensioners	35.6250	16.93468	16
	Others	38.0000	17.88854	8
	Total	47.1184	16.09489	152
Total	Govt. employee	50.2752	11.45593	109
	Professionals	52.0161	13.53016	62
	Business man	44.5231	13.81248	65
	Students	42.5694	16.26872	72
	Pensioners	42.4667	15.58455	30
	Others	43.9286	14.71915	42
	Total	46.7974	14.32817	380

Source: Primary data

The analysis given in the above table reveals that, professionals have a greater perception level (52.0161) and pensioners have the least perception level (42.4667) on the reliability dimension. Besides these, among respondents of public sector banks, pensioners have the higher perception level (50.2857) followed by government employees (50.16). Businessman have the least perception level (41.1875) in the reliability dimension of service quality. In the case of new private banks, professionals have the greater perception level (56.59) and 'other' respondents have the least perception level (38.00).

#### **6.2.5.iv.a. Testing of hypothesis**

For the purpose of analysing relation between occupation status and perception level of respondents among public sector and new private banks a null hypothesis is set as;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of reliability dimension with respect to different occupation status.*

A univariate test is conducted and rejected the null hypothesis (p-value .001 is less than 0.05), that means there is a significant difference between occupation status of respondents of public sector banks and new private banks and their perception levels. Table 6.17 gives details.

Table 6.17

**Result of Univariate test between category wise occupation status of respondents and their perception level on reliability dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	841780.068(a)	12	70148.339	378.375	.000
Category	56.142	1	56.142	.303	.582
Occupation status	5374.869	5	1074.974	5.798	.000
Category * occupation status	3906.582	5	781.316	4.214	.001
Error	68224.932	368	185.394		
Total	910005.000	380			

\* *R Squared* = .925 (*Adjusted R Squared* = .923)

#### **6.2.5.v. Perception level of reliability dimension and family income level of respondents**

The prefixed five levels of family income per month and reliability dimension are compared and the results are given in table 6.18.

**Table 6.18**

**Category and income level of wise perception level of respondents on reliability dimension.**

Category	Income	Mean	Std. Deviation	N
Public sector banks	Less than 5000	40.7000	12.85179	20
	Btwn 5000 - 10000	47.4250	14.06557	40
	Btwn 10000 - 20000	48.0541	12.28195	74
	Btwn 20000 - 30000	44.6438	12.87048	73
	Greater than 30000	52.1429	12.38663	21
	Total	46.5833	13.05114	228
New private sector banks	Less than 5000	57.5000	9.19239	2
	Btwn 5000 - 10000	42.9286	16.96813	14
	Btwn 10000 - 20000	43.9205	16.06182	88
	Btwn 20000 - 30000	50.0556	10.09643	18
	Greater than 30000	56.0000	15.78738	30
	Total	47.1184	16.09489	152
Total	Less than 5000	42.2273	13.33785	22
	Btwn 5000 - 10000	46.2593	14.83772	54
	Btwn 10000 - 20000	45.8086	14.56258	162
	Btwn 20000 - 30000	45.7143	12.50892	91
	Greater than 30000	54.4118	14.47781	51
	Total	46.7974	14.32817	380

*Source: primary data*

From the above table, it can be understood that, respondents whose family income is greater than 30,000 per month have the highest perception level (54.4118) and respondents with income less than 5000 have the least perception level (42.2273). The table also informs us that, among the

respondents of public sector banks, whose income is greater than 30000 have the highest reliability perception level (52.14) followed by income group between 10000-20000 (48.05). Respondents whose income is less than 5000 have the least perception level (40.7) In the case of new private banks, respondents in the income group less than 5000 have the highest perception level (57.5) and respondents in the income group between 5000-10000 have the least perception level of reliability dimension.

#### 6.2.5.v.a. Testing of hypothesis

Here, the null hypothesis formulated is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of reliability dimension with respect to different income levels.*

For this purpose a univariate test is performed and the result is given in table 6.19.

**Table 6.19**

**Result of Univariate test between category wise income level of respondents and their perception level on reliability dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	837911.114(a)	10	83791.111	430.032	.000
Category	370.187	1	370.187	1.900	.169
income	2745.095	4	686.274	3.522	.008
Category * income	1976.088	4	494.022	2.535	<b>.040</b>
Error	72093.886	370	194.848		
Total	910005.000	380			

As per the test result, shown above, null hypothesis is rejected (calculated p-value .040 is less than 0.05) and hence there is a significant difference between category wise income level of respondents and their reliability perception level.

### **6.2.7. Conclusion**

One of the dimensions of service quality viz., Reliability-has been analysed and the results of it lead to the conclusion that, New private sector banks are comparatively better than Public sector banks. Among the Public sector banks State Bank of Travancore possesses first rank, and Canara bank and Punjab National banks are at the second and third position respectively. Among the New private banks, HDFC bank is at the top and ICICI bank at second position in fulfilling their promises given to customers with in time and with accuracy.

Besides, the reliability perception level is found significantly different among regions and among demographic features such as age, occupation, family income. That means, their perceptions differ significantly on aspects like bank's ability to keep the promise timely performed and sincerity in solving problems etc.

### **6.3. Perception level of Responsiveness dimension**

The second dimension of service quality is the responsiveness dimension. It can be defined as the willingness to help customers and to provide prompt service. This dimension focuses on:

- ↪ Punctuality and presence
- ↪ Attitude of employees
- ↪ Promptness

For testing the status of perception level on this dimension, the questions relating to these aspects are groups and response values are summed. Mean scores are used for primary interpretation of analysis results. These results are discussed below.

### 6.3.1. Perception level of Responsiveness dimension- Over all – bank wise

Bank wise perception level of responsiveness dimension reveals that, respondents of HDFC bank have the highest responsiveness perception level (51.49) followed by respondents of ICICI bank (50.66) and respondents of Canara bank (50.28) in the second and third position respectively. The analysis also reveals that respondents of Punjab National Bank have the least perception level (46.07) in the case of responsiveness dimension of service quality. Table 6.20 shows the details of analysis.

**Table 6.20**

#### **Over-all bank wise perception level of Responsiveness dimension**

<b>Bank</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SBT	76	50.0921	14.94361
Punjab national bank	76	46.0658	15.79311
Canara bank	76	50.2763	11.08464
ICICI bank	76	50.6579	16.11918
HDFC bank	76	51.4868	20.50593
Total	380	49.7158	16.00192

*Source: Primary data*

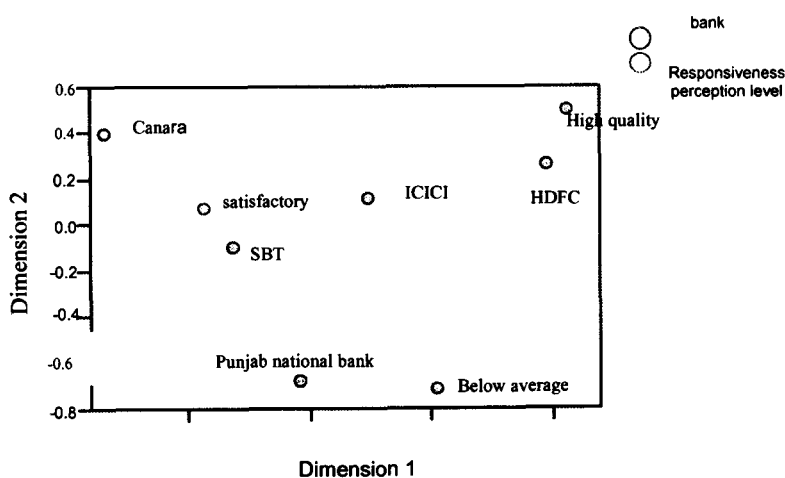
In the responsiveness dimension case, the bench mark of different levels of perception levels are stated below.

High Quality	→	> or = 65.71772
Satisfactory quality	→	49.7158
Below average quality	→	< or = 33.71388

A pictorial representation of the same is given below (figure 6.2) with the help of correspondence analysis map technique.

Figure 6.2

Correspondence analysis representing perception level on responsiveness dimension of all selected banks



As the above figure tells, HDFC bank provides high quality in the case of responsiveness dimension. Canara bank, ICICI bank and SBT provide

satisfactory quality and Punjab National bank provides below average quality in this dimension.

### 6.3.1.a. Testing of hypothesis

The null hypothesis formulated to test here is;

*Null Hypothesis - There is no significant difference among banks on perception level of responsiveness dimension.*

A one-way ANOVA is conducted to test the above hypothesis and the result is shown in the table 6.21.

**Table 6.21**

**Result of ANOVA on perception level of responsiveness dimension among banks**

	Sum of Squares	df	Mean Square	F	p-value
Between Groups	1352.989	4	338.247	1.325	.260
Within Groups	95694.316	375	255.185		
Total	97047.305	379			

The above table shows that, calculated p-value is 0.260, that is greater than 0.05. Therefore accepted the null hypothesis, means, there is no significant difference between banks in the perception level of responsiveness dimension.

In addition to the above, a Post-Hoc test is performed on the same above hypothesis, and the table 6.22 explains it in detail.

Table 6.22

**Result of Post Hoc on perception level of responsiveness dimension among banks**

(I)Bank	(J) Bank	Mean Difference (I-J)	Std. Error	p-value	95% Confidence Interval	
					Lower Bound	Upper Bound
SBT bank	Punjab national bank	4.02632	2.59141	.121	-1.0692	9.1218
	Canara bank	-.18421	2.59141	.943	-5.2797	4.9113
	ICICI bank	-.56579	2.59141	.827	-5.6613	4.5297
	HDFC bank	-1.39474	2.59141	.591	-6.4902	3.7008
Punjab national bank	SBT	-4.02632	2.59141	.121	-9.1218	1.0692
	Canara bank	-4.21053	2.59141	.105	-9.3060	.8850
	ICICI bank	-4.59211	2.59141	.077	-9.6876	.5034
	HDFC bank	-5.42105(*)	2.59141	.037	-10.5166	-.3255
Canara bank	SBT	.18421	2.59141	.943	-4.9113	5.2797
	Punjab national bank	4.21053	2.59141	.105	-.8850	9.3060
	ICICI bank	-.38158	2.59141	.883	-5.4771	4.7139
	HDFC bank	-1.21053	2.59141	.641	-6.3060	3.8850
ICICI bank	SBT	.56579	2.59141	.827	-4.5297	5.6613
	Punjab national bank	4.59211	2.59141	.077	-.5034	9.6876
	Canara bank	.38158	2.59141	.883	-4.7139	5.4771
	HDFC bank	-.82895	2.59141	.749	-5.9245	4.2666
HDFC bank	SBT	1.39474	2.59141	.591	-3.7008	6.4902
	Punjab national bank	5.42105(*)	2.59141	.037	.3255	10.5166
	Canara bank	1.21053	2.59141	.641	-3.8850	6.3060
	ICICI bank	.82895	2.59141	.749	-4.2666	5.9245

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

The evaluation of the above table reveals that, the difference in the perception level of Punjab National Bank and HDFC bank is significant because, in this case calculated p-value is less than 0.05. In all other cases the difference is not significant.

### 6.3.2. Perception level of responsiveness dimension- bank category wise.

The table 6.23, given below, illustrates the category wise responsiveness perception level of respondents.

**Table 6.23**

#### **Category wise perception level of responsiveness dimension**

<b>Category</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Public sector banks	48.8114	228	14.16251
New private sector banks	51.0724	152	18.38697
Total	49.7158	380	16.00192

*Source: Primary data*

It is evident from the table that, respondents of new private banks have the highest perception level (51.0724) when it is compared to respondents of public sector banks.

#### 6.3.2.a. Testing of hypothesis

Null hypothesis is,

***Null Hypothesis - There is no significant difference between public sector and new private banks on perception level of responsiveness dimension.***

For testing the hypothesis, Independent samples t-test is used and the result is depicted in table 6.24.

**Table 6.24**

**Result of Independent samples t-test on category wise perception level of responsiveness dimension.**

Responsiveness	t-test for Equality of Means						
	t	df	p-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-1.351	378	.178	-2.26096	1.67380	-5.55208	1.03015

The table informs that, calculated p-value is 0.178 that is, it is greater than 0.05. Hence the null hypothesis is accepted, means, there is no significant difference in the category wise perception level of responsiveness dimension.

### 6.3.3. Perception level of responsiveness dimension – District wise

District wise responsiveness perception level analysis shows that, respondents of public sector banks in Kozhikode district (49.9123) have the higher perception level than that of respondents in Ernakulam district. In the case of new private bank, respondents in Kozhikode district have a greater perception level (52.4079) than that in Ernakulam district. It also revealed that, respondents of new private banks have a higher perception level in both districts. Table 6.25 informs us the details.

**Table 6.25****Category and district wise perception level of respondents on responsiveness dimension**

Category	District	Mean	Std. Deviation	N
Public sector banks	Ernakulam	47.7105	14.69858	114
	Kozhikode	49.9123	13.58067	114
	Total	48.8114	14.16251	228
New private sector banks	Ernakulam	49.2368	18.64251	76
	Kozhikode	52.9079	18.06372	76
	Total	51.0724	18.38697	152
Total	Ernakulam	48.3211	16.35994	190
	Kozhikode	51.1105	15.55374	190
	Total	49.7158	16.00192	380

Source: Primary data

**6.3.3.a. Testing of hypothesis**

Null hypothesis is;

*Null Hypothesis – There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimension in different districts.*

The Univariate test is used to test the above hypothesis and the result is given in table 6.26.

**Table 6.26****Result of Univariate test on district wise perception level of responsiveness dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	940485.338(a)	4	235121.334	922.885	.000
Category	466.211	1	466.211	1.830	.177
District	786.369	1	786.369	3.087	.080
Category * district	49.221	1	49.221	.193	<b>.661</b>
Error	95792.662	376	254.768		
Total	1036278.000	380			

The result shows that, p-value is greater than 0.05 ( $0.661 > 0.05$ ), hence it can be said that there is no significant difference in district wise perception level of responsiveness dimension.

**6.3.4. Perception level of responsiveness dimension – Region wise**

Here, responsiveness perception level and region points out that, among the respondents of public sector banks, rural customers have a greater responsiveness perception level (49.0976) than urban respondents (48.6507). But it is just opposite in the new private bank case, that is, urban respondents have a higher perception level (53.08) than rural respondents (41.7778). Among urban respondents, new private sector banks have greater perception level and among the rural respondents, public sector banks have a greater responsiveness perception level. The details are pointed out in the table 6.27.

**Table 6.27**

**Category and region wise perception level of respondents on responsiveness dimension.**

Category	Region	Mean	Std. Deviation	N
Public sector banks	Urban	48.6507	14.80801	146
	Rural	49.0976	13.01719	82
	Total	48.8114	14.16251	228
New private sector banks	Urban	53.0800	18.50222	125
	Rural	41.7778	14.89020	27
	Total	51.0724	18.38697	152
Total	Urban	50.6937	16.72939	271
	Rural	47.2844	13.80358	109
	Total	49.7158	16.00192	380

*Source: Primary data*

#### **6.3.4.a. Testing of hypothesis**

Null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimension in different regions.*

As per the results of Univariate analysis, did for testing the hypothesis, rejected the null hypothesis because p-value is less than 0.05 ( $0.003 > 0.05$ ). Hence it can be said that there is a significant difference in the perception level of respondents in different regions. The result is given in table 6.28.

**Table 6.28**

**Result of Univariate test between category and region wise perception level on responsiveness dimension.**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	942543.729(a)	4	235635.932	945.216	.000
Category	130.378	1	130.378	.523	.470
Place	1838.886	1	1838.886	7.376	.007
Category * region	2154.153	1	2154.153	8.641	.003
Error	93734.271	376	249.293		
Total	1036278.000	380			

### **6.3.5. Perception level of responsiveness dimension – Demographic features wise.**

This section explain changes in the responsiveness perception level of respondents when different demographic features, such as, age, sex, education status, occupation status and income level are considered.

#### **6.3.5.i. Perception level of responsiveness dimension and Age group of respondents.**

The analysis, responsiveness perception level among different age group of respondents reveals that, respondents of new private banks have a higher perception level (51.0724) than respondents of public sector banks (48.8114). Among the respondents of public sector banks, respondents in the age group between 18-30 have the highest perception level (51.4070) followed by respondents in the age group 31-55 (47.8224). Respondents in

the age group less than 18 have the least perception level (44.4286) in the responsiveness dimension. Among the respondents of new private banks, respondents in the age group 'less than 18' have the highest perception level (58.09) followed by respondents in age group '31-55' (57.9556). Respondents in the age group 'greater than 56' have the least responsiveness perception level (44.33) in the case of new private banks. Table 6.29 illustrates it in detail.

**Table 6.29**

**Category and age group wise perception level of respondents on responsiveness dimension**

Category	Age	Mean	Std. Deviation	N
Public sector banks	Less than 18	44.4286	10.22835	7
	Between 18 - 30	51.4070	13.78693	86
	Between 31 - 55	47.8224	14.73528	107
	Greater than 56	45.7143	13.11447	28
	Total	48.8114	14.16251	228
New private sector banks	Less than 18	58.0909	17.44081	22
	Between 18 - 30	46.2069	17.20644	58
	Between 31 - 55	57.9556	16.32198	45
	Greater than 56	44.3333	19.85525	27
	Total	51.0724	18.38697	152
Total	Less than 18	54.7931	16.91022	29
	Between 18 - 30	49.3125	15.41250	144
	Between 31 - 55	50.8224	15.86161	152
	Greater than 56	45.0364	16.62212	55
	Total	49.7158	16.00192	380

*Source: primary data*

### 6.3.5.i.a. Testing of hypothesis

Null hypothesis to test is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimension with respect to different age groups.*

Table 6.30 shows the result of Univariate test, conducted to test the above hypothesis.

**Table 6.30**

**Result of Univariate test between category wise age group of respondents and perception level of responsiveness dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	946598.943(a)	8	118324.868	490.826	.000
Category	921.730	1	921.730	3.823	.051
Age	2643.758	3	881.253	3.656	.013
Category * age	4763.930	3	1587.977	6.587	.000
Error	89679.057	372	241.073		
Total	1036278.000	380			

As the result in the table says, there is a significant difference between age groups in each category and their perception level of responsiveness dimension. (p-value .000 is less than 0.05).

### 6.3.5.ii. Perception level of responsiveness dimension and gender difference of respondents.

The details of analysis is given in the table 6.31, below.

**Table 6.31**

**Category and gender wise perception level of respondents on responsiveness dimension**

Category	Sex	Mean	Std. Deviation	N
Public sector banks	Male	48.3774	14.58353	159
	Female	49.8116	13.18898	69
	Total	48.8114	14.16251	228
New private sector banks	Male	49.4959	19.47568	121
	Female	57.2258	11.63245	31
	Total	51.0724	18.38697	152
Total	Male	48.8607	16.84906	280
	Female	52.1100	13.12865	100
	Total	49.7158	16.00192	380

*Source: primary data*

It is observable from the above table that, among the respondents of public sector banks and new private banks female respondents have the highest perception level (49.8116 and 57.2258 respectively) and among the respondents of new private banks – both male and female – have the highest perception level compared to the same of public sector banks. It also reveals that, female respondents have the highest perception level (52.11) when aggregate of mean is taken into consideration.

### 6.3.5.ii.a. Testing of hypothesis

The null hypothesis formulated for the test is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimensions with respect to gender difference.*

A Univariate test is conducted for testing hypothesis and the result is presented in table 6.32.

**Table 6.32**

**Result of Univariate test between category wise gender difference and perception level on responsiveness dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	941270.423(a)	4	235317.606	931.288	.000
Category	1187.633	1	1187.633	4.700	.031
Sex	1369.915	1	1369.915	5.422	.020
Category * sex	646.540	1	646.540	2.559	.111
Error	95007.577	376	252.680		
Total	1036278.000	380			

The result in the table shows that there is no significant difference between category wise gender difference of respondents and their perception level on responsiveness dimension. (p-value 0.11 is greater than 0.05).

### 6.3.5.iii. Perception level of responsiveness dimension and Education status of respondents

The table 6.33, given below, reflex the details of analysis

**Table 6.33****Category and Education status wise perception level of respondents on responsiveness dimension**

Category	Education status	Mean	Std. Deviation	N
Public sector banks	Professional degree	52.8222	10.76250	45
	Post graduate	47.8730	15.81189	63
	Graduate	48.9250	13.70925	80
	Matriculate	44.1923	16.45119	26
	Others	48.0714	12.33172	14
	Total	48.8114	14.16251	228
New private sector banks	Professional degree	51.6857	22.95491	35
	Post graduate	52.7500	12.36280	32
	Graduate	48.9623	17.04853	53
	Matriculate	52.8148	21.00556	27
	Others	49.0000	18.49324	5
	Total	51.0724	18.38697	152
Total	Professional degree	52.3250	17.07673	80
	Post graduate	49.5158	14.85523	95
	Graduate	48.9398	15.06590	133
	Matriculate	48.5849	19.22682	53
	Others	48.3158	13.63840	19
	Total	49.7158	16.00192	380

*Source: primary data*

The evaluation of the above table reveals that, perception level on responsiveness is higher with the professional degree holders (52.8222) in the case of public sector banks followed by graduate respondents (48.9250). Matriculate respondents have the least perception level on responsiveness dimension (44.1923) among the respondents of public sector banks. In the

case of new private bank, respondents who are matriculates have the greater level of perception on responsiveness dimension (52.8148) followed by post graduate holders (52.7500). Respondents who are graduates have the least perception level (48.9623) in the new private bank case.

### 6.3.5.iii.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimension with respect to different education status.*

Univariate test is used for the hypothesis testing and the result is given in table 6.34.

**Table 6.34**

**Result of Univariate test between category wise education status and perception level on responsiveness dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	941482.380(a)	10	94148.238	367.473	.000
Category	373.064	1	373.064	1.456	.228
Education status	698.069	4	174.517	.681	.605
Category * education status	1072.589	4	268.147	1.047	.383
Error	94795.620	370	256.204		
Total	1036278.000	380			

\* *R Squared = .909 (Adjusted R Squared = .906)*

The test result reveals that, there is no significant difference between category wise education status and perception level of respondents on responsiveness dimension. (p-value 0.383 is greater than 0.05).

#### **6.3.5.iv. Perception level of responsiveness dimension and occupation status of respondents**

The analysis reveals that professionals (57.2419) have the greater perception level and pensioners (43.00) have the least perception level on responsiveness dimension. It also reveals that, among the public sector banks, respondents who are government employees have the greater perception level on responsiveness (51.9634) followed by professionals (51.3167) and pensioners (51.3571) in the second and third place respectively. In this category of banks, Business men have the least perception level (42.2063). Among the customers of new private banks, professionals have the highest perception level (62.7500) and government employees (55.6296) and business man (50.7273) are in the second and third position respectively. Besides these, pensioners have the least perception level on responsiveness dimension of service quality. The details are given in the table 6.35.

**Table 6.35****Category and Occupation wise perception level of respondents on responsiveness dimension**

<b>Category</b>	<b>Occupation status</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
Public sector banks	Govt. employee	51.9634	11.86805	82
	Professionals	51.3667	13.83021	30
	Business man	42.4063	17.61022	32
	Students	45.2500	14.04355	36
	Pensioners	51.3571	10.49254	14
	Others	47.7059	15.29018	34
	Total	48.8114	14.16251	228
New private sector banks	Govt. employee	55.6296	14.18327	27
	Professionals	62.7500	15.79914	32
	Business man	50.7273	9.49432	33
	Students	47.1667	21.83902	36
	Pensioners	35.6875	18.72865	16
	Others	38.7500	19.86922	8
	Total	51.0724	18.38697	152
Total	Govt. employee	52.8716	12.51377	109
	Professionals	57.2419	15.83282	62
	Business man	46.6308	14.58978	65
	Students	46.2083	18.25557	72
	Pensioners	43.0000	17.14643	30
	Others	46.0000	16.37815	42
	Total	49.7158	16.00192	380

*Source: primary data*

**6.3.5.iv.a. Testing a hypothesis**

Null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimension with respect to different occupation status.*

The test result is given in table 6.36.

**Table 6.36**

**Result of Univariate test between category and occupation status wise perception level on responsiveness dimension.**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	953088.622(a)	12	79424.052	351.344	.000
Category	.843	1	.843	.004	.951
Occupation status	8456.610	5	1691.322	7.482	.000
Category * occupation status	5106.098	5	1021.220	4.518	.001
Error	83189.378	368	226.058		
Total	1036278.000	380			

*a R Squared = .920 (Adjusted R Squared = .917)*

As the test points out, calculated p-value is 0.001, that is, it is less than 0.05. Hence there is a difference between category wise occupation status and perception level of respondents on responsiveness dimension.

### **6.3.5.v. Perception level of responsiveness dimension and family income level of respondents.**

The details of analysis is illustrated in table 6.37, below.

Table 6.37

**Category and income level wise perception level of respondents on responsiveness dimension**

Category	Income	Mean	Std. Deviation	N
Public sector banks	Less than 5000	42.0000	13.38105	20
	Btwn 5000 - 10000	49.8500	15.29295	40
	Btwn 10000 - 20000	50.4730	13.49604	74
	Btwn 20000 - 30000	46.4384	13.64529	73
	Greater than 30000	55.7143	13.63504	21
	Total	48.8114	14.16251	228
New private sector banks	Less than 5000	61.5000	9.19239	2
	Btwn 5000 - 10000	44.5714	19.04131	14
	Btwn 10000 - 20000	47.5909	18.04250	88
	Btwn 20000 - 30000	53.6667	10.58856	18
	Greater than 30000	62.0667	18.93898	30
	Total	51.0724	18.38697	152
Total	Less than 5000	43.7727	14.10482	22
	Btwn 5000 - 10000	48.4815	16.32424	54
	Btwn 10000 - 20000	48.9074	16.14215	162
	Btwn 20000 - 30000	47.8681	13.36098	91
	Greater than 30000	59.4510	17.09890	51
	Total	49.7158	16.00192	380

*Source: primary data*

As above table points out, respondents of public sector banks whose income is greater than 30000 have the greater perception level (55.7143) followed by respondents in the income group 10000-20000 (50.4730). Respondents in the income group 'less than 5000' have the least level of perception (42.00). In the case of new private bank, the perception level on

responsiveness dimension is higher to the income group 'greater than 30000' (62.0667) and income group '5000-10000' have the least perception level. It also reveals that, in the overall analysis, income group 'greater than 30000' have the highest perception level (59.4510) and 'less than 5000' income group is the least (43.7727) perception level.

### 6.3.5.v.a. Testing of hypothesis

Null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of responsiveness dimension with respect to different income levels.*

Univariate test is conducted to test the hypothesis and as per the result, rejected null hypothesis (p-value – 0.033 is less than 0.05). That means, there is a significant different between these two aspects. The Univariate test table is given below.

**Table 6.38**

**Result of Univariate test between category wise income levels and perception level on responsiveness dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	947907.128(a)	10	94790.713	396.879	.000
Category	755.934	1	755.934	3.165	.076
Income	4294.834	4	1073.709	4.496	.001
Category * income	2538.385	4	634.596	2.657	.033
Error	88370.872	370	238.840		
Total	1036278.000	380			

a R Squared = .915 (Adjusted R Squared = .912)

### **6.3.6. Conclusion**

The perception level of different respondents on responsiveness dimension of service quality is different between banks. This difference helped to make the conclusion as, HDFC bank holds top position and Punjab National Bank holds bottom position. The above mentioned difference in perception level is found significant between Punjab National bank and HDFC bank, means, employees attitude, promptness in delivery of services etc of these banks differ significantly.

The testing of hypothesis revealed that, perception level of respondents in urban or rural areas, in different age groups, in different employment status and is different income levels between two categories of banks are significantly different on this aspect. It highlights the point that even though in some ways these banks shows more or less equality in some other ways they differ significantly on responsiveness dimension of service quality in some other ways.

### **6.4. Perception level of Assurance dimension**

Assurance is one of the dimensions of service quality. It is defined as employee's knowledge and courtesy and ability of the firm and its employees to inspire trust and confidence in their customers. It includes the aspects of employees like,

- ↪ Job knowledge and skill
- ↪ Accuracy
- ↪ Courtesy
- ↪ Professional commitment
- ↪ Security ensured by the bank

Its measurement of perception level is performed in the same pattern followed in the above dimensions and analysis details are given below.

#### 6.4.1. Perception level of Assurance dimension- overall-bank wise.

The analysis of perception level of assurance dimension of banks revealed that, respondents of HDFC bank have the greater perception level (28.7632) followed by ICICI bank (27.6184) and SBT (26.6053) in the second and third position. Respondents of Canara Bank (26.2368) have the least perception level on assurance dimension of service quality. The details are shown in the table 6.39.

**Table 6.39**

#### **Bank wise perception level of respondents on Assurance dimension**

<b>Bank</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SBT	76	26.6053	3.84388
Punjab national bank	76	26.3158	3.45335
Canara	76	26.2368	3.29391
ICICI	76	27.6184	3.73441
HDFC	76	28.2632	3.97448
Total	380	27.0079	3.73565

*Source: Primary data*

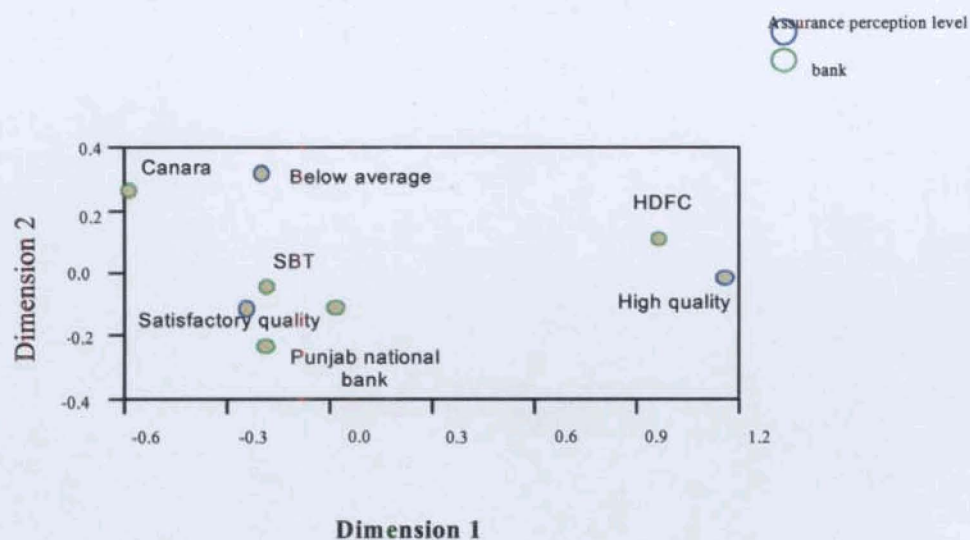
To know the perception level positions of banks, determined bench marks in each level and are presented below.

High quality	→	> or = 30.74355
Satisfactory quality	→	27.0079
Below average quality	→	23.27225

On the basis of these bench marks, analysed the performance of banks and the results are pasteurized in figure 6.3. with the help of correspondence analysis map technique.

**Figure 6.3**

**Correspondence analysis map representing perception level on assurance dimension of all selected banks**



The above figure points out that, HDFC bank provided high quality on the assurance dimension of service quality. The performance of SBT, ICICI bank and Punjab National Bank are satisfactory and Canara Bank has below average quality in the case of assurance dimension.

#### 6.4.1.a. Testing of hypothesis

The null hypothesis formulated is;

*Null Hypothesis - There is no significant difference among banks on perception level of assurance dimension.*

For testing the hypothesis one-way ANOVA is conducted and the table 6.40 shows the details.

**Table 6.40**

**Result of one-way ANOVA between banks and perception level of respondents on assurance dimension**

	Sum of Squares	df	Mean Square	F	P-value
Between Groups	241.989	4	60.497	4.495	.001
Within Groups	5046.987	375	13.459		
Total	5288.976	379			

As the table says, p-value is 0.001, that is, p-value is less than 0.05. Hence it can be inferred that, there is a significant difference in the perception level of respondents between banks.

A Post-Hoc test is also conducted to get more clear result. Table 6.41 shows the details of Post – Hoc test.

**Table 6.41**  
**Result of Post-hoc test between banks and perception level on Assurance dimension**

(I)Bank	(J) Bank	Mean Difference (I-J)	Std. Error	p-value	95% Confidence Interval	
					Lower Bound	Upper Bound
SBT	Punjab national bank	.28947	.59513	.627	-.8807	1.4597
	Canara bank	.36842	.59513	.536	-.8018	1.5386
	ICICI bank	-1.01316	.59513	.090	-2.1834	.1570
	HDFC bank	-1.65789(*)	.59513	.006	-2.8281	-.4877
Punjab national bank	SBT	-.28947	.59513	.627	-1.4597	.8807
	Canara bank	.07895	.59513	.895	-1.0913	1.2491
	ICICI bank	-1.30263(*)	.59513	.029	-2.4728	-.1324
	HDFC bank	-1.94737(*)	.59513	.001	-3.1176	-.7772
Canara bank	SBT	-.36842	.59513	.536	-1.5386	.8018
	Punjab national bank	-.07895	.59513	.895	-1.2491	1.0913
	ICICI	-1.38158(*)	.59513	.021	-2.5518	-.2114
	HDFC	-2.02632(*)	.59513	.001	-3.1965	-.8561
ICICI bank	SBT	1.01316	.59513	.090	-.1570	2.1834
	Punjab national bank	1.30263(*)	.59513	.029	.1324	2.4728
	Canara	1.38158(*)	.59513	.021	.2114	2.5518
	HDFC bank	-.64474	.59513	.279	-1.8149	.5255
HDFC bank	SBT bank	1.65789(*)	.59513	.006	.4877	2.8281
	Punjab national bank	1.94737(*)	.59513	.001	.7772	3.1176
	Canara bank	2.02632(*)	.59513	.001	.8561	3.1965
	ICICI bank	.64474	.59513	.279	-.5255	1.8149

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

From the table it can be understood that, the difference in perception level between SBT and HDFC bank is significant (p-value 0.006 is less than 0.05). Similarly, the difference is significant between Punjab National Bank and ICICI bank (p-value 0.029), Punjab National bank and HDFC bank (p-value 0.001), between Canara bank and ICICI bank (p-value 0.021) and between Canara bank and HDFC bank (p-value 0.001).

#### 6.4.2. Perception level of Assurance dimension – bank category wise

The table 6.42 inform us details of the analysis

**Table 6.42**

##### Category wise perception level of respondents on Assurance dimension

Category	Mean	N	Std. Deviation
Public sector banks	26.3860	228	3.52589
New private sector banks	27.9408	152	3.85711
Total	27.0079	380	3.73565

*Source: primary data*

As above table points out that, in the case of perception level on assurance dimension, respondents of new private banks have the highest mean score (27.9408) hence they have the highest perception level than respondents of public sector banks.

##### 6.4.2.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of Assurance dimension.*

An independent sample t-test is performed to test the hypothesis. Table 6.43 shows details.

**Table 6.43**

**Result of Independent samples t-test on category wise perception level of Assurance dimension**

Assurance	t-test for Equality of Means						
	t	df	p-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-4.055	378	.000	-1.55482	.38344	-2.30877	-.80088

As the table 6.43 shows, p-value 0.000 is less than 0.05. Hence it can be inferred that there is a significant difference in the category wise perception level of respondents on Assurance dimension.

#### **6.4.3. Perception level of Assurance dimension – District wise.**

The district wise analysis of perception level of assurance dimension shows that, among respondents of public sector banks in both Ernakulam and Kozhikode districts, respondents in Kozhikode district have the higher perception level because they have the highest mean – 26.8860. But in the case of new private banks, it is the respondents in Ernakulam district have the

higher perception level (28.0526). When it takes each districts, respondents in Kozhikode district have the greater perception level on Assurance dimension.

The results are shown in table 6.44.

**Table 6.44**

**Category and district wise perception level of respondents on Assurance dimension**

Category	District	Mean	Std. Deviation	N
Public sector banks	Ernakulam	25.8860	3.31732	114
	Kozhikode	26.8860	3.66944	114
	Total	26.3860	3.52589	228
New private sector banks	Ernakulam	28.0526	3.91201	76
	Kozhikode	27.8289	3.82409	76
	Total	27.9408	3.85711	152
Total	Ernakulam	26.7526	3.71282	190
	Kozhikode	27.2632	3.75073	190
	Total	27.0079	3.73565	380

*Source: primary data*

### 6.4.3.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimension in different district.*

Univariate test is conducted to test the hypothesis and the resulted, p-value is 0.110, that is, p-value is greater than 0.05, hence it can be said that

there is no significant difference in the district wise perception level of respondents on assurance dimension. The table 6.45 shows the univariate test result.

**Table 6.45**

**Result of univariate test in district wise perception level of Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	277461.399(a)	4	69365.350	5206.277	.000
Category	220.474	1	220.474	16.548	.000
District	13.741	1	13.741	1.031	.311
category * district	34.141	1	34.141	2.562	<b>.110</b>
Error	5009.601	376	13.323		
Total	282471.000	380			

\* *R Squared = .982 (Adjusted R Squared = .982)*

#### **6.4.4. perception level of Assurance dimension – Region wise**

The analysis of perception level of respondents on assurance dimension in the region wise is illustrated in table 6.46.

**Table 6.46****Category and Region wise perception level of respondents on Assurance dimension**

Category	Region	Mean	Std. Deviation	N
Public sector banks	Urban	26.1438	2.92195	146
	Rural	26.8171	4.38890	82
	Total	26.3860	3.52589	228
New private sector banks	Urban	28.0320	3.51709	125
	Rural	27.5185	5.21367	27
	Total	27.9408	3.85711	152
Total	Urban	27.0148	3.33996	271
	Rural	26.9908	4.59165	109
	Total	27.0079	3.73565	380

Source: primary data

It is evident from the table that, respondents of public sector banks in rural areas (26.8171) and respondents of new private banks in urban areas (28.0320) have the highest perception level in the case of Assurance dimension of service quality. The analysis also reveals that, among the respondents, urban respondents have a greater perception level (27.0148) than rural respondents (26.9908) on assurance dimension.

#### 6.4.4.a. Testing of hypothesis

Null hypothesis to test is;

***Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimension in different regions.***

As per the result of Univariate test, conducted to test the above hypothesis, there is no significant difference in the region wise perception level of respondents on Assurance dimension. (p-value 0.201 is greater than 0.05). The result of the test is presented in table 6.47.

**Table 6.47**

**Result of Univariate test on region wise perception level of Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	277432.152(a)	4	69358.038	5175.512	.000
Category	104.649	1	104.649	7.809	.005
Region	.398	1	.398	.030	.863
Category * Region	21.977	1	21.977	1.640	<b>.201</b>
Error	5038.848	376	13.401		
Total	282471.000	380			

\* *R Squared = .982 (Adjusted R Squared = .982)*

**6.4.5. perception level of Assurance dimension – Demographic features wise**

This part discusses, how perception level of respondents on Assurance dimension changes in different demographic features cases. For this, demographic features like age, sex, education status etc., are considered and analysed. The detailed discussion is shown below.

**6.4.5.i. Perception level of Assurance dimension and age group respondents**

The analysis shows that, among the respondents of public sector bank, respondents in age group '18-30' have the highest mean score (26.9070) and

hence they have the greater perception level. Respondents in age group '31-55' stands next (26.4299) and respondents in age group 'less than 18' have the least perception level (24.1429). Among the respondents of new private banks, respondents in age group '31-55' have the highest perception level (29.044) and respondents in age group 'greater than 56' have the least perception level (26.3704). Besides these, customers in age group '31-55' of new private bank have the highest perception level when compared to other age groups in both categories of banks. These are pointed out in the table 6.48.

**Table 6.48**

**Category and Age group wise perception level of respondents on Assurance dimension**

Category	Age	Mean	Std. Deviation	N
Public sector banks	Less than 18	24.1429	1.06904	7
	Btwn 18 - 30	26.9070	3.45263	86
	Btwn 31 - 55	26.4299	3.82916	107
	Greater than 56	25.1786	2.34210	28
	Total	26.3860	3.52589	228
New private sector banks	Less than 18	28.9545	2.78563	22
	Btwn 18 - 30	27.4310	3.84850	58
	Btwn 31 - 55	29.0444	4.13387	45
	Greater than 56	26.3704	3.55342	27
	Total	27.9408	3.85711	152
Total	Less than 18	27.7931	3.23352	29
	Btwn 18 - 30	27.1181	3.61329	144
	Btwn 31 - 55	27.2039	4.08736	152
	Greater than 56	25.7636	3.03048	55
	Total	27.0079	3.73565	380

*Source: primary data*

### 6.4.5.i.a. Testing of hypothesis

Null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimensions with respect to different age groups.*

The Univariate test is conducted to test the hypothesis and the result is given in table 6.49.

**Table 6.49**

**Result of Univariate test between category wise age groups and perception level of Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p.value
Model	277661.170(a)	8	34707.646	2684.345	.000
Category	259.961	1	259.961	20.106	.000
Age	155.068	3	51.689	3.998	.008
Category * age	129.305	3	43.102	3.334	<b>.020</b>
Error	4809.830	372	12.930		
Total	282471.000	380			

\* *R Squared = .983 (Adjusted R Squared = .983)*

The result reveals that, there is a significant difference between category wise age groups of respondents and their perception level on assurance dimension (p-value – 0.020 is < 05).

### 6.4.5.ii. Perception level of Assurance dimension and gender difference of respondents.

The table 6.50 informs us the details of this analysis.

**Table 6.50**

#### **Category and gender wise perception level of respondents on Assurance dimension**

Category	Sex	Mean	Std. Deviation	N
Public sector banks	Male	26.3459	3.34888	159
	Female	26.4783	3.92806	69
	Total	26.3860	3.52589	228
New private sector banks	Male	28.0909	4.04763	121
	Female	27.3548	2.98383	31
	Total	27.9408	3.85711	152
Total	Male	27.1000	3.76134	280
	Female	26.7500	3.66908	100
	Total	27.0079	3.73565	380

*Source: primary data*

It can be observed from the table that, female respondents of public sector banks have the greater perception level (26.4783) than that of male respondents. But it is the male respondents who possess higher perception level (28.0909) in the new private bank case. Also, among all respondents, male respondents (27.1) have the greater perception level of Assurance dimension of service quality.

#### 6.4.5.11.a. Testing of hypothesis

Null hypothesis is;

***Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimension with respect to gender difference.***

The hypothesis is tested by conducting a Univariate test and on the basis of the test result accepted null hypothesis ( $p\text{-value } 0.339 < 0.05$ ), that means there is no significant difference between category wise gender difference of respondents and perception level on Assurance dimension. Test result is presented in the table 6.51.

**Table 6.51**

**Result of Univariate test between category wise gender difference of respondents and perception level on Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	277416.711(a)	4	69354.178	5159.414	.000
Category	112.107	1	112.107	8.340	.004
Sex	5.945	1	5.945	.442	.506
Category * sex	12.302	1	12.302	.915	.339
Error	5054.289	376	13.442		
Total	282471.000	380			

\* *R Squared = .982 (Adjusted R Squared = .982)*

#### **6.4.5.iii. Perception level of Assurance dimension and Education status of respondents.**

Education status wise analysis of perception level of Assurance dimension reveals that, respondents in 'graduate' group have the greater perception level (27.1250) in the case of respondents of public sector banks. Professional degree holders stands next (26.5111) and 'post graduate' group

stands last (25.4762) in the perception level on assurance dimension. In the case of new private banks, 'matriculate' group have the highest perception level (28.6296) followed by professional degree holders (28.5143). Respondents in 'other' education status group have the least perception level 26.2. It also reveals that, graduate respondents have the greater perception level (27.5113) and post graduate respondents have the least perception level among all respondents. The table 6.52 provides the details.

**Table 6.52**

**Category and Education status wise perception level of respondents on Assurance dimension**

Category	Education status	Mean	Std. Deviation	N
Public sector banks	Professional degree	26.5111	3.09415	45
	Post graduate	25.4762	3.27679	63
	Graduate	27.1250	3.87257	80
	Matriculate	26.2692	2.61622	26
	Others	26.0714	4.64864	14
	Total	26.3860	3.52589	228
New private sector banks	Professional degree	28.5143	4.07555	35
	Post graduate	26.7500	2.48868	32
	Graduate	28.0943	4.03477	53
	Matriculate	28.6296	4.13380	27
	Others	26.2000	5.31037	5
	Total	27.9408	3.85711	152
Total	Professional degree	27.3875	3.67163	80
	Post graduate	25.9053	3.08074	95
	Graduate	27.5113	3.95163	133
	Matriculate	27.4717	3.64060	53
	Others	26.1053	4.67731	19
	Total	27.0079	3.73565	380

Source: primary data

### 6.4.5.iii.a. Testing of hypothesis

The null hypothesis formulated for the test is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimension with respect to different education status.*

The Univariate test is conducted for the purpose of testing of hypothesis and the result is given in table 6.53.

**Table 6.53**

**Result of Univariate test between category wise education status and perception level of Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	277586.880(a)	10	27758.688	2102.879	.000
Category	95.261	1	95.261	7.217	.008
Education status	148.480	4	37.120	2.812	.025
Category * education status	31.449	4	7.862	.596	<b>.666</b>
Error	4884.120	370	13.200		
Total	282471.000	380			

\* R Squared = .983 (Adjusted R Squared = .982)

p-value, as per the above table is 0.666, that is it is greater than 0.05. Hence it can be said that there is no significant difference between category wise education status of respondents and their perception level on Assurance dimension.

#### **6.4.5.iv. Perception level of Assurance dimension and occupation status of respondents.**

The analysis between perception level and occupation status of respondents reveals that, in the case of public sector banks, respondents with occupation status 'other' have the highest perception level (27.2059) followed by occupation status group 'students' (26.8611). Pensioners have the least perception level (25.9286) on this dimension. Among the respondents of new private banks, respondents who are business men have the greater perception level (29.7273) followed by professionals (29.5313) and pensioners gave the least perception level (24.75). Among all respondents, business men have the greater perception level (27.9846) and pensioners have the least perception level (25.3) on the assurance dimension. Table 6.54 clearly points out these facts.

Table 6.54

**Category and occupation status wise perception level of respondents on Assurance dimension**

Category	Occupation status	Mean	Std. Deviation	N
Public sector banks	Govt. employee	26.0976	3.51929	82
	Professionals	26.1000	3.45763	30
	Business man	26.1875	3.77972	32
	Students	26.8611	3.62651	36
	Pensioners	25.9286	1.26881	14
	Others	27.2059	3.90632	34
	Total	26.3860	3.52589	228
New private sector banks	Govt. employee	27.2963	2.67200	27
	Professionals	29.5313	3.84359	32
	Business man	29.7273	4.25935	33
	Students	27.3056	3.23215	36
	Pensioners	24.7500	2.90975	16
	Others	25.6250	3.99777	8
	Total	27.9408	3.85711	152
Total	Govt. employee	26.3945	3.35829	109
	Professionals	27.8710	4.02241	62
	Business man	27.9846	4.37854	65
	Students	27.0833	3.41805	72
	Pensioners	25.3000	2.33637	30
	Others	26.9048	3.92496	42
	Total	27.0079	3.73565	380

Source: primary data

#### 6.4.5.iv.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimension with respect to different occupation status.*

For this purpose, a Univariate test is conducted and the result is given in table 6.55.

**Table 6.55**

**Result of Univariate test between category wise occupation status and perception level on Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	277864.755(a)	12	23155.396	1849.920	.000
Category	66.013	1	66.013	5.274	.022
Occupation status	197.386	5	39.477	3.154	.008
Category * occupation status	262.238	5	52.448	4.190	.001
Error	4606.245	368	12.517		
Total	282471.000	380			

\* *R Squared = .984 (Adjusted R Squared = .983)*

It can be inferred from the above table that, there is a significant difference between category wise occupation status of respondents and their perception level on Assurance dimension (p-value 0.001 < 0.05).

#### 6.4.5.v. Perception level of Assurance dimension and family income level of respondents.

Income level of respondents and changes in perception level of assurance dimension is analysed and the details are given in the table 6.56.

**Table 6.56**

#### **Category and Income level wise perception level of respondents on Assurance dimension**

Category	Income	Mean	Std. Deviation	N
Public sector banks	Less than 5000	27.7000	4.52013	20
	Btwn 5000 - 10000	27.0250	3.56254	40
	Btwn 10000 - 20000	26.6216	4.14036	74
	Btwn 20000 - 30000	25.7123	2.33023	73
	Greater than 30000	25.4286	3.07525	21
	Total	26.3860	3.52589	228
New private sector banks	Less than 5000	25.5000	.70711	2
	Btwn 5000 - 10000	27.2857	4.28645	14
	Btwn 10000 - 20000	28.0227	4.03427	88
	Btwn 20000 - 30000	26.8889	3.19722	18
	Greater than 30000	28.8000	3.50763	30
	Total	27.9408	3.85711	152
Total	Less than 5000	27.5000	4.35070	22
	Btwn 5000 - 10000	27.0926	3.72279	54
	Btwn 10000 - 20000	27.3827	4.13008	162
	Btwn 20000 - 30000	25.9451	2.54891	91
	Greater than 30000	27.4118	3.70500	51
	Total	27.0079	3.73565	380

*Source: primary data*

It is understandable from the above table that, among the respondents in different income groups of public sector banks, respondents in 'less than 5000' income group have the greater perception level (27.7) followed by income group '5000-10000' (27.0250). Respondents in income group 'greater than 30000' have the least perception level among the respondents of public sector banks. Among the respondents of new private banks, respondents in income group 'greater than 30000' have the greater perception level (28.8) followed by income group '10000 – 20000' and income group 'less than 5000' have the least perception level (25.5) on the Assurance dimension. The overall analysis reveals that, respondents having family income per month less than 5000 have the greater perception level (27.5) and respondents having family income per month in between 20000-30000 have the least perception level (25.9451) in the Assurance dimension case.

#### **6.4.5.v.a. Testing of hypothesis**

Null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of assurance dimension with respect to different income levels.*

For testing the hypothesis Univariable test is conducted and the result is given in table 6.57.

**Table 6.57**

**Result of Univariate test between category wise income level and perception level on Assurance dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	277570.428(a)	10	27757.043	2095.695	.000
Category	19.572	1	19.572	1.478	.225
Income	46.413	4	11.603	.876	.478
Category * income	85.655	4	21.414	1.617	<b>.169</b>
Error	4900.572	370	13.245		
Total	282471.000	380			

\* *R Squared = .983 (Adjusted R Squared = .982)*

As per the test result accepted the null hypothesis (p-value 0.169 is greater than 0.05) and hence there is no significant difference between category wise income levels of respondents and their perception levels on Assurance dimension.

#### **6.4.6. Conclusion**

In the case of Perception level of Assurance dimension, New private banks are comparatively in high position to Public sector banks. Among five banks, HDFC bank has the first rank, ICICI bank has the second rank and Canara bank is in last position. Among banks the perception level between SBT-HDFC bank, between Punjab National bank – ICICI bank and between Canara bank – ICICI bank, HDFC bank showed a significant difference on this dimension. A similar significance is happened between age groups and occupation groups in these categories of banks.

These significances shows that, the knowledge, courtesy, ability to convey trust etc., of employees of these two categories of banks are significantly different. It also revealed that employees of New private sector banks are more better than employees of Public sector banks in the above mentioned aspects.

### **6.5. Perception level of Empathy dimension**

Among five dimensions of service quality, fourth dimension is the empathy dimension. Empathy is defined as the caring, individualized attention provides to the customers by their service providers. This dimension is wide enough to cover the following aspects.

- ↳ Individualised attention
- ↳ Variety of services
- ↳ Personalised services (nature of service)

The analysis of perception level of sample respondents on empathy dimension is conducted and a detailed explanation in this regard is the following.

#### **6.5.1. Perception level of Empathy dimension – Overall –bankwise**

Here, it is found that, respondents of HDFC bank have the greater perception level (30.9668) followed by respondents of ICICI bank (30.8684)

in the second place. Respondents of Punjab National Bank have the least perception level (29.2632) on the dimension – Empathy. Table 6.58 provides details of analysis.

**Table 6.58**

**Bank wise perception level of respondents on Empathy dimension**

<b>Banks</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SBT	76	29.9474	4.73820
Punjab national bank	76	29.2632	4.61120
Canara bank	76	29.3684	4.42370
ICICI bank	76	30.8684	5.67178
HDFC bank	76	30.9868	6.40311
Total	380	30.0868	5.24697

*Source: Primary data*

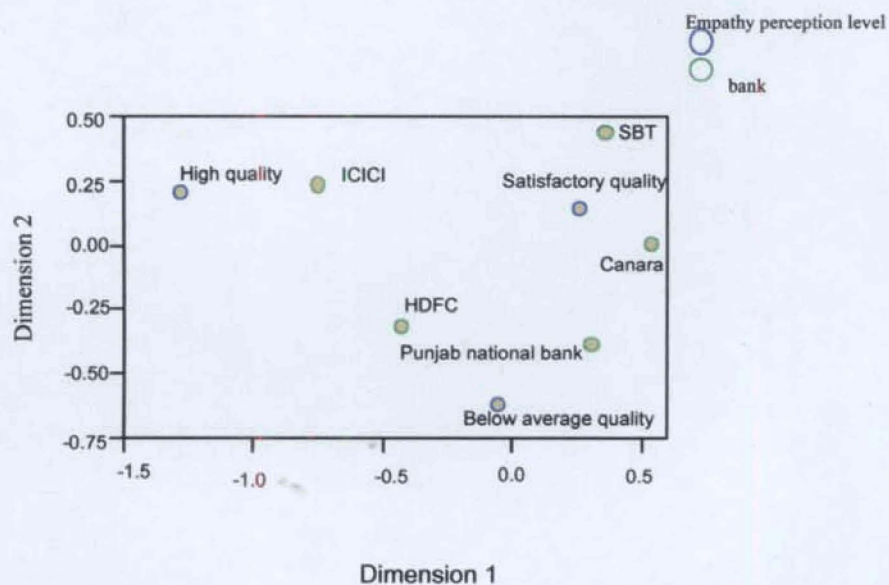
The bench mark levels of perceived quality on Empathy dimension are;

High quality	→	> or = 35.33377
Satisfactory quality	→	30.0868
Below average quality	→	24.83983

The result of the analysis is presented in figure 6.4 with the help of correspondence analysis map.

Figure 6.4

**Correspondence analysis map representing perception level on empathy dimension of all selected banks**



From the evaluation of the above figure it can be understood that, both new private banks – HDFC and ICICI banks – provide high quality in this dimension. Among public sector banks, SBT and Canara bank provide satisfactory quality, but Punjab National bank has below average quality in the case of empathy dimension.

### 6.5.1.a. Testing of hypothesis

The null hypothesis framed for this purpose is;

*Null Hypothesis - There is no significant difference among banks on perception level of Empathy dimension.*

For testing hypothesis a one-way ANOVA test is conducted and the result is shown in the table 6.59.

**Table 6.59**

**Result of one –way ANOVA between Banks and perception level on Empathy dimension**

	Sum of Squares	df	Mean Square	F	p-value
Between Groups	200.253	4	50.063	1.834	.122
Within Groups	10233.882	375	27.290		
Total	10434.134	379			

The result of the test reveals that, there is no significant difference between banks in the perception level of respondents on Empathy dimension. (p-value 0.122 is greater than 0.05)

To make the result more clear, a Post-Hoc test is conducted and the result is given in table 6.60.

Table 6.60

**Result of Post-Hoc test on perception level of empathy dimension among banks**

(I) Banks	(J) Banks	Mean Difference (I-J)	Std. Error	p-value	95% Confidence Interval	
					Lower Bound	Upper Bound
SBT	Punjab national bank	.68421	.84745	.420	-.9821	2.3506
	Canara bank	.57895	.84745	.495	-1.0874	2.2453
	ICICI bank	-.92105	.84745	.278	-2.5874	.7453
	HDFC bank	-1.03947	.84745	.221	-2.7058	.6269
Punjab national bank	SBT	-.68421	.84745	.420	-2.3506	.9821
	Canara bank	-.10526	.84745	.901	-1.7716	1.5611
	ICICI bank	-1.60526	.84745	.059	-3.2716	.0611
	HDFC bank	-1.72368(*)	.84745	.043	-3.3900	-.0573
Canara Bank	SBT	-.57895	.84745	.495	-2.2453	1.0874
	Punjab national bank	.10526	.84745	.901	-1.5611	1.7716
	ICICI bank	-1.50000	.84745	.078	-3.1663	.1663
	HDFC bank	-1.61842	.84745	.057	-3.2848	.0479
ICICI Bank	SBT	.92105	.84745	.278	-.7453	2.5874
	Punjab national bank	1.60526	.84745	.059	-.0611	3.2716
	Canara bank	1.50000	.84745	.078	-.1663	3.1663
	HDFC bank	-.11842	.84745	.889	-1.7848	1.5479
HDFC Bank	SBT	1.03947	.84745	.221	-.6269	2.7058
	Punjab national bank	1.72368(*)	.84745	.043	.0573	3.3900
	Canara bank	1.61842	.84745	.057	-.0479	3.2848
	ICICI bank	.11842	.84745	.889	-1.5479	1.7848

While evaluating the above table, it can be understood that, the difference in perception level between Punjab National Bank and HDFC bank

is significant (p-value 0.043 is less than 0.05) and it is not significant in all other cases.

### 6.5.2. Perception level of Empathy dimension – Bank Category wise.

Bank category wise analysis of perception level on Empathy dimension reveals that respondents of new private bank category have the greater perception level because of their highest mean score 30.9276. The details are given in the table 6.61.

**Table 6.61**

#### **Category wise perception level of respondents on Empathy dimension**

<b>Category</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Public sector banks	29.5263	228	4.58250
New private sector banks	30.9276	152	6.02874
Total	30.0868	380	5.24697

*Source: primary data*

#### 6.5.2.a. Testing of hypothesis

Null hypothesis to test is;

***Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension.***

Independent samples t-test is conducted to test the above hypothesis. The p-value of the test is 0.011, that is, it is less than 0.05. Hence it can be inferred that there is a significant difference between category wise perception

level of respondents on Empathy dimension. The result of the t-test is depicted in table 6.62.

**Table 6.62**

**Result of Independent samples t-test between category wise perception level of Empathy dimension**

Empathy	t-test for Equality of Means						
	t	df	p-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-2.569	378	.011	-1.40132	.54541	-2.47374	-.32889

**6.5.3. Perception level of Empathy dimension – District wise.**

In the case of both public sector bank and new private banks, respondents in Ernakulam district have a greater perception level (29.6316 and 31.25 respectively) than respondents in Kozhikode district (29.4211 and 30.6053 respectively). While comparing aggregate mean scores of each districts, it can be said that, respondents in Ernakulam district (30.2789) have a greater perception level on the Empathy dimension of service quality. Table 6.63 reflex the details.

Table 6.63

**Category and district wise perception level of respondents on Empathy dimension**

Category	District	Mean	Std. Deviation	N
Public sector banks	Ernakulam	29.6316	4.83582	114
	Kozhikode	29.4211	4.33323	114
	Total	29.5263	4.58250	228
New private sector banks	Ernakulam	31.2500	6.14085	76
	Kozhikode	30.6053	5.93763	76
	Total	30.9276	6.02874	152
Total	Ernakulam	30.2789	5.43855	190
	Kozhikode	29.8947	5.05520	190
	Total	30.0868	5.24697	380

Source: primary data

### 6.5.3.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension in different districts.*

An Univariate test is conducted to test the hypothesis and the result is given in table 6.64.

**Table 6.64**

**Result of Univariate test on district wise perception level of Empathy dimension.**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	344180.276(a)	4	86045.069	3160.479	.000
category	179.088	1	179.088	6.578	.011
District	16.678	1	16.678	.613	.434
Category * district	4.299	1	4.299	.158	.691
Error	10236.724	376	27.225		
Total	354417.000	380			

\*R Squared = .971 (Adjusted R Squared = .971)

As the above table, p-value is 0.691 and it is greater than 0.05. Hence the null hypothesis is accepted and it can be said that there is no significant difference in district wise perception level of respondents on Empathy dimension.

#### **6.5.4. Perception level of Empathy dimension – Region wise**

Region wise analysis of changes in perception level of Empathy dimension is illustrated in table 6.65.

**Table 6.65**

**category and Region wise perception level of respondents on Empathy dimension**

Category	Region	Mean	Std. Deviation	N
Public sector banks	Urban	29.8493	4.45257	146
	Rural	28.9512	4.77882	82
	Total	29.5263	4.58250	228
New private sector banks	Urban	31.2240	5.84044	125
	Rural	29.5556	6.78422	27
	Total	30.9276	6.02874	152
Total	Urban	30.4834	5.17532	271
	Rural	29.1009	5.31759	109
	Total	30.0868	5.24697	380

Source: primary data

It is evident from the table that, respondents in urban region have a greater perception level (30.4834) than respondents in rural region (29.1009). Respondents in urban region have the greatest perception level (30.4834) when total is considered.

#### 6.5.4.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension in different regions.*

For testing the hypothesis a univariate test is performed and table 6.66 presents the result.

**Table 6.66**

**Result of Univariate test between Region wise perception level on Empathy dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	344266.116(a)	4	86066.529	3188.000	.000
Category	61.118	1	61.118	2.264	.133
Place	102.793	1	102.793	3.808	.052
Category * region	9.261	1	9.261	.343	<b>.558</b>
Error	10150.884	376	26.997		
Total	354417.000	380			

\* R Squared = .971 (Adjusted R Squared = .971)

As per the result of test, accepted null hypothesis (p-value 0.558 is greater than 0.05) and hence there is no significant difference between region wise perception level of respondents on Empathy dimension.

### 6.5.5. Perception level of Empathy dimension – Demographic features wise.

In this session, demographic features of population are considered and analysed each feature's impact on the perception level of Empathy dimension. A detailed explanation of these are given below.

#### 6.5.5.i. Perception level of Empathy dimension and age group of respondents

The details of this analysis is presented in the table 6.67, below.

**Table 6.67**

#### **Category and Age group wise perception level of respondents on Empathy dimension**

Category	Age	Mean	Std. Deviation	N
Public sector banks	Less than 18	26.1429	2.85357	7
	Btwn 18 - 30	30.6977	4.27598	86
	Btwn 31 - 55	28.8785	4.72989	107
	Greater than 56	29.2500	4.50206	28
	Total	29.5263	4.58250	228
New private sector banks	Less than 18	31.5455	3.92461	22
	Btwn 18 - 30	29.9483	5.03470	58
	Btwn 31 - 55	33.4889	7.41504	45
	Greater than 56	28.2593	5.36794	27
	Total	30.9276	6.02874	152
Total	Less than 18	30.2414	4.33964	29
	Btwn 18 - 30	30.3958	4.59434	144
	Btwn 31 - 55	30.2434	6.01543	152
	Greater than 56	28.7636	4.92523	55
	Total	30.0868	5.24697	380

Source: primary data

It can be understood from the above table that, the perception level of Empathy dimension is higher to the respondents in the age group 'between 18-30' (30.3958) followed by respondents in age group 'between 31-55' (30.2434). Respondents in the age group 'greater than 56' have the least perception level in the case of Empathy dimension. It also reveals that, respondents in age group '18-30' have the highest perception level (30.6977) and respondents in the age group 'less than 18' have the least perception level (26.1429) among the respondents of public sector banks. The table also shows that, among respondents of new private banks, age group '31-55' have the greater perception level (33.4889) and respondents in age group 'greater than 56' have the least perception level (28.2593) in the Empathy dimension case.

#### **6.5.5.i.a. Testing of hypothesis**

A null hypothesis is framed and is given below;

***Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension with respect to different age groups.***

The result of the Univariate test, conducted for testing the above hypothesis, says that, there is a significant difference between category wise age groups of respondents and their perception level on Empathy dimension (p-value 0.000 is less than 0.05). The result is given in table 6.68.

**Table 6.68**

**Result of Univariate test between category wise age groups and perception level on Empathy dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	344958.604(a)	8	43119.825	1695.909	.000
Category	212.877	1	212.877	8.372	.004
Age	275.349	3	91.783	3.610	.014
Category * age	647.292	3	215.764	8.486	.000
Error	9458.396	372	25.426		
Total	354417.000	380			

\*R Squared = .973 (Adjusted R Squared = .973)

#### **6.5.5.ii. Perception level of Empathy dimension and gender difference of respondents**

Perception level of Empathy dimension in the gender difference wise analysis reveals that, male respondents have greater perception level (30.2357) than female respondents (29.67). Among the respondents of public sector banks perception level is high with male respondents (29.7170) and female respondents (30.9677) in the case of new private bank. Table 6.69 gives a clear picture of the above facts.

**Table 6.69**  
**Category and gender wise perception level of respondents on Empathy dimension**

Category	Sex	Mean	Std. Deviation	N
Public sector banks	Male	29.7170	4.70541	159
	Female	29.0870	4.28657	69
	Total	29.5263	4.58250	228
New private sector banks	Male	30.9174	6.51356	121
	Female	30.9677	3.63762	31
	Total	30.9276	6.02874	152
Total	Male	30.2357	5.58045	280
	Female	29.6700	4.17074	100
	Total	30.0868	5.24697	380

Source: primary data

#### 6.5.5.ii.a. Testing of hypothesis

Null hypothesis developed is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension with respect to gender difference.*

A Univariate test is conducted and the p-value is 0.599, that is, it is greater than 0.05. So that, it can be said that there is no significant difference between category wise gender difference of respondents and their perception level of empathy dimension. The test result is given in table 6.70.

Table 6.70

**Result of Univariate test between category wise gender difference and perception level on Empathy dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	344181.116(a)	4	86045.279	3160.746	.000
Category	154.859	1	154.859	5.689	.018
Sex	5.481	1	5.481	.201	.654
Category * sex	7.552	1	7.552	.277	.599
Error	10235.884	376	27.223		
Total	354417.000	380			

\* R Squared = .971 (Adjusted R Squared = .971)

### 6.5.5.iii. Perception level of Empathy dimension and Education status of respondents

Comparison of education status of respondents and their perception level of Empathy dimension reveals that, respondents who are professional degree holders have a greater perception level (31.5875) followed by 'matriculate' group of respondents (29.9434) and respondents who are post graduates have the least perception level (29.3895). Among the respondents of public sector banks and new private banks, respondents who are professional degree holders have greater empathy perception (30.5333 and 32.9429 respectively). Postgraduate group respondents have the least perception level (28.8889) in the public sector bank case and in the new private bank case it is graduate group of respondents (30.1698). The details of analysis are given in table 6.71.

Table 6.71

**Category and Education status wise perception level of respondents on Empathy dimension**

Category	Education status	Mean	Std. Deviation	N
Public sector banks	Professional degree	30.5333	3.94623	45
	Post graduate	28.8889	4.52987	63
	Graduate	29.6000	5.09803	80
	Matriculate	29.3077	4.82302	26
	Others	29.1429	2.76954	14
	Total	29.5263	4.58250	228
New private sector banks	Professional degree	32.9429	8.30288	35
	Post graduate	30.3750	4.55610	32
	Graduate	30.1698	5.12061	53
	Matriculate	30.5556	5.66591	27
	Others	30.4000	5.36656	5
	Total	30.9276	6.02874	152
Total	Professional degree	31.5875	6.30791	80
	Post graduate	29.3895	4.56931	95
	Graduate	29.8271	5.09532	133
	Matriculate	29.9434	5.25655	53
	Others	29.4737	3.50188	19
	Total	30.0868	5.24697	380

Source: primary data

### 6.5.5.iii.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension with respect to different education status.*

A Univariate test is conducted and the result is shown in table 6.72.

**Table 6.72**

**Result of Univariate test between category wise education status and perception level on Empathy dimension.**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	344424.401(a)	10	34442.440	1275.314	.000
Category	102.029	1	102.029	3.778	.053
Education status	232.462	4	58.116	2.152	.074
Category * education status	41.980	4	10.495	.389	<b>.817</b>
Error	9992.599	370	27.007		
Total	354417.000	380			

\* R Squared = .972 (Adjusted R Squared = .971)

The p-value is 0.817, that is, it is greater than 0.05 and hence it can be said that there is no significant difference between category wise education status of respondents and their perception level on Empathy dimension.

#### **6.5.5.iv Perception level of Empathy dimension and occupation status of respondents**

This analysis shows that, respondents who are doing professional job have the greater perception level (32.4355) and respondents who are pensioners have least perception level on empathy dimensions. In the case of

public sector banks, respondents who are government employees have a greater perception level (30.1341) and pensioners have the least empathy perception level (28.4286). Among the respondents of new private banks, professionals have the highest perception level because they have the highest mean score (34.8750) on Empathy dimension. Table 6.73 reveals the details of the analysis.

**Table 6.73**

**Category and occupation status wise perception level of respondents on Empathy dimension**

Category	Occupation status	Mean	Std. Deviation	N
Public sector banks	Govt. employee	30.1341	4.33408	82
	Professionals	30.1333	4.32900	30
	Business man	29.0000	5.34005	32
	Students	29.3056	5.13709	36
	Pensioners	28.4286	5.35960	14
	Others	28.7059	3.60580	34
	Total	29.5263	4.58250	228
New private sector banks	Govt. employee	30.1111	4.65199	27
	Professionals	34.5938	7.67425	32
	Business man	33.2121	4.28484	33
	Students	29.0278	4.65057	36
	Pensioners	25.8750	4.95143	16
	Others	28.2500	4.94975	8
	Total	30.9276	6.02874	152
Total	Govt. employee	30.1284	4.39297	109
	Professionals	32.4355	6.62489	62
	Business man	31.1385	5.24368	65
	Students	29.1667	4.86725	72
	Pensioners	27.0667	5.21889	30
	Others	28.6190	3.83153	42
	Total	30.0868	5.24697	380

Source: primary data

#### 6.5.5.iv.a. Testing of hypothesis

The null hypothesis framed here is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension with respect to different occupation status.*

The Univariate test is conducted for testing the hypothesis and as per the result of test rejected the null hypothesis (p-value 0.001 is less than 0.05) that means, there is a significant difference between category wise occupation status of respondents and their perception level on Empathy dimension. The table 6.74 shows the test result.

**Table 6.74**

**Result of Univariate test between category wise occupation status and perception level on Empathy dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	345469.760(a)	12	28789.147	1184.098	.000
Category	55.374	1	55.374	2.278	.132
Occupation status	773.322	5	154.664	6.361	.000
Category * occupation status	503.633	5	100.727	4.143	.001
Error	8947.240	368	24.313		
Total	354417.000	380			

\*R Squared = .975 (Adjusted R Squared = .974)

**6.5.5.v. Perception level of Empathy dimension and family income level of respondents.**

Table 6.75, given below, clearly presents details of the analysis between family income of respondents and their perception level.

**Table 6.75**

**Category and Family income wise perception level of respondents on Empathy dimension**

Category	Income	Mean	Std. Deviation	N
Public sector banks	Less than 5000	28.3000	3.41976	20
	Btwn 5000 - 10000	29.6250	4.22864	40
	Btwn 10000 - 20000	29.8378	4.68465	74
	Btwn 20000 - 30000	29.0685	4.78809	73
	Greater than 30000	31.0000	4.97996	21
	Total		29.5263	4.58250
New private sector banks	Less than 5000	26.5000	.70711	2
	Btwn 5000 - 10000	30.7143	6.10710	14
	Btwn 10000 - 20000	30.3977	5.86347	88
	Btwn 20000 - 30000	32.2222	4.06644	18
	Greater than 30000	32.1000	7.41550	30
	Total		30.9276	6.02874
Total	Less than 5000	28.1364	3.29928	22
	Btwn 5000 - 10000	29.9074	4.74747	54
	Btwn 10000 - 20000	30.1420	5.34856	162
	Btwn 20000 - 30000	29.6923	4.80207	91
	Greater than 30000	31.6471	6.48945	51
	Total		30.0868	5.24697

*Source: primary data*

The evaluation of the table shows that, respondents in the income group 'greater than 30000' have the highest perception level (37.6471) and respondents in the income group 'less than 5000' have the least perception level (28.1364) on the empathy dimension case. Among the respondents of public sector banks, respondents in the income group 'greater than 30000' have highest perception level (31.00) and it is the respondents in the income group 'between 20000-30000' have the highest perception level in the case of new private bank. In both bank categories, respondents in the income group 'less than 5000' have the least perception level (28.300 and 26.5 to public sector banks and new generation banks respectively) in the Empathy dimensions of service quality.

#### **6.5.5.v.a. Testing of hypothesis**

The null hypothesis set here is,

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of empathy dimension with respect to different income levels.*

For testing the hypothesis a Univariate test is performed and the result is shown in table 6.76.

**Table 6.76**

**Result of Univariate test between category wise income level and perception level on Empathy dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	344396.466(a)	10	34439.647	1271.656	.000
Category	20.491	1	20.491	.757	.385
Income	149.182	4	37.295	1.377	.241
Category * income	87.839	4	21.960	.811	<b>.519</b>
Error	10020.534	370	27.083		
Total	354417.000	380			

\*R Squared = .972 (Adjusted R Squared = .971)

As per the result in the above table, p-value is 0.519 (greater than 0.05) and hence accepted the null hypothesis. Therefore it can be inferred that there is no significant difference between category wise income levels of respondents and their perception level on Empathy dimension.

#### **6.5.6. Conclusion**

The analysis of Empathy dimension helped to make the following concluding remarks. Among banks HDFC bank is in a better position compared to other banks. ICICI bank stands next to HDFC and Punjab National Bank stands last in the perception level of Empathy dimension. The difference in the perception level between banks are not significant except between Punjab National Bank and HDFC bank. That means, except in one case mentioned above, banks performance more or less showed similarity in the Empathy dimension of service quality. But in some cases such as, perception levels between two categories of banks, between different age groups, occupation groups of two categories are showed significant difference.

This shows that, the perception level of respondents in getting individualized attention from bank employees and other similar attitudes and policies of banks between two categories of banks are significantly different and the analysis also revealed that public sector banks are far behind to new private banks in this aspect of service quality.

### **6.6. Perception level of Tangibility dimension**

Fifth dimension of service quality is the Tangibility. The tangibility dimension is defined as the appearance of physical facilities, equipments, communication materials. It includes the following aspects.

- ↪ Infrastructure facilities
- ↪ Books, forms and papers
- ↪ Customer space and other facilities
- ↪ Technology

The ways and method of analysis are same as in the case of other dimensions. A detailed discussion of analysis is given below.

#### **6.6.1. Perception level of Tangibility dimension – Overall- bank wise**

Bank wise analysis of tangibility perception level reveals that, respondents of HDFC bank have the greater perception level (34.2763) followed by respondents of ICICI bank (32.5658) and respondents of Punjab National Bank (30.9868) in the second and third position. Respondents of Canara bank have the least position in the perception level of Tangibility dimension. The details are given in the table 6.77.

**Table 6.77****Bank wise perception level of respondents on Tangibility dimension**

<b>Banks</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SBT	76	30.9474	5.41084
Punjab national bank	76	30.9868	4.41057
Canara bank	76	29.7500	4.45459
ICICI bank	76	32.5658	5.18288
HDFC bank	76	34.2763	5.86878
Total	380	31.7053	5.30669

*Source: primary data*

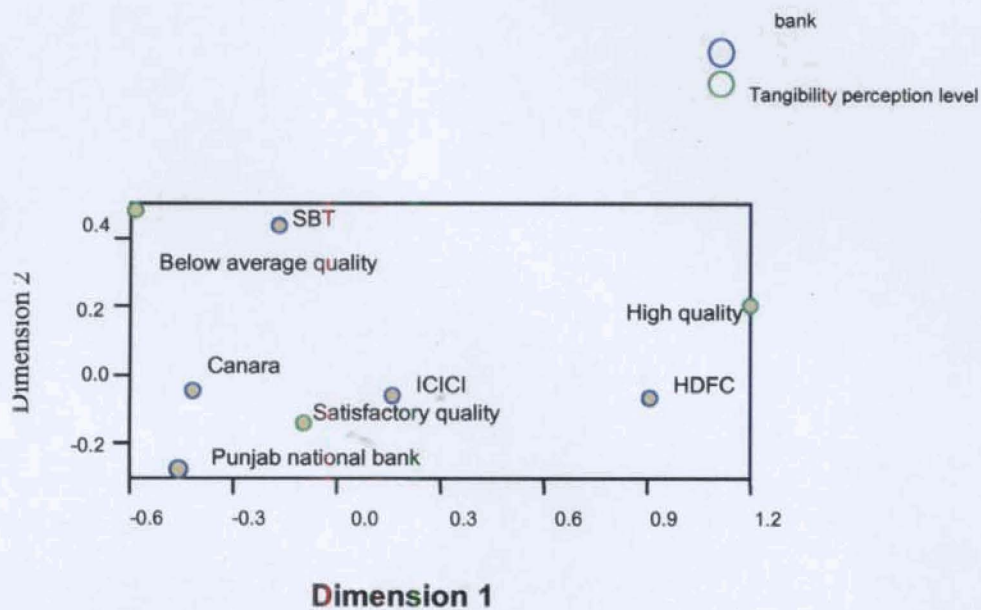
In the case of tangibility dimension the bench marks set to different level of perception are;

High quality	→	37.01199
Satisfactory quality	→	31.7053
Below average quality	→	26.39861

Correspondence analysis mapping technique is used to present the performance levels of banks on this dimension. Figure 6.5. shows the results of comparison of perception level of individual banks to the bench marks.

**Figure 6.5**

**Correspondence analysis map representing perception level on tangibility dimension of all selected banks**



The figure 6.5. shows that HDFC bank continues its performance same as in other dimensions. It provides high quality to its customers. Canara bank, Punjab National bank and ICICI bank provides satisfactory quality services on tangibility dimension. But SBT has below average quality in this particular dimension.

### 6.6.1.a. Testing of hypothesis

The null hypothesis developed here is,

*Null Hypothesis - There is no significant difference among banks on perception level of Tangibility dimension.*

For testing the above hypothesis, performed a one-way ANOVA and the result is given in table 6.78.

**Table 6.78**

**Result of one-way ANOVA between banks and perception level of Tangibility dimension**

	Sum of Squares	df	Mean Square	F	p-value
Between Groups	932.095	4	233.024	8.971	.000
Within Groups	9740.895	375	25.976		
Total	10672.989	379			

The p-value, as shown in the above table, is 0.000, that is, p-value is less than 0.05. Hence there is a significant difference between banks in the perception level of respondents on Tangibility dimension.

In addition to the one-way ANOVA a Post-Hoc test is entertained to get more clear result on the above hypothesis. The result is given in table 6.79.

Table 6.79

**Result of Post-Hoc test on perception level of Tangibility dimension among banks.**

(I) Banks	(J) Banks	Mean Difference (I-J)	Std. Error	p-value	95% Confidence Interval	
					Lower Bound	Upper Bound
SBT	Punjab national bank	-.03947	.82678	.962	-1.6652	1.5862
	Canara bank	1.19737	.82678	.148	-.4283	2.8231
	ICICI bank	-1.61842	.82678	.051	-3.2441	.0073
	HDFC bank	-3.32895(*)	.82678	.000	-4.9547	-1.7032
Punjab national bank	SBT	.03947	.82678	.962	-1.5862	1.6652
	Canara bank	1.23684	.82678	.136	-.3889	2.8626
	ICICI bank	-1.57895	.82678	.057	-3.2047	.0468
	HDFC bank	-3.28947(*)	.82678	.000	-4.9152	-1.6638
Canara bank	SBT	-1.19737	.82678	.148	-2.8231	.4283
	Punjab national bank	-1.23684	.82678	.136	-2.8626	.3889
	ICICI bank	-2.81579(*)	.82678	.001	-4.4415	-1.1901
	HDFC bank	-4.52632(*)	.82678	.000	-6.1520	-2.9006
ICICI bank	SBT	1.61842	.82678	.051	-.0073	3.2441
	Punjab national bank	1.57895	.82678	.057	-.0468	3.2047
	Canara bank	2.81579(*)	.82678	.001	1.1901	4.4415
	HDFC bank	-1.71053(*)	.82678	.039	-3.3362	-.0848
HDFC bank	SBT	3.32895(*)	.82678	.000	1.7032	4.9547
	Punjab national bank	3.28947(*)	.82678	.000	1.6638	4.9152
	Canara bank	4.52632(*)	.82678	.000	2.9006	6.1520
	ICICI bank	1.71053(*)	.82678	.039	.0848	3.3362

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

The above table points out that, the difference in perception level on Tangibility dimension is significant in the following cases;

- between SBT and HDFC bank (p-value is 0.000.)
- between Punjab National Bank and HDFC bank (p-value is 0.000)
- between Canara bank and ICICI bank (p-value is 0.001)
- between Canara bank and HDFC bank (p-value is 0.000)
- between ICICI bank and HDFC bank (p-value is 0.039)

It also reveals that the difference in the perception level on Tangibility dimension is significant between HDFC bank and all other banks.

#### 6.6.2. perception level of Tangibility dimension – Bank category wise

The results of bank category wise analysis of perception level of Tangibility dimension of service quality is presented in table 6.80.

**Table 6.80**

#### **Category wise perception level of respondents on Tangibility dimension**

<b>Category</b>	<b>Mean</b>	<b>N</b>	<b>Std. Deviation</b>
Public sector banks	30.5614	228	4.79452
New private sector banks	33.4211	152	5.58442
Total	31.7053	380	5.30669

*Source: primary data*

From the above table it can be observed that, respondents of new private bank have the greater perception level (33.4211) than respondents of public sector banks (30.5614).

#### 6.6.2.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private sector banks on perception level of Tangibility dimension.*

To test the hypothesis an Independent samples t-test is conducted and the result is shown in table 6.81.

**Table 6.81**

**Result of Independent samples t-test between category and perception level on Tangibility dimension**

Tangibility	t-test for Equality of Means						
	t	df	p-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-5.329	378	.000	-2.85965	.53662	-3.91479	-1.80451

The result shows that there is a significant difference between categories and perception level of respondents on Tangibility dimension, because, p-value (0.000) is less than 0.05.

### 6.6.3. Perception level of Tangibility dimension – District wise

District wise analysis of Tangibility perception level of sample respondents reveals that, respondents in Kozhikode district have the highest mean score (31.8474) than respondents in Ernakulam district (31.5632), hence they have the highest perception level in the case of Tangibility dimension. It also shows that, among the respondents of public sector banks, respondents in Ernakulam district have a greater perception level (30.6140) and in the case of new private bank, it is the respondents in the Kozhikode district (33.8553). The details are presented in table 6.82.

**Table 6.82**

**Category and District wise perception level of respondents on Tangibility dimension.**

Category	District	Mean	Std. Deviation	N
Public sector banks	Ernakulam	30.6140	4.66489	114
	Kozhikode	30.5088	4.94079	114
	Total	30.5614	4.79452	228
New private sector banks	Ernakulam	32.9868	5.66979	76
	Kozhikode	33.8553	5.50080	76
	Total	33.4211	5.58442	152
Total	Ernakulam	31.5632	5.20823	190
	Kozhikode	31.8474	5.41337	190
	Total	31.7053	5.30669	380

*Source: primary data*

### 6.6.3.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension in different districts.*

A Univariate test is conducted to test the hypothesis and the result is given in table 6.83

**Table 6.83**

**Results of Univariate test between category wise districts and perception level on Tangibility dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	382760.096(a)	4	95690.024	3635.058	.000
Category	745.796	1	745.796	28.331	.000
District	13.279	1	13.279	.504	.478
Category * district	21.616	1	21.616	.821	<b>.365</b>
Error	9897.904	376	26.324		
Total	392658.000	380			

\* R Squared = .975 (Adjusted R Squared = .975)

As the test result shows, p-value 0.365 is greater than 0.05. So that accepted null hypothesis. That means there is no significant difference between category wise districts of respondents and their perception level on Tangibility dimension.

#### 6.6.4. Perception level of Tangibility dimension – Region wise

The urban/rural wise analysis of Tangibility dimension shows that, urban respondents have a greater perception level (32.1697) than perception level of rural respondents (30.5805). Among the respondents of public sector bank and new private banks urban respondents have the highest perception level (30.7534 and 33.8240 respectively) in the Tangibility dimension. Table 6.84 shows the details of analysis.

**Table 6.84**

**Category and Region wise perception level of respondents on Tangibility dimensions**

Category	Region	Mean	Std. Deviation	N
Public sector banks	Urban	30.7534	4.94321	146
	Rural	30.2195	4.52708	82
	Total	30.5614	4.79452	228
New private sector banks	Urban	33.8240	5.78661	125
	Rural	31.5556	4.12621	27
	Total	33.4211	5.58442	152
Total	Urban	32.1697	5.55451	271
	Rural	30.5505	4.45031	109
	Total	31.7053	5.30669	380

*Source: primary data*

##### 6.6.4.a. Testing of hypothesis

The null hypothesis developed for the purpose is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension in different regions.*

The univariate test performed for testing the above hypothesis shows that, there is no significant difference between category wise region of respondents and their perception level on Tangibility dimension. The result is shown in table 6.85, below.

**Table 6.85**

**Result of Univariate test between category wise region and perception level on Tangibility dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	382860.033(a)	4	95715.008	3673.093	.000
Category	303.025	1	303.025	11.629	.001
Region	122.550	1	122.550	4.703	.031
Category * region	46.950	1	46.950	1.802	<b>.180</b>
Error	9797.967	376	26.058		
Total	392658.000	380			

\* R Squared = .975 (Adjusted R Squared = .975)

#### **6.6.5. Perception level of Tangibility dimension – Demographic features wise**

Perception level of respondents on the tangibility dimension is analysed on the basis of demographic features of the sample population. A detailed description of the same is given below.

##### **6.6.5.i. Perception level of Tangibility dimension and Age group of respondents.**

Table 6.86 presents results of analysis of perception level of Tangibility dimension through age group of respondents.

Table 6.86

**Category and Age group wise perception level of respondents on Tangibility dimension**

<i>Category</i>	<i>Age</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>N</i>
Public sector banks	Less than 18	30.5714	3.86683	7
	Btwn 18 - 30	30.8140	4.94085	86
	Btwn 31 - 55	31.2336	4.13813	107
	Greater than 56	27.2143	5.67879	28
	Total	30.5614	4.79452	228
New private sector banks	Less than 18	40.4091	4.38242	22
	Btwn 18 - 30	30.9138	4.15610	58
	Btwn 31 - 55	35.3333	4.86172	45
	Greater than 56	29.9259	3.65772	27
	Total	33.4211	5.58442	152
Total	Less than 18	38.0345	5.99692	29
	Btwn 18 - 30	30.8542	4.62581	144
	Btwn 31 - 55	32.4474	4.73649	152
	Greater than 56	28.5455	4.94345	55
	Total	31.7053	5.30669	380

*Source: primary data*

It is evident from the above table that, in the tangibility dimension case, respondents in the age group 'less than 18' have the greater perception level (38.0345) followed by respondents in age group 'between 31-55' (32.4474). Respondents in the age group 'greater than 56' have the least perception level (28.5455) in the tangibility dimension. Among the respondents of public sector banks, respondents in the age group 'between 31-55' have a higher perception level (31.2336) and respondents whose age is

greater than 56 have least perception level (27.2143). Among the respondents of new private bank, respondents in the age group 'less than 18' (40.4091) have the greater perception level, followed by age group 'between 31-55' (35.3333). The least perception level, in this case, is with the age group 'greater than 56' (29.9259).

#### 6.6.5.i.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension with respect to different age groups.*

For testing the hypothesis univariate test is conducted and the result is given in table 6.87.

**Table 6.87**

**Result of Univariate test between category wise age groups and perception level in Tangibility dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	385031.650(a)	8	48128.956	2347.646	.000
Category	872.544	1	872.544	42.561	.000
Age	1258.219	3	419.406	20.458	.000
Category * age	566.104	3	188.701	9.205	.000
Error	7626.350	372	20.501		
Total	392658.000	380			

\* R Squared = .981 (Adjusted R Squared = .980)

p-value, as per the result of test, is 0.000, that is, it is less than 0.05 and hence rejected the null hypothesis and it is inferred that there is a significant difference between category wise age groups of respondents and their perception level on Tangibility dimension.

#### **6.6.5.ii. Perception level of Tangibility dimension and gender difference of respondents**

This analysis reveals that, male respondents have a greater perception level (31.8607) than female respondents (31.27) in the tangibility dimension of service quality. Among the respondents of public sector bank and new private bank, male respondents stands at the top (30.6604 and 33.4380 respectively) in the perception level of tangibility dimension. Table 6.88 illustrates the analysis details.

**Table 6.88**

#### **Category and gender difference wise perception level of respondents on Tangibility dimension**

<b>Category</b>	<b>Sex</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
Public sector banks	Male	30.6604	4.69558	159
	Female	30.3333	5.04295	69
	Total	30.5614	4.79452	228
New private sector banks	Male	33.4380	5.75166	121
	Female	33.3548	4.96352	31
	Total	33.4211	5.58442	152
Total	Male	31.8607	5.34929	280
	Female	31.2700	5.18711	100
	Total	31.7053	5.30669	380

*Source: primary data*

### 6.6.5.ii.a. Testing of hypothesis

The null hypothesis framed here is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension with respect to gender difference.*

The result of Univariate test, performed for testing the above hypothesis, is given in table 6. 89.

**Table 6.89**

**Result of Univariate test between category wise gender difference and perception level on Tangibility dimension**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	382736.124(a)	4	95684.031	3626.048	.000
Category	548.574	1	548.574	20.789	.000
Sex	2.745	1	2.745	.104	.747
Category * sex	.970	1	.970	.037	<b>.848</b>
Error	9921.876	376	26.388		
Total	392658.000	380			

\* *R Squared = .975 (Adjusted R Squared = .974)*

Since p-value is (0.848) greater than 0.05 null hypothesis is accepted. So that it can be inferred that there is no significant difference between category wise gender difference of respondents and their perception level on Tangibility dimension.

### 6.6.5.iii. Perception level of Tangibility dimension and Education status of respondents.

Education status wise analysis of perception level of Tangibility dimension is shown in the table 6.90.

**Table 6.90**

#### **Category and Education status wise perception level of respondents on Tangibility dimension**

Category	Education status	Mean	Std. Deviation	N
Public sector banks	Professional degree	31.0667	4.94699	45
	Post graduate	30.1111	3.43188	63
	Graduate	31.3625	5.04723	80
	Matriculate	29.8846	5.57370	26
	Others	27.6429	5.65151	14
	Total	30.5614	4.79452	228
New private sector banks	Professional degree	34.7429	5.45755	35
	Post graduate	31.7500	5.52998	32
	Graduate	31.8868	3.87626	53
	Matriculate	37.0741	6.81021	27
	Others	31.4000	5.12835	5
	Total	33.4211	5.58442	152
Total	Professional degree	32.6750	5.46050	80
	Post graduate	30.6632	4.29649	95
	Graduate	31.5714	4.60778	133
	Matriculate	33.5472	7.16177	53
	Others	28.6316	5.63925	19
	Total	31.7053	5.30669	380

Source: Primary data

The above table informs that, respondents who are matriculate have a higher perception level (33.5472) in the Tangibility dimension, followed by professional degree holders (32.6750). Respondents in the 'other' education status group are the least (28.6316) in the perception level. In the case of public sector banks, respondents who are graduates possess top position (31.3625) in the perception level, followed by professional degree holders (31.0667) and 'other' group possesses least position in the Tangibility perception level. Among the respondents of new private banks, 'matriculate' group have the higher perception level (37.0741) and 'other' group respondents (31.40) have the least perception level.

#### **6.6.5.iii.a. Testing of hypothesis**

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension with respect to different education status.*

The hypothesis is tested with the use of Univariate test and the result is given in table 6.91.

**Table 6.91**

**Result of Univariate test between category wise education status and perception level of respondents**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	383593.564(a)	10	38359.356	1565.785	.000
Category	591.688	1	591.688	24.152	.000
Education status	384.176	4	96.044	3.920	.004
Category * education status	463.679	4	115.920	4.732	.001
Error	9064.436	370	24.498		
Total	392658.000	380			

\* *R Squared* = .977 (*Adjusted R Squared* = .976)

Since the p-value (0.001) is less than 0.05 rejected the null hypothesis and hence it can be said that, there is a significant difference between category wise education status of respondents and their perception level on Tangibility dimension.

#### **6.6.5.iv. Perception level of Tangibility dimension and occupation status of respondents.**

Comparison of perception level of Tangibility dimension and occupation status of respondents points out that, respondents who are students have a higher perception level (33.4583) and pensioners have the least perception level (28.7667). Besides this, it also shows that, among the respondents of public sector banks, business man have the greater perception level (31.1250) and student respondents (36.3333) in the case of new private banks. In the case of public sector banks, respondents who are professionals

have the least perception level (29.80) and it is pensioners (27.5625) in the case of respondents of new private bank in the tangibility dimension case. The table 6.92 illustrates the details.

**Table 6.92**

**Category and occupation wise perception level of respondents on Tangibility dimension**

Category	Occupation status	Mean	Std. Deviation	N
Public sector banks	Govt. employee	30.7439	4.13002	82
	Professionals	29.8000	5.68968	30
	Business man	31.1250	6.63690	32
	Students	30.5833	3.52440	36
	Pensioners	30.1429	5.50325	14
	Others	30.4118	4.50668	34
	Total		30.5614	4.79452
New private sector banks	Govt. employee	32.8148	4.71525	27
	Professionals	35.9688	5.12102	32
	Business man	31.7879	3.50676	33
	Students	36.3333	6.41427	36
	Pensioners	27.5625	3.16162	16
	Others	30.6250	3.99777	8
	Total		33.4211	5.58442
Total	Govt. employee	31.2569	4.35338	109
	Professionals	32.9839	6.19490	62
	Business man	31.4615	5.25320	65
	Students	33.4583	5.89805	72
	Pensioners	28.7667	4.52337	30
	Others	30.4524	4.36841	42
	Total		31.7053	5.30669

Source: primary data

#### 6.6.5.iv.a. Testing of hypothesis

The null hypothesis framed is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension with respect to different occupation status.*

The Univariate test has been performed to test the hypothesis and the result is shown in table 6.93.

**Table 6.93**

**Result of Univariate test between category wise occupation status and perception level on Tangibility dimension**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	383987.008(a)	12	31998.917	1358.045	.000
category	290.664	1	290.664	12.336	.000
Occupation status	575.446	5	115.089	4.884	.000
category * occupation status	676.826	5	135.365	5.745	.000
Error	8670.992	368	23.562		
Total	392658.000	380			

\*R Squared = .978 (Adjusted R Squared = .977)

The calculated p-value is (0.000) less than 0.05 so that rejected the null hypothesis, that means there is a significant difference between category wise occupation status of respondents and their perception level on Tangibility dimension.

### 6.6.5.v. Perception level of Tangibility dimension and family income level of respondents

The analysis between family income per month and perception level of respondents is conducted and the details are given in the table 6.94, below.

**Table 6.94**

#### Category and Income level wise perception level of respondents on Tangibility dimension

Category	Income	Mean	Std. Deviation	N
Public sector banks	Less than 5000	31.4500	3.87264	20
	Between 5000 - 10000	29.8750	5.13004	40
	Between 10000 - 20000	31.3514	4.74683	74
	Between 20000 - 30000	30.0822	4.71626	73
	Greater than 30000	29.9048	5.26217	21
	Total		30.5614	4.79452
New private sector banks	Less than 5000	32.0000	1.41421	2
	Between 5000 - 10000	31.3571	4.49969	14
	Between 10000 - 20000	33.2500	5.40168	88
	Between 20000 - 30000	32.1111	7.22649	18
	Greater than 30000	35.7667	5.10364	30
	Total		33.4211	5.58442
Total	Less than 5000	31.5000	3.70006	22
	Between 5000 - 10000	30.2593	4.97611	54
	Between 10000 - 20000	32.3827	5.18495	162
	Between 20000 - 30000	30.4835	5.32158	91
	Greater than 30000	33.3529	5.88837	51
	Total		31.7053	5.30669

Source: primary data

It can be observed from the above table that, respondents in the income group 'greater than 30000' have a greater perception level (33.3529) in the Tangibility dimension and respondents in the income group 'between 5000-10000' possess the least position (30.2593). The table also reveals that, among the respondents of public sector banks, respondents whose income is less than 5000 have the highest perception level (31.45) and respondents whose income is in between 5000-10000 have the least perception level (29.8750). In the case of new private bank, respondents having income greater than 30000 are at the top in the perception level (35.7667) and respondents whose income is less than 5000 are at the bottom (31.500) in the perception level of Tangibility dimension.

#### **6.6.5.v.a. Testing of hypothesis**

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on perception level of tangibility dimension with respect to different income levels.*

A Univariate test is entertained to test the hypothesis and it is presented in the table 6.95.

**Table 6.95**

**Result of Univariate test between category wise income levels of respondents and perception level on Tangibility dimension.**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	383099.635(a)	10	38309.964	1482.961	.000
Category	170.114	1	170.114	6.585	.011
Income	174.657	4	43.664	1.690	.152
Category * income	174.858	4	43.714	1.692	<b>.151</b>
Error	9558.365	370	25.833		
Total	392658.000	380			

\* *R Squared* = .976 (*Adjusted R Squared* = .975)

As the table points out, p-value is (0.151) greater than 0.05 and accepted the null hypothesis. Therefore it can be inferred that there is a significant difference between category wise income levels of respondents and their perception level on Tangibility dimension.

#### **6.6.6. Conclusion**

In this case also HDFC bank kept their number one position followed by ICICI bank and Punjab National bank at the second and third position respectively. Here Canara bank stands at the last position. The analysis showed a significant difference in perception levels between HDFC bank – all other banks, ICICI bank- Canara bank in the Tangibility dimension. The same result is experienced between public sector banks and new private banks, between different age groups and occupation states of these two categories of banks.

The above situation revealed that the perception level of these groups on physical facilities like building, furniture and fittings, other equipments and materials, technology integration etc are differ significantly. In this case, New private banks are far ahead to public sector banks in availing and arranging physical and virtual facilities and appearance of bank employees.

### **6.7. Overall service quality perception level**

Overall service quality, here means, the sum of perception level of Reliability dimension, Responsiveness dimension, Assurance dimension, Empathy dimension and Tangibility dimension. In other word, Total Service Quality (TSQ) is the total of perception level on five dimensions. This TSQ has been calculated and analysed in the above same manner. The details are presented below.

#### **6.7.1. Bank wise TSQ perception level**

The bank wise analysis of total service quality reveals that, HDFC bank has been maintaining better service quality (192.4737) than other banks in the sample. ICICI bank (188.4868) stands next to HDFC bank and SBT (185.1579) at their position. Punjab National Bank has the least perception level (176.5526) in the total service quality case. Table 6.96 shows these details.

**Table 6.96****Bank wise perception level of respondents on Total Service Quality**

<b>Banks</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
SBT	76	185.1579	35.99187
Punjab national bank	76	176.5526	35.75226
Canara bank	76	183.8947	24.79171
ICICI bank	76	188.4868	38.86815
HDFC bank	76	192.4737	50.73920
Total	380	185.3132	38.30718

*Source: Primary data*

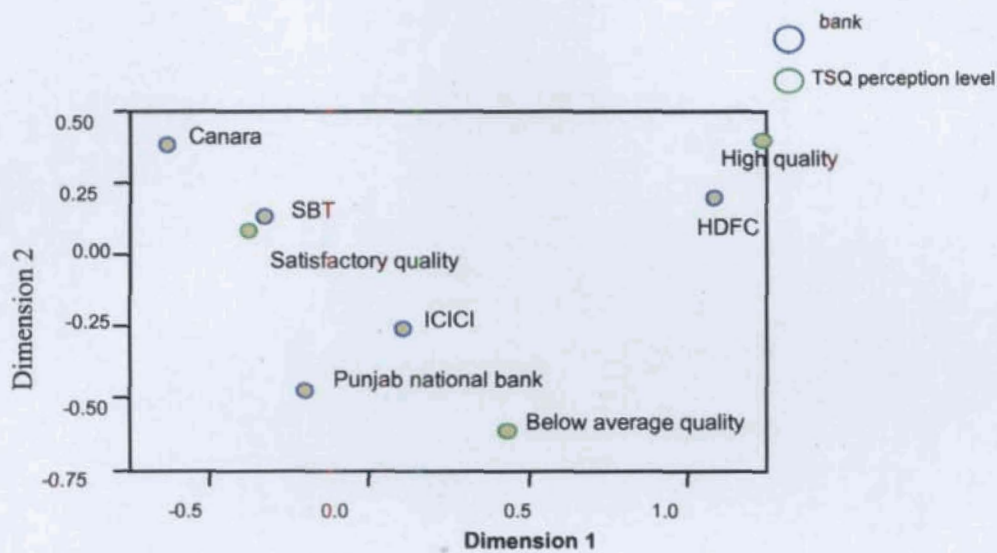
In the overall service quality, compared bank's total performance on the five dimension with the pre-determined perceived service quality levels viz., high quality, satisfactory quality and below average quality. The benchmarks set are;

High Quality	→	223.62038
Satisfactory quality	→	185.3132
Below average quality	→	147.00602

The results of comparison of total quality perception levels of banks are depicted below in figure 6.6.

Figure 6.6

**Correspondence analysis map representing perception level on total service quality of all selected banks**



The results presented in figure 6.6. shows that HDFC bank is the only bank, among the five selected banks, that provides high quality to the customers. SBT and Canara bank and ICICI bank have satisfactory quality. Punjab National bank provides below average quality on the over all analysis of service quality.

#### 6.7.1.a. Testing of hypothesis

The null hypothesis is;

***Null Hypothesis - There is no significant difference among banks on total service quality perception.***

For testing this hypothesis a one-way ANOVA is exercised and the result is given in table 6.97.

**Table 6.97**

**Result of One-way ANOVA between banks and Total Service Quality perception**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>p-value</b>
Between Groups	10649.747	4	2662.437	1.830	.122
Within Groups	545509.987	375	1454.693		
Total	556159.734	379			

Since the p-value is greater than 0.05 null hypothesis is rejected. Hence there is no significant difference between banks on the total service quality perception. In addition to one-way ANOVA a Post-Hoc test also has been conducted for testing the hypothesis in detail. The result reveals that the total service quality perception between Punjab National Bank and HDFC bank is found significant (p-value, 0.010 is less than 0.05) and is not significant in all other cases. Details are shown in table 6.98.

Table 6.98

## Result of Post-Hoc test among banks on Total Service Quality perception

(I) Bank	(J) Bank	Mean Difference (I-J)	Std. Error	p-value	95% Confidence Interval	
					Lower Bound	Upper Bound
SBT	Punjab national bank	8.60526	6.18720	.165	-3.5607	20.7712
	Canara bank	1.26316	6.18720	.838	-10.9028	13.4291
	ICICI bank	-3.32895	6.18720	.591	-15.4949	8.8370
	HDFC bank	-7.31579	6.18720	.238	-19.4817	4.8502
Punjab national bank	SBT	-8.60526	6.18720	.165	-20.7712	3.5607
	Canara bank	-7.34211	6.18720	.236	-19.5081	4.8238
	ICICI bank	-11.93421	6.18720	.055	-24.1002	.2317
	HDFC bank	-15.92105(*)	6.18720	.010	-28.0870	-3.7551
Canara bank	SBT	-1.26316	6.18720	.838	-13.4291	10.9028
	Punjab national bank	7.34211	6.18720	.236	-4.8238	19.5081
	ICICI bank	-4.59211	6.18720	.458	-16.7581	7.5738
	HDFC bank	-8.57895	6.18720	.166	-20.7449	3.5870
ICICI bank	SBT	3.32895	6.18720	.591	-8.8370	15.4949
	Punjab national bank	11.93421	6.18720	.055	-.2317	24.1002
	Canara bank	4.59211	6.18720	.458	-7.5738	16.7581
	HDFC bank	-3.98684	6.18720	.520	-16.1528	8.1791
HDFC bank	SBT	7.31579	6.18720	.238	-4.8502	19.4817
	Punjab national bank	15.92105(*)	6.18720	.010	3.7551	28.0870
	Canara bank	8.57895	6.18720	.166	-3.5870	20.7449
	ICICI bank	3.98684	6.18720	.520	-8.1791	16.1528

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

### 6.7.2. Total Service Quality perception- Bank Category wise

Total service quality perception through bank category wise analysis shows that, new private bank category has the highest total service quality (190.4803) than public sector banks category (181.8684). Table 6.99 presents the details.

**Table 6.99**

**Category wise Total Quality Perception**

Category	N	Mean	Std. Deviation
Public sector banks	228	181.8684	32.67798
New private sector banks	152	190.4803	45.08960
Total	380	185.3132	38.30718

*Source: primary data*

#### 6.7.2.a. Testing of hypothesis

The null hypothesis is;

***Null Hypothesis - There is no significant difference between public sector banks and new private banks on Total Quality perception.***

The hypothesis is tested with the help of an independent samples t-test and the result is given in table 6.100.

**Table 6.100****Result of Independent samples t-test on category wise total service quality perception**

Service quality	t-test for Equality of Means						
	t	df	p-value	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Equal variances assumed	-2.157	378	.032	-8.61184	3.99208	-16.46131	-.76237

The resulted p-value, 0.032 is less than 0.05, hence it can be inferred that there is a significant difference in the total service quality perception between different categories of banks.

**6.7.3. Total Service Quality perception – District wise**

The result of category wise analysis of total service quality perception is depicted in table 6.101.

**Table 6.101****Category and district wise total service quality perception**

Category	District	Mean	Std. Deviation	N
Public sector banks	Ernakulam	179.3158	34.22836	114
	Kozhikode	184.4211	30.99069	114
	Total	181.8684	32.67798	228
New private sector banks	Ernakulam	187.1711	45.89390	76
	Kozhikode	193.7895	44.32616	76
	Total	190.4803	45.08960	152
Total	Ernakulam	182.4579	39.38490	190
	Kozhikode	188.1684	37.08211	190
	Total	185.3132	38.30718	380

Source: primary data

It is evident from the above table that, Kozhikode district – in aggregate – has the highest perception level (188.1684) on total service quality. The table also reveals that, among respondents of both public sector banks and new private sector banks, respondents in Kozhikode district have the highest total service quality perception (184.4211 and 193.7895 respectively) than respondents in Ernakulam district.

### 6.7.3.a. Testing of hypothesis

The hypothesis formulated in this case is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception in different districts.*

A two-way ANOVA (Univariate test) is entertained and came to the inference that, there is no significant difference between category wise districts and total service quality perception (p-value, 0.850 > 0.05). But it is found significant in the category (0.032). Table 6.102 explains details of the test.

**Table 6.102**

**Result of Univariate test between category wise districts and total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	13059481.171(a)	4	3264870.293	2247.324	.000
Category	6763.741	1	6763.741	4.656	.032
District	3133.741	1	3133.741	2.157	.143
Category * district	52.204	1	52.204	.036	<b>.850</b>
Error	546245.829	376	1452.781		
Total	13605727.000	380			

\* R Squared = .960 (Adjusted R Squared = .959)

#### 6.7.4. Total Service Quality perception – Region wise

Category and region wise analysis points out that, among the respondents, urban respondents have the highest perception level (187.7638) on service quality than respondents in rural areas (179.2202). Among the respondents of public sector banks, rural respondents (181.9512) are in a better position on total service quality perception, but it is urban respondents (194.7040) in the case of new private banks. A detailed information is given in table 6.103.

**Table 6.103**

**Category and Region wise total service quality perception**

Category	Region	Mean	N	Std. Deviation
Public sector banks	Urban	181.8219	146	33.29092
	Rural	181.9512	82	31.75909
	Total	181.8684	228	32.67798
New private sector banks	Urban	194.7040	125	44.94262
	Rural	170.9259	27	41.12825
	Total	190.4803	152	45.08960
Total	Urban	187.7638	271	39.55010
	Rural	179.2202	109	34.44651
	Total	185.3132	380	38.30718

*Source: primary data*

##### 6.7.4.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception in different regions.*

A Univariate test is conducted for this purpose and the result is given in table .104.

**Table 6.104**

**Result of Univariate test between category wise regions and total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	13068885.925(a)	4	3267221.481	2288.341	.000
Category	53.801	1	53.801	.038	.846
Region	8727.397	1	8727.397	6.113	.014
Category * region	8919.311	1	8919.311	6.247	<b>.013</b>
Error	536841.075	376	1427.769		
Total	13605727.000	380			

\*R Squared = .961 (Adjusted R Squared = .960)

The result of test gives more than one information. One is, the difference in total service quality perception between category wise regions is significant (p-value  $0.013 < 0.05$ ). Other information are, the total service quality perception among categories is not significant (p-value  $0.846 > 0.05$ ) and it is significant in the case of regions.

**6.7.5. Total service quality perception – Demographic features wise.**

Here, demographic features such as age, sex, education status, occupation status and family income per month are considered and analysed the impact of these features on total service quality perception.

### 6.7.5.i. Total service quality perception and Age groups of respondents.

The result of comparison between total service quality perception and category wise age groups of respondents is presented in table 6.105.

**Table 6.105**

#### Category wise age groups of respondents and their total service quality perception

Category	Age	Mean	Std. Deviation	N
Public sector banks	Less than 18	167.1429	16.54719	7
	Between 18 - 30	188.4186	32.20320	86
	Between 31 - 55	180.1869	33.70352	107
	Greater than 56	171.8571	29.74299	28
	Total	181.8684	32.67798	228
New private sector banks	Less than 18	211.6818	40.58781	22
	Between 18 - 30	177.1897	40.54387	58
	Between 31 - 55	208.5111	41.29584	45
	Greater than 56	171.7037	47.79106	27
	Total	190.4803	45.08960	152
Total	Less than 18	200.9310	40.87082	29
	Between 18 - 30	183.8958	36.08590	144
	Between 31 - 55	188.5724	38.24435	152
	Greater than 56	171.7818	39.26863	55
	Total	185.3132	38.30718	380

*Source: primary data*

It is observable from the above table that, age group 'less than 18' possesses highest total service quality perception (200.9310) followed by age group 'between 31-55' (188.5724) and age group 'greater than 56' stands at the bottom position in the case of total service quality perception. In the case

of public sector banks, age group 'between 18-30' is at the top (188.4186) and age group 'less than 18' is at the bottom level in the total service quality perception. It also reveals that, age group 'less than 18' and 'between 31-55' are stands at the highest and lowest positions respectively in the case of respondents of new private sector banks.

#### 6.7.5.i.a. Testing of hypothesis

The null hypothesis formulated to test is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception with respect to different age groups.*

For testing hypothesis Univariate test is used and the result is shown in table 6.106.

**Table 6.106**

**Result of Univariate test between category wise age groups and total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	13108930.962(a)	8	1638616.370	1226.993	.000
Category	11757.017	1	11757.017	8.804	.003
Age	21586.092	3	7195.364	5.388	.001
Category * age	33854.816	3	11284.939	8.450	.000
Error	496796.038	372	1335.473		
Total	13605727.000	380			

\*R Squared = .963 (Adjusted R Squared = .963)

Since p-value 0.000 is less than 0.05, in the case of category and age, rejected the null hypothesis and hence there is a significant difference between category wise age groups and total service quality perception. It also tested total service quality perception level among category and age groups separately and both are found significant (p-value 0.003 and 0.001 respectively) in total service quality perception.

#### **6.7.5.ii. Total service quality perception and gender difference of respondents**

Category and gender wise analysis of perception level on service quality shows that, female respondents have a better perception level (188.96) than male respondents. Besides, female respondents have the highest total service quality perception level in the case of both public sector banks and new private sector banks (183.2754 and 201.6129) respectively. More information relating to this aspect is given in Table 6.107.

**Table 6.107**

#### **Category wise gender difference and total service quality perception**

<b>Category</b>	<b>Sex</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>N</b>
Public sector banks	Male	181.2579	33.24082	159
	Female	183.2754	31.53517	69
	Total	181.8684	32.67798	228
New private sector banks	Male	187.6281	48.28718	121
	Female	201.6129	27.30650	31
	Total	190.4803	45.08960	152
Total	Male	184.0107	40.47961	280
	Female	188.9600	31.33170	100
	Total	185.3132	38.30718	380

*Source: primary data*

### 6.7.5.ii.a. Testing of hypothesis

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception with respect to different gender difference.*

The Univariate test result conducted for testing the above hypothesis is presented in table 6.108.

**Table 6.108**

**Result of Univariate test between category wise gender difference and total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	13061353.185(a)	4	3265338.296	2255.375	.000
Category	9958.052	1	9958.052	6.878	.009
Sex	4177.073	1	4177.073	2.885	.090
Category * sex	2336.144	1	2336.144	1.614	<b>.205</b>
Error	544373.815	376	1447.803		
Total	13605727.000	380			

\* R Squared = .960 (Adjusted R Squared = .960)

Since the p-value of test between category and sex is 0.205, that is greater than 0.05. Hence there is no significant difference between category and sex wise service quality perception. The test also informs that, perception difference among male and female is not significant (p-value is 0.090) but is significant among category (p-value 0.009).

### 6.7.5.iii. Total service quality perception and Education status of respondents

The result of category and education wise analysis of total service quality perception is posted in table 6.109.

**Table 6.109**

#### Category and Education status wise Total Service Quality perception

Category	Education status	Mean	Std. Deviation	N
Public sector banks	Professional degree	191.2444	25.45777	45
	Post graduate	177.9206	36.00372	63
	Graduate	183.7375	33.57883	80
	Matriculate	172.1154	34.79463	26
	Others	176.9286	21.73782	14
	Total	181.8684	32.67798	228
New private sector banks	Professional degree	193.9714	57.89366	35
	Post graduate	190.1250	29.23404	32
	Graduate	185.2453	40.08304	53
	Matriculate	197.8519	51.77964	27
	Others	184.0000	49.31531	5
	Total	190.4803	45.08960	152
Total	Professional degree	192.4375	42.48897	80
	Post graduate	182.0316	34.21193	95
	Graduate	184.3383	36.17024	133
	Matriculate	185.2264	45.73109	53
	Others	178.7895	29.86559	19
	Total	185.3132	38.30718	380

*Source: primary data*

As the table shows, professional degree holders have the highest perception level (192.4375) followed by matriculates (185.2264). 'Other' education status group has the lowest perception level (178.7895). More over, professional degree holders have a greater perception level (191.2444) and

matriculation holders have the lower perception level in the case of public sector banks. But it is matriculation holders (197.8519) and 'other' education status holders (184.0000) have the highest and lowest perception levels respectively in the case of new private sector banks.

### 6.7.5.iii.a. Testing of hypothesis

The null hypothesis is,

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception with respect to different education status.*

The Univariate test conducted to test the above hypothesis shows that there is no significant difference between category and education status wise total service quality perception (p-value 0.353 > 0.05). It also shows that the difference in perception among categories and among education status levels are not significant. (p-value 0.062 and 0.535 respectively). The table 6.110 provides the details.

**Table 6.110**

**Result of univariate test between category and education status wise total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	13067923.326(a)	10	1306792.333	899.051	.000
Category	5092.839	1	5092.839	3.504	.062
Education status	4565.282	4	1141.321	.785	.535
Category * education status	6435.023	4	1608.756	1.107	<b>.353</b>
Error	537803.674	370	1453.523		
Total	13605727.000	380			

\*R Squared = .960 (Adjusted R Squared = .959)

#### **6.7.5.iv. Total Service Quality perception and occupation status of respondents**

The analysis, done here, reveals that, respondents who are professionals stands at top, government employees at the second and 'other' group at the last in the case of total service quality perception (202.5484, 190.9266 and 175.9048 respectively). Besides these, in the case of public sector banks, respondents who are government employees have the highest perception level (189.0976) followed by pensioners (186.1429). In this case the least perception level is with business men (169.9063). Among the new private banks, professionals have the highest perception level (219.4375) in the case of total service quality perception. Respondents in the 'other group' have the least perception level (161.2500) with regards to total service quality perception. The table 6.111 informs the details.

**Table 6.111****Category and Occupation status wise total service quality perception level**

Category	Occupation status	Mean	Std. Deviation	N
Public sector banks	Govt. employee	189.0976	27.70195	82
	Professionals	184.5333	33.64493	30
	Business man	169.9063	42.71463	32
	Students	174.5278	32.76539	36
	Pensioners	186.1429	20.19085	14
	Others	179.3529	33.25374	34
	Total	181.8684	32.67798	228
New private sector banks	Govt. employee	196.4815	32.73715	27
	Professionals	219.4375	41.38952	32
	Business man	193.2121	23.39572	33
	Students	182.4444	53.56568	36
	Pensioners	149.5000	42.82211	16
	Others	161.2500	48.54379	8
	Total	190.4803	45.08960	152
Total	Govt. employee	190.9266	29.04840	109
	Professionals	202.5484	41.44864	62
	Business man	181.7385	35.99057	65
	Students	178.4861	44.26679	72
	Pensioners	166.6000	38.43095	30
	Others	175.9048	36.66247	42
	Total	185.3132	38.30718	380

*Source: primary data*

**6.7.5.iv.a. Testing of hypothesis**

The null hypothesis is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception with respect to different occupation status.*

The result of Univariate test conducted for testing the hypothesis is given in table 6.112.

**Table 6.112**

**Result of Univariate test between category and occupation status wise total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	p-value
Model	13131900.624(a)	12	1094325.052	849.914	.000
category	678.111	1	678.111	.527	.468
Occupation status	41004.416	5	8200.883	6.369	.000
category * occupation status	34051.359	5	6810.272	5.289	.000
Error	473826.376	368	1287.572		
Total	13605727.000	380			

\*R Squared = .965 (Adjusted R Squared = .964)

The result presented in the table informs that, p-value in the category and occupation status is 0.000, that is, it is less than 0.05. Hence there is a significant difference between category and occupation wise total service quality perception. It also informs that, the difference in perception level among occupation status is significant. (p-value 0.000). But it is not significant in the category aspects (p-value 0.0468).

#### **6.7.5.v. Total service quality perception and Family Income level of respondents**

Family income levels and category wise comparison of total service quality perception points out that, in general, respondents, whose family income per month is greater than 30000 have the better perception level (206.2745) and whose income is less than 5000 have the least perception level (173.1364) in the total service quality perception. It also reveals that, in the case of both Public sector banks and New private sector banks respondents in the income group 'greater than 30000' have the highest perception level (194.1905 and 214.7333 respectively). The least perception level, in the public sector bank case, is with respondents in the income group 'less than 5000'(170.15) and it is the income group 'between 5000-10000' (176.8571) in the case of new private bank category. While comparing perception level of public sector and new private sector banks categories, highest perception level is with New private bank category. The table 6.113 illustrated it in detail.

Table 6.113

## Category and Income level wise total service quality perception

Category	Income	Mean	Std. Deviation	N
Public sector banks	Less than 5000	170.1500	24.21238	20
	Between 5000 - 10000	183.8000	35.37216	40
	Between 10000 - 20000	186.3378	33.65102	74
	Between 20000 - 30000	175.9452	30.80219	73
	Greater than 30000	194.1905	32.68581	21
	Total		181.8684	32.67798
New private sector banks	Less than 5000	203.0000	18.38478	2
	Between 5000 - 10000	176.8571	48.24753	14
	Between 10000 - 20000	183.1818	44.71867	88
	Between 20000 - 30000	194.9444	28.14766	18
	Greater than 30000	214.7333	46.73545	30
	Total		190.4803	45.08960
Total	Less than 5000	173.1364	25.29690	22
	Between 5000 - 10000	182.0000	38.74396	54
	Between 10000 - 20000	184.6235	39.95681	162
	Between 20000 - 30000	179.7033	31.09001	91
	Greater than 30000	206.2745	42.40806	51
	Total		185.3132	38.30718

Source: primary data

#### 6.7.5.v.a. Testing of hypothesis

The null hypothesis set here is;

*Null Hypothesis - There is no significant difference between public sector banks and new private banks on total service quality perception with respect to different income levels.*

The hypothesis is tested by conducting a Univariate test and the result is given in table 6.114, below.

**Table 6.114**

**Result of Univariate test between category and income level wise total service quality perception**

Source	Type III Sum of Squares	df	Mean Square	F	P-value
Model	13092058.861(a)	10	1309205.886	943.033	.000
Category	4723.539	1	4723.539	3.402	.066
Income	17804.882	4	4451.221	3.206	.013
Category * income	11376.803	4	2844.201	2.049	.087
Error	513668.139	370	1388.292		
Total	13605727.000	380			

\*R Squared = .962 (Adjusted R Squared = .961)

Since p-value - 0.087 (Category and income case) is greater than 0.05, null hypothesis is accepted and hence there is no significant difference between category and income level wise total service quality perception. But it found as significant in the case of income (p-value 0.013) and found as not significant in the case of category (p-value 0.066).

### 6.7.6. Conclusion

The discussion on overall service quality perception of respondents on banks lead to the conclusion that, New private sector banks, especially HDFC bank, provides better quality services than Public sector banks. Among the public sector banks category SBT provides better quality services than Canara

bank and Punjab National bank. Among five banks, HDFC bank is at the top, followed by ICICI bank and SBT. Punjab National Bank is comparatively poor in providing quality services to their customers. On the basis of comparison of perception level between banks, the same between Punjab National Bank and HDFC bank differs significantly and in all other cases it is more or less equal between banks. Besides these, the perception levels, between categories of banks, between urban and rural areas, between different age groups and between different occupation groups in two categories of banks found significant difference on the total service quality.

Indian banks are in the process of up scaling their customer service and responsiveness. Nevertheless, banking services in general, have still a long way to go for earning respect and esteem from the customers and public in respect of the quality of service they are providing to them.

## **Chapter VII**

### **SUMMARY, FINDINGS AND SUGGESTIONS**

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- ⇔ **Summary of chapters**
- ⇔ **Findings of the study**
- ⇔ **Suggestions of the study**
- ⇔ **Conclusion**

## **7.1. Introduction**

The earlier chapters discussed different but interrelated aspects of quality of banking services. Here, this chapter summarises the earlier chapters and states major findings that have been derived from the analysis. Also, it deals with major suggestions or recommendations to both public sector banks and new private sector banks.

## **7.2. Summary of Chapters**

The thesis has been divided into six chapters on the basis of nature of facts included and explained. A brief note on each chapter is given below.

The first chapter titled “Introduction and Methodology” includes a detailed introduction to the study. The focus was given to the concept service quality in banking services and its growing importance in Indian banking services sector. After that, significance of this study has been explained in the present banking scenario of Kerala. The problem under study is that, “whether public sector banks in Kerala provide quality services as expected by the customer or not, and to compare perception level of service quality of public sector banks with new private sector banks in order to know differences if

any". The chapter also explains what are the objectives, hypotheses to prove, variables under study, population of the study, sample frame, sample size and selection process or methods, data collection sources and methods, and important limitations of the study.

The Second chapter gives an overview of growth and performance of banks in Kerala. In this chapter growth and performance have been analysed on the basis of trends of increase or decrease of bank branches, population per branch, growth of deposit, growth in advance and trend of CD ratio (Credit deposit ratio).

The Third chapter captioned "Review of Literature" contains a brief review of the earlier studies that are directly or indirectly related to the study. The earlier studies have been reviewed under four heads viz., literature review in service quality, literature in customer satisfaction, literature in financial services sector and literature in other services sector.

The Fourth chapter depicts a theoretical support to the study. The title of the chapter is "Service quality – A theoretical overview". It explains the concept of service quality, its five dimensions such as reliability, responsiveness, assurance, empathy and tangibility, methods service quality measurement. It also explains the role of service quality in building long term relation with customers.

The Fifth chapter analyses some basic aspects related to customers such as factors considered for opening a bank account, awareness level of customers especially on value added services and problems faced by customers during banking transactions. In this chapter a number of null hypotheses have been formulated and tested. A list showing the results of hypotheses tested are shown below in table 7.1.

**Table 7.1.**

**Status of null hypotheses – I**

Null Hypotheses	Status		
	Among banks	Between districts	Between regions
1. There is no significant difference in considering factors for opening a bank account among/between...			
1.a. Greater spread of branches	A	A	A
1.b. Near to house/office	R	A	A
1.c. Better image of the bank	R	A	A
1.d. Easy procedures	R	A	A
1.e. Personal relation with staff	R	R	A
1.f. Statutory obligation	R	A	A
1.g. Variety of services	R	A	A
1.h. Technological advancement	R	R	A
1.i. Rate of return and service charge	R	R	R
1.j. Promptness and timelines	R	A	A
1.k. Security and confidentiality	R	A	A
2. There is no significant difference in customer general awareness level among/between...	A	A	--
3. There is no significant difference in knowledge perception level on value added services among/between...	R	A	--
4. There is no significant difference in usage of value added services among/between...	R	R	R

Note: *R* = Rejected Null Hypothesis

*A* = Accepted Null Hypothesis

The Sixth chapter “Service quality perception of banks” deals with the details of analysis of service quality dimensions viz., reliability, responsiveness, assurance, empathy and tangibility. It also analyses total service quality perception of banks. Number of null hypotheses have been formulated and tested for this purpose. The table 7.2. given below, shows the details of hypotheses and how many of them have been rejected or accepted.

**Table 7.2**

**Status of null hypotheses – II**

Null Hypotheses	Status								
	Among banks	Between category	between category and district	between category and region	between category and age	between category and gender	between category and educational status	between category and occupational status	between category and family income level
1. There is no significant difference in the perception level of respondents on reliability dimension among/between...	A	A	A	R	R	A	A	R	R
2. There is no significant difference in the perception level of respondents on responsiveness dimension among/between...	A	A	A	R	R	A	A	R	R
3. There is no significant difference in the perception level of respondents on assurance dimension among/between...	R	R	A	A	R	A	A	R	A
4. There is no significant difference in the perception level of respondents on empathy dimension among/between....	A	R	A	A	R	A	A	R	A
5. There is no significant difference in the perception level of respondents on tangibility dimension among/between...	R	R	A	A	R	A	R	R	A
6. There is no significant difference in the perception level of respondents on total service quality among/between....	A	R	A	R	R	A	A	R	A

Note: R = Rejected Null Hypothesis A = Accepted Null Hypothesis.

278

Seventh chapter illustrates a summary of earlier chapters. It also points out major findings of the study, suggestions to improve the present situation and a conclusion to the study. The suggestion includes two models for attaining service quality by banks, viz., one is total service quality model for banks (TSQ) and the another one is total service quality measurement model for measuring TSQBs.

### **7.3. Findings of the study**

From the analysis presented in fifth and sixth chapters highlighted some differences or similarities between public sector banks and new private banks. These are pointed out below in different heads as in the order it has been presented in respective chapters.

#### **7.3.a. Factors considered for opening a bank account**

- ◆ Major factors influenced by customers in approaching both public sector banks and new private sector banks are ‘bank branches near to their house or office’, ‘wide network of banks’ better image of the bank, security and confidentiality.
- ◆ To customers of all five banks, except Punjab National bank, ‘Near to house/office’ is the major influencing factor. In the case of Punjab National bank it is ‘better image of the bank’.

- ◆ Customers in both districts – Ernakulam and Kozhikode – and in both regions – Urban and Rural – have been influenced by the same previous factors.
- ◆ Among banks all eleven factors, except ‘greater spread of bank branches’ have been influenced unevenly.
- ◆ Customers in different districts think alike on all factors except factors such as personal relation with staff, technological advancement, rate of return and service charge.
- ◆ Customers in different regions viewed differently on the factor ‘rate of return and service charge’, but they are indifferent to all other reasons.

### **7.3.b. Problems faced**

- ◆ “Too much formalities” is the major problem facing by customers of banks in Kerala.
- ◆ Other major factors that created difficulty to customers are, lack of courtesy of staff, absence of personalized services and lack of evening bank branches.
- ◆ All these problems are often or rarely experienced problems.
- ◆ Customers of banks in both districts – Ernakulam and Kozhikode- have the same problems as mentioned above.

### **7.3.c. Sources of information**

- ◆ Customers usually collect information about banks and its services mainly through Newspapers.
- ◆ Other major sources of information are friends and relatives, bank brochures.
- ◆ Customers of public sector banks use newspaper as their major source of information. Friends and relatives stands next to news papers.
- ◆ In the case of customers of new private sector banks audio/visual media is the main source of information. News paper is the next major source of information to them.
- ◆ Customers in different districts also gave the same above facts with regard to source of information.

### **7.3.d. Customer general awareness level**

- ◆ Majority of customers of both public sector banks and new private sector banks have no deep and thorough knowledge on banking matters.
- ◆ Customers of Punjab National bank have the highest awareness level compared to customers of other banks in the sample.
- ◆ SBT has the poor customer awareness level among banks.

- ◆ Customers in both districts – Ernakulam and Kozhikode have the same state of awareness level as mentioned above.
- ◆ Customers of both public sector and new private sector banks have more or less equal level of awareness about banks and banking.

#### **7.3.e. Knowledge on value added services**

- ◆ Customers of New private sector banks have better knowledge level on value added services than customers of public sector banks.
- ◆ Among public sector banks Canara bank is in a better position than other two banks SBT and Punjab National Bank.
- ◆ Among New private sector banks ICICI bank possesses top position compared to HDFC bank.
- ◆ The customers of ICICI bank in both Ernakulam and Kozhikode districts have a better knowledge level on value added services provided by their banks.
- ◆ Among public sector banks, Canara bank is in a better position in the Ernakulam district and SBT is in a better position in the district Kozhikode.
- ◆ Customers possess significantly differently knowledge level on value added services among banks.

### **7.3.f. Use of value added services**

- ◆ Among value added services ATM services is the only service which is used regularly by customers in Kerala.
- ◆ Debit card and credit card can be considered as a popular product to some extent.
- ◆ Customers of new private sector banks use ATM services, credit cards and debit cards at a high rate than customers of public sector banks.
- ◆ Customers of Canara bank has the high rate of usage of value added services among public sector banks.
- ◆ Among new private sector banks customers of ICICI bank possesses top position in using value added services, especially ATM services.
- ◆ Among public sector banks Canara bank and SBT possess high rate in using value added services in the Ernakulam and Kozhikode districts respectively.
- ◆ Customers of ICICI bank have the high usage rate among new private sector banks in both districts.
- ◆ Customers of Canara bank and ICICI bank among public sector and new private sector banks respectively have the better usage rate of value added services in both urban and rural areas.

- ◆ The usage rate of value added services varies significantly among banks, between districts and between regions.

### **7.3.g. Reliability dimension**

- ◆ Customers of HDFC bank perceived reliability dimension as high quality.
- ◆ All other banks except Punjab National bank have satisfactory quality.
- ◆ Punjab National bank has below average quality in the reliability dimension.
- ◆ Banks have more or less equal quality level in the reliability dimension.
- ◆ New private sector banks have high reliability quality.
- ◆ Public sector banks have satisfactory quality on reliability dimension.
- ◆ In both Ernakulam and Kozhikode districts new private sector banks provides high quality on reliability dimension.
- ◆ With respect to reliability dimension Public sector banks in Ernakulam districts provide high quality and satisfactory quality in Kozhikode district.
- ◆ In both Urban and Rural areas public sector banks provides satisfactory quality.

- ◆ New private sector banks have high quality in urban region but below average quality in rural region.
- ◆ Public sector banks and new private banks provide significantly different quality on reliability dimension in different regions.
- ◆ Customers of public sector banks in different age groups have perceived reliability dimension as satisfactory quality.
- ◆ Customers of New private sector banks in age groups 'less than 18' and 'between 31-35' have perceived high quality and other age groups perceived as below average quality.
- ◆ Customers of different categories of banks with different age have significantly different reliability perception levels.
- ◆ Both male and female customers of public sector banks perceived satisfactory quality.
- ◆ Both male and female customers of new private sector banks perceived high quality on reliability dimension.
- ◆ Among customers of public sector banks who are in the education status group 'post graduates' and matriculates have perceived below average quality on reliability dimension. Customers in other education status groups have perceived satisfactory quality.

- ◆ Among different education status groups of customers of new private sector banks professional degree holders have perceived high quality and customers in all other groups perceived satisfactory quality.
- ◆ Customers in occupation groups viz., businessman, students and 'other' groups of public sector banks perceived reliability as below average quality and customers in other occupation status groups perceived it as satisfactory quality.
- ◆ Among new private sector bank customers, government employees, professionals and business man perceived reliability dimension as high quality. But customers who are students, pensioners and other groups perceived it as below average quality.
- ◆ Customers of different category of banks having different occupation status perceived reliability dimension very significantly.
- ◆ Among public sector banks, customers in income groups 'less than 5000' and income between '20000 – 30000' have perceived reliability as below average quality and customers in income groups between 10000-20000 and between 5000-10000 perceived satisfactory quality and customers whose income is greater than 30000 perceived as high quality.
- ◆ Among new private sector bank customers, customers in the income groups 'less than 5000' between 20000-30000' and 'greater than

30000' perceived reliability as high quality and customers in remaining income groups perceived below average quality.

- ◆ Perception level on reliability dimension of customers having different income levels among categories of banks is significantly different.

#### **7.3.h. Responsiveness dimension.**

- ◆ In responsiveness dimension HDFC bank provides high quality.
- ◆ Punjab National Bank provides below average quality.
- ◆ All other banks provide satisfactory quality.
- ◆ Punjab National bank and HDFC bank differs significantly on responsiveness dimension.
- ◆ New private sector banks provide high quality and public sector banks offers satisfactory quality.
- ◆ In both Ernakulam and Kozhikode districts public sector banks provides satisfactory quality.
- ◆ New private sector banks offer high quality in Kozhikode district, but they provide satisfactory quality in Ernakulam district.
- ◆ Public sector banks have satisfactory quality on responsiveness dimension in both regions – urban and rural.

- ◆ New private sector banks have high quality in urban areas and below average quality in rural areas.
- ◆ Among regions, new private sector banks and public sector banks have significantly different perception levels on responsiveness dimension.
- ◆ Customers of public sector banks in different age groups perceived satisfactory quality.
- ◆ Customers of new private sector banks in age groups 'less than 18' and 'between 31-35' felt high quality, but customer in other two age groups felt responsiveness as satisfactory quality.
- ◆ The perception level on responsiveness dimension of customers in different age groups is significantly different.
- ◆ Both male and female customers of public sector banks felt responsiveness as satisfactory quality.
- ◆ Male and female customers of new private sector banks perceived high quality.
- ◆ Customers of public sector banks in different education status perceived satisfactory quality.
- ◆ New private sector bank customers in different education status perceived high quality.

- ◆ Among customers of public sector banks business man and students perceived below average quality, but government employees, professionals etc., felt satisfactory quality.
- ◆ All customers of new private sector banks except pensioners and 'other' perceived high quality. Pensioners and 'others' felt it as below average quality.
- ◆ Customers of public sector and new private sector banks in different occupation status have significantly different perception levels.
- ◆ Among customers of public sector banks, customers in income group 'less than 5000' perceived below average quality. Customers in income group 'greater than 30000' perceived high quality and other customers felt it as satisfactory.
- ◆ Customers in income groups 'less than 5000' and 'greater than 30000' of new private sector banks perceived high quality on employees attitude, promptness etc., customers in income groups 'between 10000-20000' and 'between 20000-30000' perceived satisfactory quality. Income group 'between 5000-10000' felt responsiveness as below average quality.
- ◆ Customers of both categories of banks have significantly different perception levels.

### 7.3.i. Assurance dimension

- ◆ Among banks HDFC banks offers high quality on assurance dimension, ie., high quality on job acknowledgement and skill, courtesy etc of employees.
- ◆ SBT, ICICI bank and Punjab National bank have satisfactory quality.
- ◆ Canara bank has below average quality on assurance dimension.
- ◆ Banks provide significantly different assurance dimension quality.
- ◆ Public sector banks have satisfactory quality on assurance dimension.
- ◆ New private sector banks have high quality.
- ◆ Public sector banks and new private sector banks provide significantly different quality on assurance dimension.
- ◆ In Ernakulam district public sector banks have below average quality, but new private sector banks have high quality.
- ◆ In Kozhikode district public sector banks offer satisfactory quality, new private sector banks provides high quality.
- ◆ In both regions public sector banks provides satisfactory quality on responsiveness dimension.
- ◆ Customers of public sector banks in different age groups felt assurance dimension quality as satisfactory.

- ◆ Customers of new private sector banks in all age groups except in 'greater than 56' age group felt high quality. 'greater than 56' age group has perceived satisfactory quality.
- ◆ Customers in different age groups of banks have significantly different perception levels.
- ◆ Male and female customers of public sector banks perceived satisfactory quality.
- ◆ Male customers of new private sector banks perceived high quality where as female customers felt satisfactory quality.
- ◆ Customers of public sector banks with education status 'graduates' perceived high quality and customers in all other education status perceived assurance dimension as satisfactory quality.
- ◆ Customers who are post graduates and customers in 'other' education status of new private sector banks felt satisfactory quality and all others felt high quality.
- ◆ Customers of public sector banks having different occupation status perceived satisfactory quality.
- ◆ Customers of new private sector banks in all occupation status, except pensioners, perceived high quality. Pensioners perceived assurance dimension as below average quality.

- ◆ Customers of public sector banks and new private sector banks with different occupation status have significantly different perception level on assurance dimension.
- ◆ Customers of public sector banks in income groups 'less than 5000' and 'between 5000-10000' perceived high quality. Income group 'between 10000-20000' perceived satisfactory quality and customers in other income groups perceived assurance dimension as below average quality.
- ◆ Among customers of new private sector banks whose income is 'between 5000-10000', 'between 10000-20000' and 'greater than 30000' perceived high quality and other customers felt assurance dimension as satisfactory quality.

#### **7.3.j. Empathy dimension**

- ◆ Among banks ICICI bank has high quality on empathy dimension, that is, on aspects like individualized attention of customers, customer convenient banking places etc.
- ◆ SBT and Canara bank have satisfactory quality.
- ◆ HDFC bank and Punjab National bank have below average quality.
- ◆ Both public sector banks and new private sector banks have satisfactory quality in Empathy dimension.

- ◆ Public sector banks and new private sector banks provide significantly different quality on empathy.
- ◆ In both districts – Ernakulam and Kozhikode – public sector banks provides satisfactory quality.
- ◆ New private sector banks have high quality on empathy dimension in both districts.
- ◆ In both regions – Urban and Rural – public sector banks offer satisfactory quality.
- ◆ New private sector banks provide high quality in urban areas and satisfactory quality in rural areas.
- ◆ Customers of public sector banks in the age group ‘less than 18’ perceived quality on empathy as below average. Customers in other age groups perceived satisfactory quality.
- ◆ Customers of new private sector banks in age groups ‘between 31-55’ perceived high quality. Customers in age groups ‘less than 18’ and ‘between 18 and 30’ perceived satisfactory quality. Customers in age group ‘greater than 56’ felt below average quality.
- ◆ Customers of both public sector banks and new private sector banks in different age groups have significantly different empathy perception level.

- ◆ Both male and female customers of public sector banks perceived satisfactory quality.
- ◆ Male customers of new private sector banks felt high quality and female customers felt satisfactory quality.
- ◆ Among customers of public sector banks, who are professional degree holders and matriculates, perceived satisfactory quality. Post graduates and graduates perceived empathy of banks as below average quality.
- ◆ Professional degree holders, matriculates and 'others' among new private banks felt high quality and customers in all other education status perceived as satisfactory quality.
- ◆ Among customers of public sector banks, pensioners and business man perceived below average quality. Customers in all other occupation status perceived empathy as satisfactory quality.
- ◆ Among customers of new private sector banks professionals and businessman perceived high quality on empathy dimension. Government employees and students perceived satisfactory quality. Pensioners felt empathy as below average quality.
- ◆ Customers of public sector and new private sector banks with different occupation status perceived empathy dimension very differently.

- ◆ Customers of public sector banks with income greater than 30000 perceived high quality and customers in all other income groups felt satisfactory quality.
- ◆ Customers of new private banks in all income groups, except 'less than 5000' income group, perceived high quality, 'less than 5000' income group perceived empathy dimension as satisfactory quality.

### **7.3.k. Tangibility dimension**

- ◆ Among banks HDFC bank possesses high quality tangibles, that is, they have high quality infrastructure facilities, equipments, technology etc.
- ◆ ICICI bank, Canara bank and Punjab National bank have satisfactory quality.
- ◆ SBT has below average quality on tangibility dimension.
- ◆ Banks possess significantly different infrastructure and other similar tangible facilities.
- ◆ Public sector banks have satisfactory quality on tangibility dimension.
- ◆ New private sector banks possess high quality tangibles.
- ◆ Public sector banks and new private sector banks differ significantly in availing and arranging facilities.

- ◆ Public sector banks have satisfactory quality on tangibility dimension in both districts.
- ◆ New private sector banks provide high quality facilities in both districts.
- ◆ In urban region, public sector banks have satisfactory quality, but in rural areas they have below average quality.
- ◆ New private sector banks provide high quality tangibles in urban areas and satisfactory quality in rural areas.
- ◆ Customers of public sector banks in all age groups, except 'greater than 56' group, perceived satisfactory quality. Customers in age groups 'greater than 56' perceived below average quality.
- ◆ Among customers of new private sector banks, customers in age groups 'between 31-55' and 'less than 18', perceived high quality. Age group 'between 18-30' perceived satisfactory quality and age group 'greater than 56' perceived below average quality.
- ◆ Customers of both public sector banks and new private sector banks in different age groups perceive tangibility dimension very differently.
- ◆ Male customers of public sector banks perceived satisfactory quality, but female customers perceived below average quality.

- ◆ Both male and female customers of new private sector banks perceived high quality on tangibility dimension.
- ◆ Among customers of public sector banks, customers in all education status groups, except 'matriculates' and 'others' group perceived satisfactory quality.
- ◆ There is a wide difference in the perception levels among customers of public sector banks and new private sector banks with respect to different education status.
- ◆ Among customers of public sector banks professionals perceived below average quality. Customers in all other occupation status perceived satisfactory quality.
- ◆ Among customers of new private sector banks, professionals and students perceived high quality. Government employees and businessman felt tangibility dimension as satisfactory quality. But pensioners perceived below average quality.
- ◆ Customers having different occupation status perceives tangibility dimension very differently.
- ◆ Customers of public sector banks in income groups 'between 5000-10000' and 'greater than 30000' perceived below average quality. Income groups 'between 20000-30000' felt satisfactory quality.

- ◆ Customers of new private sector banks in income groups 'less than 5000' and 'between 5000-10000' perceived satisfactory quality. Customers in all other income groups perceived high quality on tangibility dimension.

### **7.3.1. Total quality of service**

- ◆ HDFC bank possesses high total service quality.
- ◆ Canara bank, SBT and ICICI bank provides satisfactory quality.
- ◆ Punjab National bank has below average service quality.
- ◆ Service quality of Punjab National bank and HDFC bank differs significantly.
- ◆ Public sector banks have satisfactory quality on services.
- ◆ New private sector banks have high quality on services.
- ◆ Public sector banks and new private sector banks provides significantly different quality services.
- ◆ Customers of public sector banks in Ernakulam district perceived service quality as below average. But customers in Kozhikode district perceived satisfactory quality.
- ◆ Customers of new private sector banks in both Ernakulam and Kozhikode districts perceived high quality on services.

- ◆ Customers of public sector banks in both urban and rural regions perceived services as satisfactory quality.
- ◆ Customers of new private sector banks in urban areas perceived high quality. Rural customers perceived below average quality.
- ◆ Public sector banks and new private sector banks differ significantly on total quality of services between regions.
- ◆ Customers of public sector banks in age groups 'between 18-30' and 'between 31-55' perceived total quality of service as satisfactory. Age groups 'less than 18' and 'greater than 56' felt below average quality.
- ◆ Customers of public sector and new private sector banks in different age groups perceived total quality of service very differently.
- ◆ Male and female customers of public sector banks perceived satisfactory quality.
- ◆ Customers of new private sector banks, both male and female, perceived high quality on total quality of service.
- ◆ Customers of public sector banks in all education status groups, except 'matriculate' group, perceived total quality of service as satisfactory; 'matriculate' group perceived it as below average quality.

- ◆ Customers of new private sector banks in 'graduate' and 'other' education status groups perceived satisfactory quality. Customers in all other education status groups perceived high quality.
- ◆ Business man and student customers of public sector banks felt below average quality. Customers in other occupation status groups perceived satisfactory quality.
- ◆ Student customers of new private sector banks perceived satisfactory quality; pensioners and 'others' perceived below average quality and customers in all other occupation status groups felt high quality.
- ◆ Customers of public sector and new private sector banks with respect to different occupation status perceived very differently on total quality of services.
- ◆ Customers of public sector banks in income group 'greater than 30000' perceived high quality; customers in income groups 'between 20000-30000' and 'less than 5000' perceived below average quality; all other income groups perceived satisfactory quality on service.
- ◆ Customers of new private sector banks in all income groups perceived total quality of service as 'high quality'.

The forgoing findings of the study reveal that new private sector banks are ahead of public sector banks in providing quality services to their

customers. Also in all the five dimensions of service quality New private sector banks got high quality perception from their customers.

The variation found in service quality perception is narrow in some cases but showed huge or significant difference in some other situation. The major reasons identified for such variations are new private sector banks operate in selected markets and offer selected services. In other words, they give more emphasis on the market specialisation strategy. The market specialisation strategy has been defined as the process of selecting one or limited number of segments of the target market with their products or services. But public sector banks couldn't practice such a strategy because of their high social responsibility and high rate of intervention by Reserve Bank of India or other similar authorities.

Another major reason of advancement by new private sector banks is their use of technology. They are backup by banking technology which gives them differential or competitive edge in Indian banking services market. Public sector banks are lagging behind in the physical facilities and up-to-date equipments.

#### **7.4. Suggestions**

The foregoing discussions revealed the gap between public sector banks and new private sector banks on service quality as perceived by customers. It also revealed the weak points where both public sector banks

and new private sector banks need to pay their serious and immediate attention. Service delivery and customer delight is probably one of the most debatable issues gripping the banking industry in our country. So, in order to fill these gaps, certain suggestions are hereby put forwarded which will be useful to both public sector banks and new private sector banks.

- Both public sector and new private sector banks should take steps for specialised training of employees. The training program should focus on the factors that improve the responsiveness, promptness, courtesy etc., of employees. So that banks can increase their responsiveness and assurance quality. It will lead to increased efficiency and productivity of employees.
- Banks should take steps to provide more personalized services means, pay individual attention to customer's needs and wants, by which they can increase perceived quality on empathy dimension. It also provides better satisfaction and retention of customers.
- Take steps to educate and make their customers tech-savvy or make them aware about the value added services like internet banking, mobile banking etc., methods of using these services. It is essential for the successful and effective implementation of these types of services. Also, if these services are used regularly by customers banks can reduce their cost considerably.

- Both public sector banks and new private sector banks should conduct customer awareness programmes to make the customers well aware of the service and products, by which banks can interact with their customers and build a good relationship with them.
- Both categories of banks should take steps to minimise the procedures and formalities that are to be fulfilled by customers while providing a product or service. This will help them to increase service reliability.
- Use up-to-date technology and create a highly motivated group of employees to deliver services to customers. It will increase the promptness, timeliness and regularity of services. The end result of these will be the increased reliability quality.
- The introduction of customers service committees in all branches.
- Ensuring the availability of officials for meeting customers on a prescribed day every month for handling customer complaints.
- Public sector banks should pay their attention to upgrade their technology especially in rural areas. It will make them able to provide better quality services to rural customers.
- Public sector banks' physical facilities should be made more convenient for the customer comfort. In this case new private sector banks are far ahead compared to public sector banks.

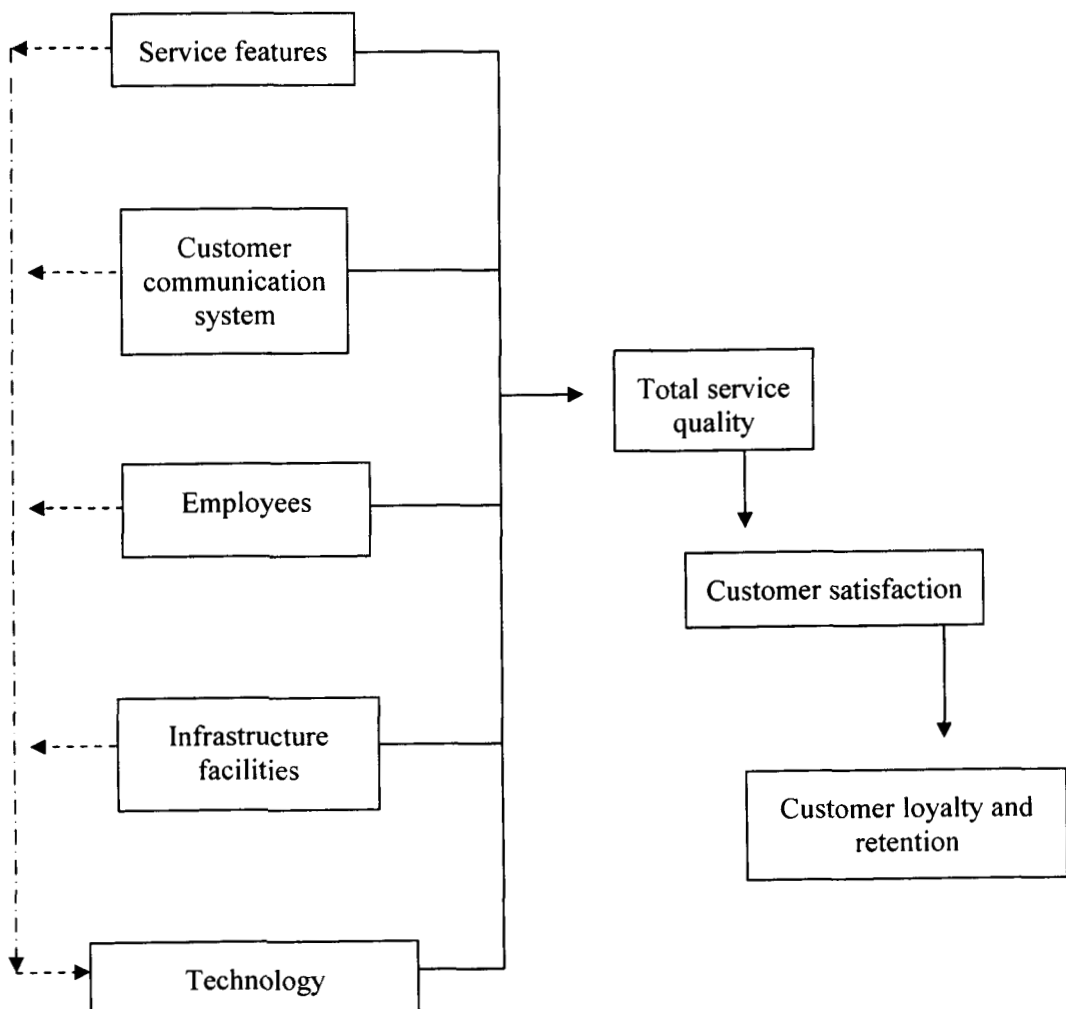
- New private sector banks should take steps to provide quality service not only to business man or professionals but also to other customers otherwise it may lead to customer switching because of dissatisfaction on quality of service.
- In the case of New private sector banks, perceived quality of rural customers is very low compared to their urban customers. So new private sector banks should take steps to provide better services, through which they can create a group of high quality perceived, satisfied and loyal customers.
- Banks should take steps to design product and services by considering changes in government schemes and policies. For example – Now banks introduced a deposit scheme up to Rs. 100000 for a period of five years. It was on the basis of the income tax exemption granted for that type of deposits. Similar immediate actions of banks will satisfy customers in a better way.
- Customer meet can be organized at reasonable interval so that they can establish a better rapport with the customers and educate them with latest advancements.
- Public sector banks and new private sector banks should design products or services that are equal to the needs or wants of respective local or regional customers. So that, banks can minimise the

difference in the perceived quality value considerably among districts or regions.

- On the basis of the results and findings of the study constructed a service quality model for banks. Banks can attain a high total quality of service by adopting this model. A picturisation of the model is given below.

**Figure 7.1**

**Model showing Total Service Quality for Banks (TSQBs)**



There are number of elements or contributors to the total quality of services of banks. They are grouped into five broad heads viz., Service features, Customer communication system, Satisfied group of employees, Infrastructure facilities and technology. A brief explanation of these inter related elements are given below.

### **Service Features**

One of the major element or factor that influences the service quality is the features of product. The features includes cost, procedures need to access it, use of service etc. These features must satisfy the needs and wants of targeted customers. So banks must conduct surveys or other similar activities to know the requirements of targeted customers and design services or product in tune with requirements of customers.

### **Customer Communication System**

It is the system that works to make aware of and educate the customers about the features of product or service. how it can be accessed and used etc. It also helps banks to create a good relation with their customers. Through this system banks will get feedbacks from customers about quality and other features of services.

### **Satisfied employees**

Motivated and satisfied group of employees is another element that influences the service quality. The satisfied group of employees will lead to smooth delivery of services, that is, it will increase responsiveness, promptness, courtesy etc of employees.

**Infrastructure facilities**

Another important element that contributes to the total service quality is the availability and conditions of infrastructure facilities including banking materials or documents. If there is enough customer space, convenient arrangement of premises etc should contribute to the total service quality.

**Technology**

Technology is considered as an important item of factor that contributes to the total service quality of banks. In this competitive banking service market technology is considered as one of the product or service differentiator from the competitors' products or services. So use of up-to-date technology should increase service quality of banks. Technology has to play a tremendous role in each earlier element.

**Total service quality**

Total service quality is the sum total of service design quality, customer communication system quality, employees quality, infrastructure quality and technology quality. Banks should take steps to maximize the quality of each element, through which they can attain maximum service quality.

**Customer satisfaction**

When a bank provides services with a quality that is equal to the expectation of customers, then it can be said that those customers are in a state of satisfaction. If the bank can provide a quality more than customer

expectation then customers will be delighted or they are in a state of high satisfaction. If the quality is not reached to the customer expectation, then customer is in a dissatisfied state.

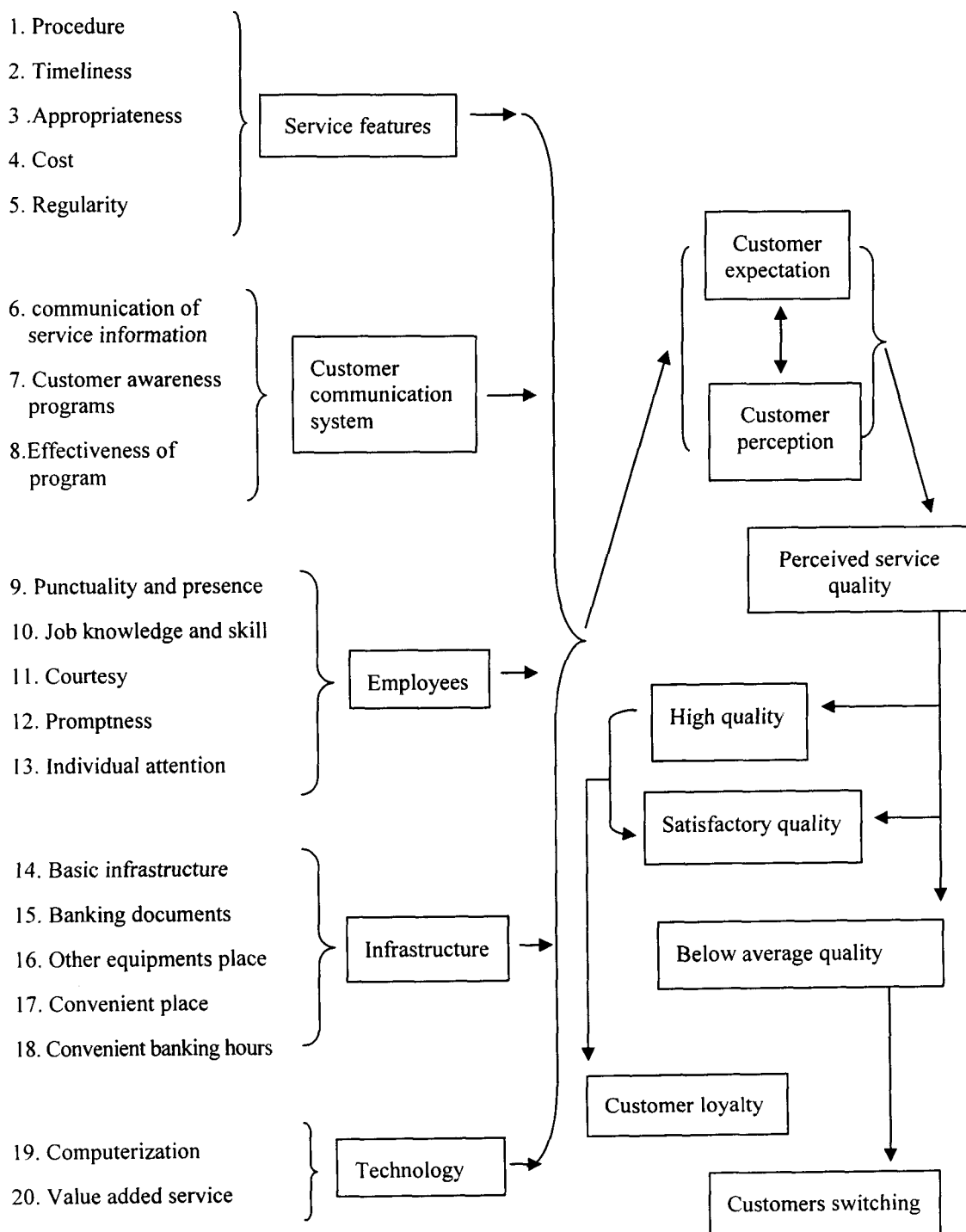
### **Customer loyalty and retention**

When customers are satisfied with the quality of service provided by their bank, they may repeat purchase of the same product or purchase another product of the bank. Then such customers are called loyal customers. Customer loyalty is very important in a competitive and dynamic environment like banking services environment. Once the customer shows his loyalty his retention is comparatively easy for bank. For retaining customers banks must keep in touch with their customers frequently and it is very important for the success of banking business.

- The study also suggested a measurement model to measure the above mentioned total service quality. The model is based on the customer perception survey or customer interview and based on the opinion of customers measure the service quality of that bank.

In this measurement model the five dimensions are split into 28 items for the convenience of both bank and the customers. A design of the model is given below.

**Figure 7.2**  
**Total Service Quality Measurement Model for Banks (TSQBM)**



After collecting responses of customers in a five point Likert scale, add responses of items in each group. Then the level of quality of each dimension can be identified and can be drawn inference on service quality of that bank. If at the perceived service quality is positive then, there is high quality. When the perceived value is zero then satisfactory quality and when the perceived value is negative, it can be said that there is a below average quality of service.

### **7.5. Conclusion**

The study reveals that the strategies followed by public sector banks and new private sector banks are different. Due to this strategy difference new private sector banks are growing with a pace than that of public sector banks. New private sector banks realized the importance of service quality earlier than realized by public sector banks.

Maintaining good relation with the customer is essential in the present competitive environment prevailing in the banking services market of Kerala. The success of the banking business depends upon the aspect understand the customer. So bank need to build a relationship with their customers by offer better quality services than others can provide. This will lead to customer satisfaction and increased customer loyalty and retention.

Reserve Bank of India decided to give more transparency in the banking service sector by giving directions to banks. Now, the process of

convergence of Indian banking services to the international standards has been started. The first phase of this convergence was the implementation of Basel –I norms in the banking services sector. The phase –II of Basel norms is going to implement by March 2008. All these resulted to a tough competition in the Indian banking sector, especially in Kerala and lead to an increased importance of service quality, customer satisfaction and customer lifetime value. So, the focus of banking business tomorrow will have to be customer oriented. The role of human resources is found significant since customers are found more sensitive to the impolite behaviours of bankers. “Give service” has been the morale for the banking industry for decades past and it is applicable today and it will be a key success in the decades to come.

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## **APPENDICES**

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32  
12/24

## Appendix - I

### INTERVIEW SCHEDULE

**Declaration:** I, Kalidas M.G., am a research scholar in the department of Commerce and Management Studies, University of Calicut. I request your wholehearted co- operation for filling this interview schedule. I hereby declare that the data given by you will be kept highly confidential and will be used for the research purpose only.

#### 1. General information

1.1. Name the Bank you have an account with (your best bank).

-----

1.2. Type of account (Please tick appropriate boxes)

Name of bank	Type of account				Number of visits / month
	Savings account	Current account	Fixed account	Recurring account	
SBT					
Punjab National Bank					
Canara bank					
ICICI bank					
HDFC bank					

1.3. Bank branch and ATM are in your convenient locations?

	Very highly convenient	Highly convenient	Moderately convenient	Less convenient	Not convenient
Bank branches					
ATM					

**2. Awareness level**

**2.1 You selected this particular bank because of;**

[Please distribute 100 points among your choices]

1. Greater spread of branches	
2. Near to the house / office	
3. Better image of the bank	
4. Easy procedures	
5. Personal relation with staff	
6. Statutory obligation	
7. Variety of services	
8. Technological advancement	
9. Rate of return and service charge	
10. Promptness and timeliness	
11. Security and confidentiality	
12. Others (please specify)	

**2.2 You know the services provided by the bank through: [please tick]**

- |  |  |
|--|--|
| 1. News paper <input type="checkbox"/>           | 2. Friends / relatives / colleagues <input type="checkbox"/> |
| 3. Audio / visual media <input type="checkbox"/> | 4. Employees of the bank <input type="checkbox"/>            |
| 5. Bank brochures <input type="checkbox"/>       | 6. Others (specify)..... <input type="checkbox"/>            |

If there are more than one source, which is the most important?

**2.3 Are you aware of the value added services provided by the bank?**

Yes  No

If 'Yes', please specify the extent of awareness.

Very well aware	Well aware	Moderate	A little awareness	Little awareness
<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>

**2.4 Please specify the Value Added Services that are enjoying by you and its intensity (frequency)**

Services	Always enjoying	Frequently	Often	Rare	Can't say
1. E- banking / internet banking					
2. Tele banking					
3. ATM					
4. Mobile banking					
5. Home banking					
6. Credit / Debit card					
7. Others (specify)					

**2.5 When do you know about the new services / schemes introduced by your bank?**

- a. On the spot  b. within one week  c. within a fortnight   
 d. Within a month  e. can't say

**2.6 Your opinion about the advertisement / customer awareness programs of the bank**

- Very good  Good  Average  Bad  Very bad

### 3. Service Quality

**3.1 How would you rate the quality of services provided by your bank?**

	Excellent	Good	Moderate	Poor	Very poor
1. Reliability					
2. Responsiveness					
3. Assurance					
4. Empathy					
5. Tangibility					

**3.2 In general, how would you rate the behavior of bank employees?**

	Much highly co-operative	Highly co-operative	Moderate	Less co-operative	Not co-operative
Top officers					
Other staff					
Peon/security					

### 3.3 Your opinion about the bank employees on the following:

	Excellent	Good	Moderate	Poor	Very poor
1. Speed and efficiency					
2. Professional commitment					
3. Job knowledge and skill					
4. Attitude and responsiveness					
5. Punctuality and Presence					
6. Courtesy					
7. Individual attention					

### 3.4 Your opinion about the procedures to fulfill:

	Very easy	Easy	Moderate	Complex	Very complex
1. Loan					
2. Deposit					
3. Other services					

### 3.5 On an average, the bank takes time for providing the following services.

Services	Less than 15 mts.	15 – 30 mts.	30 mts. to 1 hr.	More than 1 hr.	Not noticed
1. Withdraw cash through counter					
2. To deposit cash through counter					
3. To get the term deposit receipt					
4. To obtain a draft					
5. To encash draft					
6. To get access to locker					
7. To get gold loan					
8. Return of gold					

	Same day	2-3 days	4-7 days	1-2 weeks	> 2 weeks	Don't know
1. To get money credited to you're a/c by depositing a local cheque						
2. To get money credited to your a/c by depositing a cheque of other bank (local)						
3. To get money credited to your a/c by depositing an outstation cheque						

**3.6 Have you complained in any occasion?**

Yes

No

If 'Yes' specify its frequency.

All occasions      Frequently      Some occasions      Rare occasions      Not complained






**3.7 Availability and condition of the following facilities in your bank.**

	Excellent	Good	Reasonable	Poor	Very poor	Not provided
1. Building						
2. Customer space						
3. Fans and lighting						
4. Toilets						
5. Forms and papers						
6. Location of the branch						
7. Parking space						

**3.8 Your bank is computerized?**

Yes, Fully

Yes, partly

Not computerized




**3.9 How would you rate the given aspects of your bank?**

	Very good	Good	Normal	Poor	Very poor
1. Working hours					
2. Variety of services					
3. Service promptness					
4. Personalized services (nature of service)					
5. Security					
6. Regularity					
7. Technology					
8. Complaint redressal system					

230

**3.10 List out the problems faced by you.**

	Always	Frequently	Often	Rare	Not faced
1. Too much formalities					
2. Lack of evening banking services					
3. Shortage of cash					
4. Minimum balance for C/D a/c					
5. Non- availability of various denominations of currency					
6. Delay in payment					
7. Absence of personalized services					
8. Lack of courtesy of the staff					
9. Absence of proper co-operation and guidance					

**3.11 Suggest, which of the following aspects, in your opinion, need improvement.**

	Require more improvement	Require a little improvement	No improvement is required	Need comprehensive changes
1. Promptness				
2. Timeliness				
3. Speed and efficiency				
4. Arrangement of bank premises				
5. Quality of forms and papers				
6. Service charge				
7. Advertisement / customer awareness program				
8 Technology				
9. Procedures				
10. Complaint redressal system				
11. Variety of services				
12. Distribution system used for providing services				
13. Others (specify).....				

**4. Personal Information**

4.1 Name : -----

4.2 Place (Urban / Rural) : -----

4.3 Age : < 18  18-30  31-55  >56 

4.4 Sex : M / F

4.5 Marital status : 1.married  2. Unmarried  3. Other  
(specify).....

4.6 Educational Qualification :

- |                         |                          |                  |                          |
|-------------------------|--------------------------|------------------|--------------------------|
| 1. Professional degree  | <input type="checkbox"/> | 2. Post graduate | <input type="checkbox"/> |
| 3. Graduate             | <input type="checkbox"/> | 4. Matriculate   | <input type="checkbox"/> |
| 5. Other (specify)..... |                          |                  |                          |

4.7 Occupation :

- |                                   |                          |                          |                          |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| 1. Central /state govt. employees | <input type="checkbox"/> | 2. Professionals         | <input type="checkbox"/> |
| 3. Business man                   | <input type="checkbox"/> | 4. Students              | <input type="checkbox"/> |
| 5. Pensioners                     | <input type="checkbox"/> | 6. Others (specify)..... |                          |

4.8 Family income per month.

- |             |                          |            |                          |             |                          |
|-------------|--------------------------|------------|--------------------------|-------------|--------------------------|
| <5000       | <input type="checkbox"/> | 5000-10000 | <input type="checkbox"/> | 10000-20000 | <input type="checkbox"/> |
| 20000-30000 | <input type="checkbox"/> | >30000     | <input type="checkbox"/> |             |                          |

**Thank You**

**Appendix II**  
**Details of Reliability test on Interview Schedule**  
**Reliability statistics**

Cronbach's Alpha	.918
Cronbach's Alpha based on standardised items	.917
Number of items	67
Mean	196.70
Standard deviation	32.017

**Item Statistics**

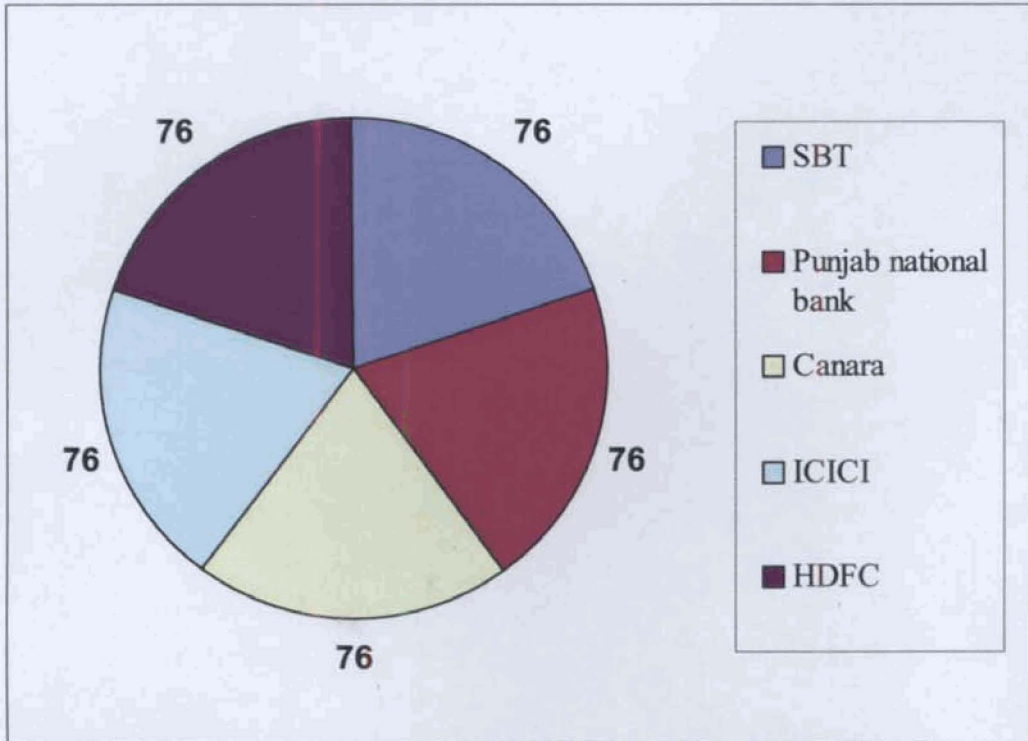
Items	Mean	Std. Deviation	N
Convenience of branches	3.80	.696	20
Convenience of ATM	3.45	.826	20
Awareness of value added services	2.05	1.191	20
E- banking/ internet banking	1.55	.945	20
Tele banking	1.55	.999	20
ATM	3.40	1.569	20
Mobile banking	1.50	.946	20
Home banking	1.60	.995	20
Credit card/ debit card	2.10	1.252	20
Others	1.35	.671	20
Information about new services	3.65	1.461	20
Customer awareness programs	3.50	.761	20
Behavior of top officers	3.45	1.395	20
Behavior of other staff	3.10	.788	20
Behavior of peon/security	2.90	.788	20
Speed and efficiency	4.10	.912	20
Professional commitment	3.65	.813	20
Job knowledge and skill	3.70	.865	20
Attitude and responsiveness	3.65	.813	20
Punctuality and presence	3.50	.889	20
Procedure to loan	3.20	.894	20
Procedure to deposit	3.35	.813	20
Procedure to other services	3.05	.605	20
Time to with draw cash through counter	3.75	1.333	20
Time to deposit cash through counter	3.65	1.268	20
Time to get term deposit receipt	3.55	1.234	20
Time to obtain a draft	3.25	1.209	20
Time to encash a draft	2.85	1.226	20
Time to get access to locker	2.95	1.276	20
Time to get gold loan	2.35	1.137	20

Time to return gold	2.65	1.226	20
Time to get money credited to your a/c, if it is a local cheque of same bank	3.10	2.049	20
If it is a local cheque of other bank	2.70	1.838	20
If it is an out station cheque	2.40	1.818	20
Reliability	3.90	.718	20
Responsiveness	3.80	.696	20
Assurance	3.75	.716	20
Empathy	3.40	.821	20
Tangibility	3.25	.786	20
Availability and condition of building	3.95	.826	20
Availability and condition of customer space	3.55	.826	20
Availability and condition fans and lightings	3.45	.887	20
Availability and condition of toilets	2.80	1.542	20
Availability and condition of forms and papers	3.15	.933	20
Availability and condition of location of the branch	3.35	.933	20
Availability and condition of parking space	2.75	1.118	20
Computerization	1.50	.513	20
Working hours	3.75	.851	20
Individual attention	3.45	.759	20
Service promptness	3.95	.887	20
Security	2.70	1.342	20
Regularity	2.70	1.658	20
Technology	2.00	1.777	20
Complaint redressel system	1.30	1.976	20
Personalized services	2.60	1.930	20
Courtesy	1.80	1.765	20
Complained in any occasion	2.10	1.917	20
Too much formalities	3.60	1.046	20
Lack of evening banking service	2.95	1.191	20
Shortage of cash	2.45	.999	20
Minimum balance for c/d a/c	2.75	1.333	20
Non- availability of various denominations of currency	2.30	1.031	20
Delay in payment	2.50	1.100	20
Absence of personalized services	2.60	1.188	20
Lack of courtesy of staffs	3.15	1.461	20
Absence of proper co-operation and guidance	2.80	1.576	20
Procedures	2.30	2.080	20

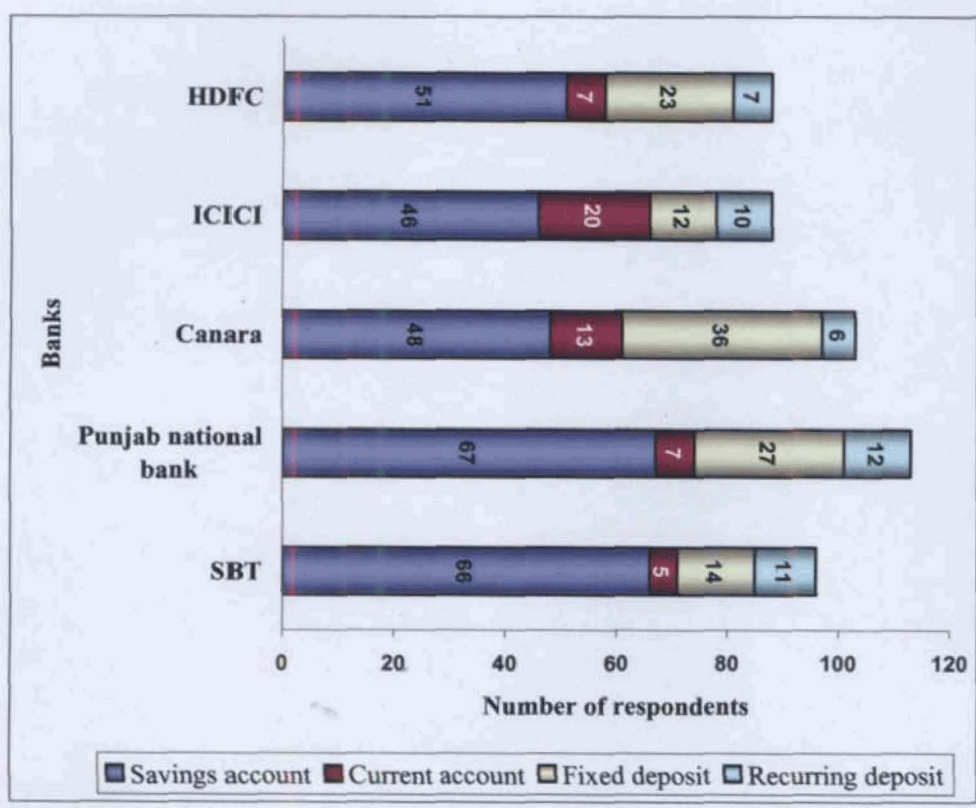
### Appendix III

#### SAMPLE PROFILE

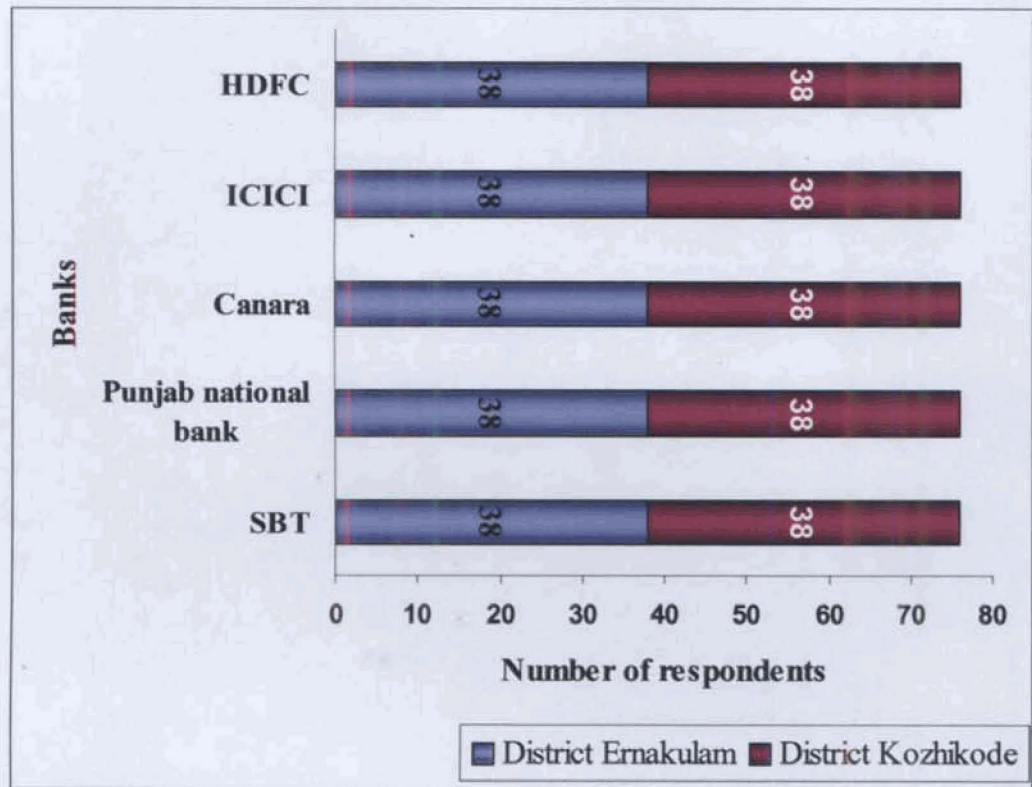
#### Categorization of Samples among selected Banks



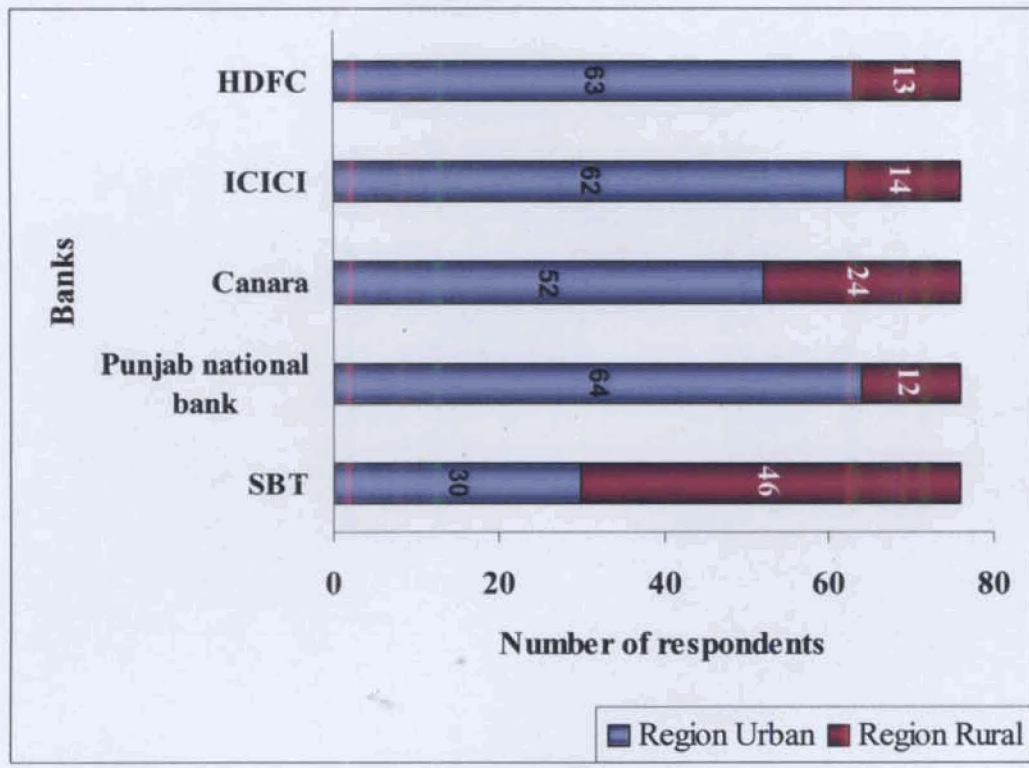
**Categorization of Samples among selected banks on the basis of different types of accounts**



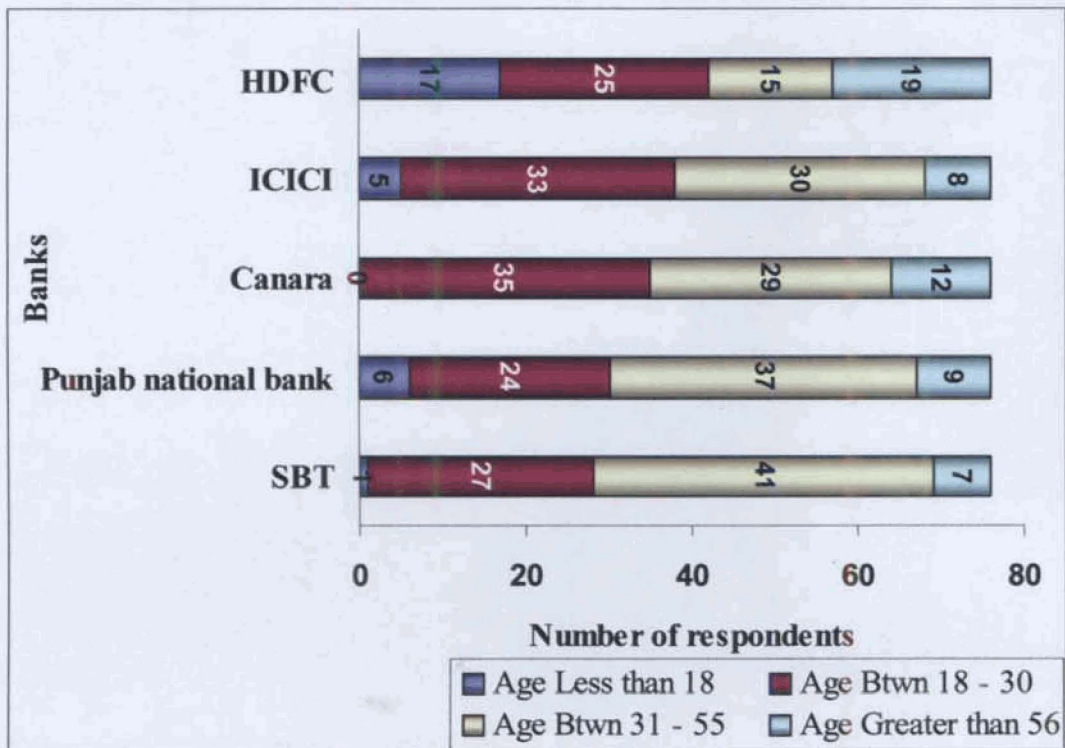
**Categorization of samples among selected banks in the selected districts**



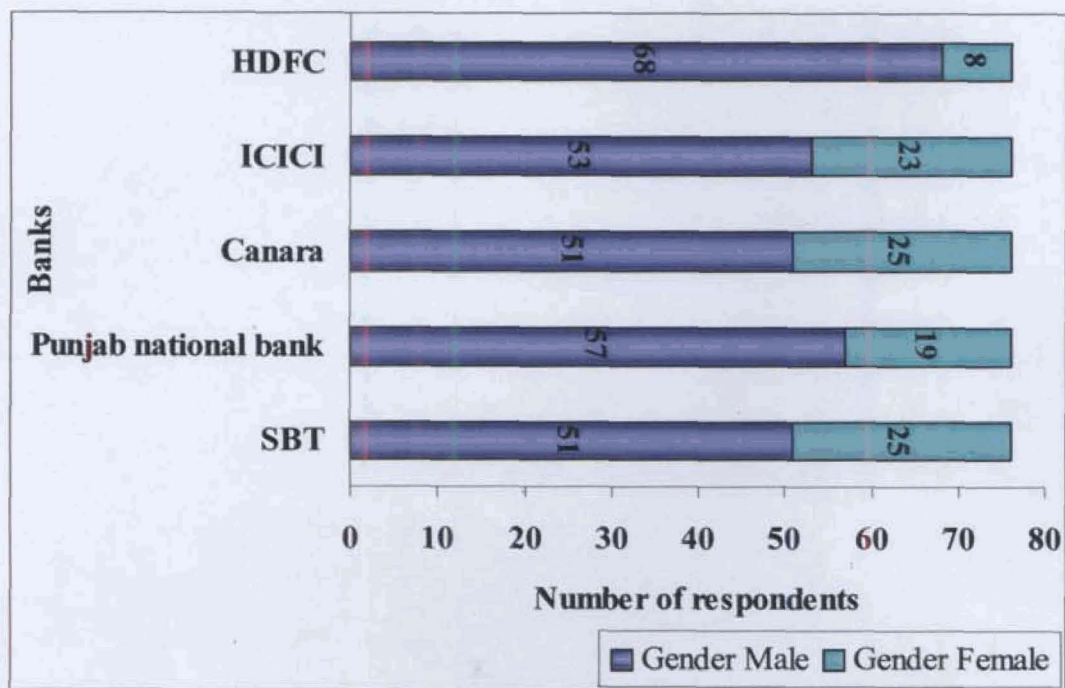
**Categorization of samples among selected banks in the selected regions**



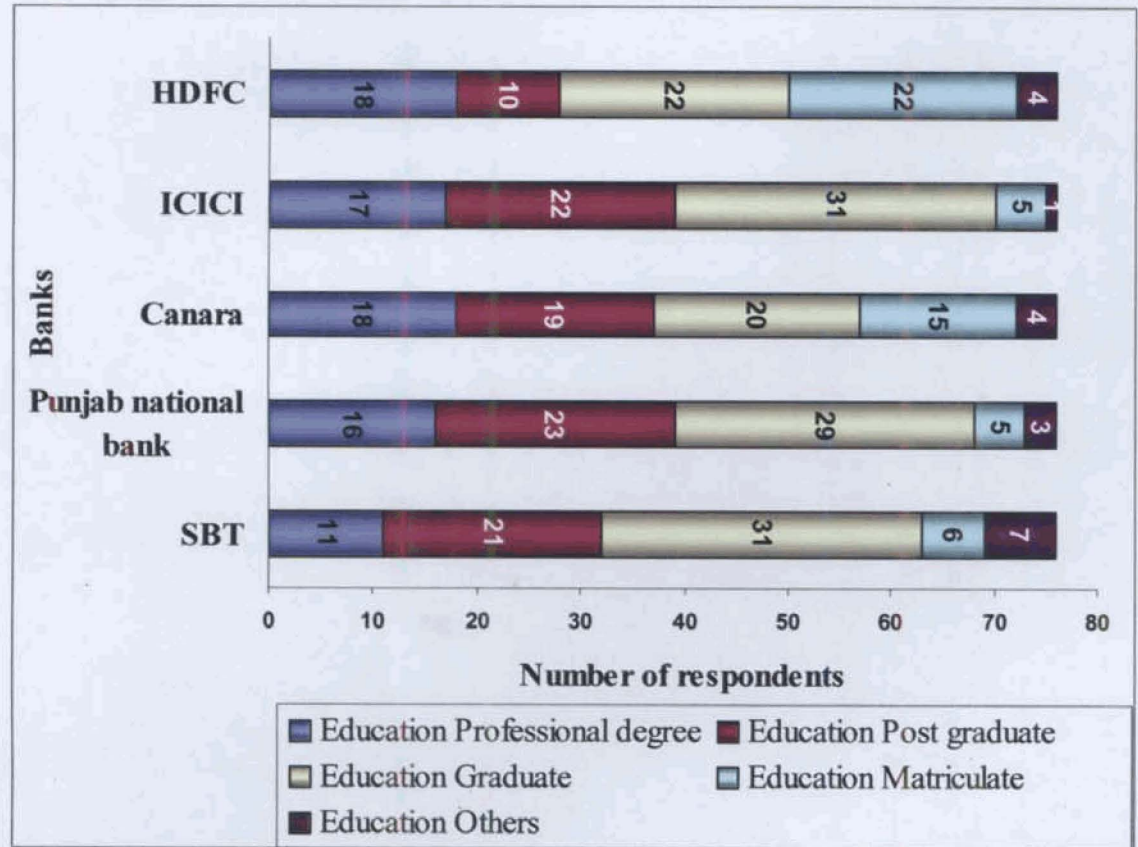
**Categorization of Samples among selected banks according to age groups**



**Categorization of samples among selected banks according to Gender difference**

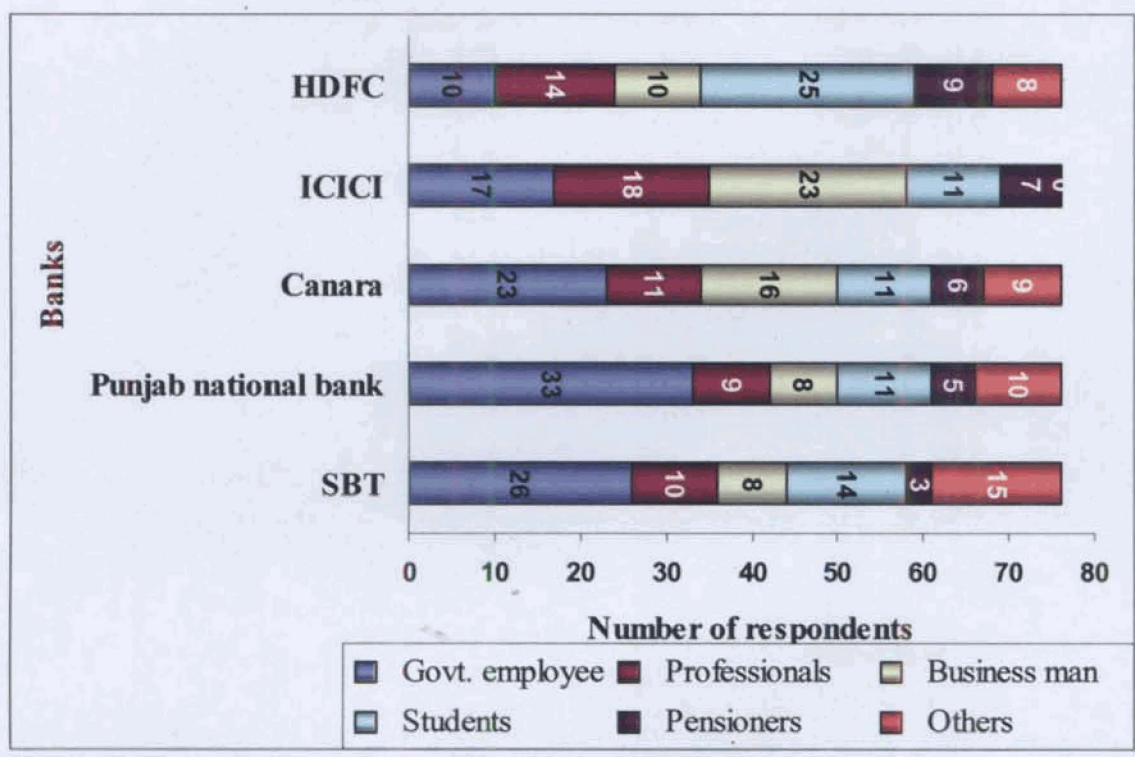


**Categorization of Samples among selected banks according to Education status**



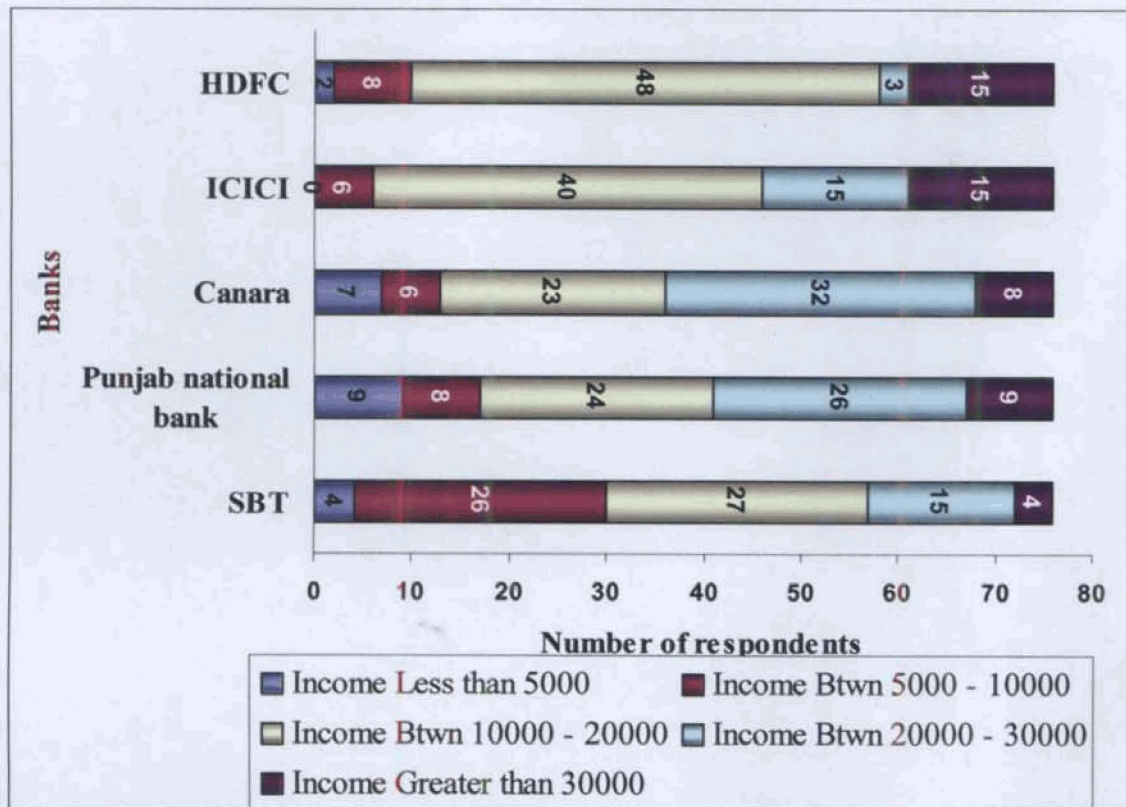
342

Categorization of samples among selected banks according to occupation status



349

**Categorization of samples among selected banks according to Income levels**



343

### Appendix IV

#### Banks amalgamated since 1990 in India

Sl. No.	Name of Transferor Bank	Name of Transferee Bank	Date of Amalgamation
1.	Bank of TamilNadu Ltd.	Indian Overseas Bank	February 20, 1990
2.	Bank of Thanjavur Ltd.	Indian Bank	February 20, 1990
3.	Parur Central Bank Ltd.	Bank of India	February 20, 1990
4.	Purbanchal Bank, Ltd.	Central Bank of India	August 29, 1990
5.	New Bank of India	Punjab National Bank	September 4, 1993
6.	Kashi Nath Seth Bank Ltd.	State Bank of India	January 1, 1996
7.	Bari Doab Bank Ltd.	Oriental Bank of Commerce	April 8, 1997
8.	Punjab Co-operative Bank Ltd.	Oriental Bank of Commerce	April 8, 1997
9.	Bareilly Corporation Bank Ltd.	Bank of Baroda	June 3, 1999
10.	Sikkim Bank Ltd.	Union Bank of India	December 22, 1999
11.	Times Bank Ltd.	HDFC Bank Ltd.	February 26, 2000
12.	Bank of Madura Ltd.	ICICI Bank Ltd.	March 10, 2001
13.	Benares State Bank Ltd.	Bank of Baroda	June 20, 2002
14.	Nedungadi Bank Ltd.	Punjab National Bank	February 1, 2003
15.	South Gujarat Local Area Bank Ltd.	Bank of Baroda	June 25, 2004
16.	Global Trust Bank Ltd.	Oriental Bank of Commerce	August 14, 2004
17.	IDBI Bank Ltd.	IDBI Ltd.	April 2, 2005
18.	Bank of Punjab Ltd.	Centurion Bank Ltd.	October 1, 2005

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