

CUSTOMER EXPECTATION, PERCEPTION TOWARDS BANKING SERVICES

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Abstract

Banking services is the most important contributors to the development of the economics of a country. It plays pivotal role for all business activities. The growth of economy has influenced by the performance of the banking system. The banking system mainly involves customer opportunities in a growing economy. The important economic policies are focused by the banking sector is financial inclusions, easy access of finance and services. The banking customers have free to select their banks in search for best service and products. Hence, it is important to keep the customers satisfied and meet the expectation before time bankers are keeping changing their strategies for success their services in new age economy. Based on above view this study aims to analyse the consumer expectation and satisfaction towards banking services offered by Public Sector Banks in Villupuram District.

Keywords- Customer expectation, perception, service gap

REVIEW OF LITERATURE

Kodithuwakku, Kann, Dangalla, Rps (2018), study of 'Customer Perception and Expectations on the Service Quality'. In the modern world, customer expectations are higher in every business aspects. The maximum effort should be taken to attract the customers and also to keep the market share. The banking sector also to identify the customers' expectation and perception towards service provided to them.

Aashish Shashikant Jani (2012) in their study identified important factors affecting public and private sector banks through technologies offered to customers and future growth of e-channels in retail banking. The variables of money transactions, efficiency, financial services, reliability and motivation were used to find the above. The data were collected from 100 bank customers through questionnaire. The study finds that technology has positive perception of customers of public sector and private sector banks.

Dharmalingam et al., (2012), identified and evaluate the gap between expected and perceived services and areas need to improve superior quality of service in selected new private sector banks. The SQ dimensions like tangible, reliability, responsiveness, assurance, empathy, access, security and price and product variety were considered for customer service quality expectations and perception. The study indicates the customer expectations are very in the areas of security and accessibility dimensions while it is low in responsiveness. The study also finds that there is huge service gap between reliability, price, products while less service gap between empathy and tangibility of the banks.

METHODOLOGY

Research is an instructional activity and intrinsically the term ought to be employed in a technical sense. Research is an inspired contribution to the present research data creating for its advancement. It is the pursuit of truth with the assistance of study, observation, comparison and experiment. Research methodology may be acknowledgments to consistently solve the analysis downside. It may be understood as a science of finding out however analysis is completed scientifically. In it we study the various steps that are generally adopted by the researcher in studying research problem along with the logic behind them. In the resent study data were collected ti

Evaluating Customer Satisfaction

The customers are important to every organization and the satisfaction of their needs and requirements is an essential part of the organization. The banking sector is also need to satisfy the customer expectation about the actual service provided to them in comparing with their perception. The customer expectation is the availing of services before or during the delivery of a service. This is the complex actions formed at the end of the delivery of services and their prior expectations. Therefore, it is significant part of bankers to measure the customer expectation and perception of service delivery in the banking sector.

Table 1.1: Customer Expectation on Bank Services

S. No.	Variables	Level of Expectation					Total
		VH	H	M	L	VL	
1.	The service commission and charges are reasonable and fair	27	86	16	9	7	145
		18.62	59.31	11.03	6.21	4.83	100.00
2.	Access of bank and services are easy and good network of banks	18	90	14	15	8	145
		12.41	62.07	9.66	10.34	5.52	100.00
3.	Bank make value generation to its customers	25	42	31	24	22	145
		17.24	28.97	21.38	16.55	15.17	100.00
4.	The banks have trained persons	31	64	25	13	13	145
		21.38	44.14	17.24	8.97	8.97	100.00
5.	Bank employee are have knowledge and give solutions to customer questions	51	70	7	8	8	145
		35.17	48.28	4.83	5.52	5.52	100.00
6.	Cash ATM availability and ATM machines	88	36	7	9	6	145
		60.69	24.83	4.83	6.21	4.14	100.00
7.	The bank gives clear instructions related to transactions	55	49	23	9	9	145
		37.93	33.79	15.86	6.21	6.21	100.00
8.	Use friendly services are provided by the bank	19	99	10	8	9	145
		13.10	68.28	6.90	5.52	6.21	100.00
9.	Location and Bank layout are convenient	38	67	11	13	17	145
		26.21	46.21	7.59	8.97	11.72	100.00
10.	Fair lending rates of the banks	35	86	8	10	6	145
		24.14	59.31	5.52	6.90	4.14	100.00
11.	Bank offers need based and innovative services	64	57	9	7	8	145
		44.14	39.31	6.21	4.83	5.52	100.00

Source: Primary data

The highly expected service of the customer is ‘cash availability in ATM and location of ATM’ ‘Fair lending rates’, ‘Bank offers need based and innovative services’, ‘Bank employee are have knowledge and give solutions to customer questions’ and Use friendly services’ since the expectation level of these variables are more than eighty percent among the selected Indian bank customers.

The next stage customer expectation variables are ‘reasonable commission and charges’, ‘access of bank service and good network’, ‘convenient bank layout and location’ and ‘bank instructions; since the expectation of these variables are above seventy percent acceptance among the customers.

However, least level of ‘trained staff’ and ‘bank makes value generation to customers; is very less expectation variables among the selected customers.

Table 5.2: Customer Perception on Bank Services

S. No.	Variables	Level of Perception					Total
		VH	H	M	L	VL	
1.	The service commission and charges are reasonable and fair	25	77	18	14	11	145
		17.24	53.10	12.41	9.66	7.59	100.00
2.	Access of bank and services are easy and good network of banks	21	86	11	18	10	145
		14.48	59.31	7.59	12.41	6.90	100.00
3.	Bank make value generation to its customers	17	80	15	15	18	145
		11.72	55.17	10.34	10.34	12.41	100.00
4.	The banks have trained persons	47	57	13	18	9	145
		32.41	39.31	8.97	12.41	6.21	100.00
5.	Bank employee are have knowledge and give solutions to customer questions	30	60	24	18	13	145
		20.69	41.38	16.55	12.41	8.97	100.00
6.	Cash ATM availability and ATM machines	17	38	34	26	30	145
		11.72	26.21	23.45	17.93	20.69	100.00
7.	The bank gives clear instructions related to transactions	59	39	15	21	12	145
		40.69	26.90	10.34	14.48	8.28	100.00
8.	Use friendly services are provided by the bank	52	47	20	15	11	145
		35.86	32.41	13.79	10.34	7.59	100.00
9.	Location and Bank layout are convenient	18	89	13	12	12	145
		12.41	61.38	8.97	8.28	8.28	100.00
10.	Fair lending rates of the banks	33	63	10	19	20	145
		22.76	43.45	6.90	13.10	13.79	100.00
11.	Bank offers need based and innovative services	33	84	7	11	9	145
		22.76	57.93	4.83	7.59	6.21	100.00

Source: Primary data

The highly perceived service quality of the customers is ‘bank provide need based and innovative services’, ‘bank location and layout are convenient’, ‘access of bank and services are easy and good network’, ‘service commission and charges are reasonable and fair’ and ‘banks have trained persons’ since the perception level of these variables are above three fourth of the selected bank customers.

The ‘user friendly services are provided by banks’, ‘clear instructions for transactions’, ‘fair lending rates’ and ‘value generation to its customers’ and ‘employees are have knowledge and give solutions’ since the perception level of these variables are above 60 percent acceptance among the customers. However, the availability of ATM and cash is less among the customers.

Table 5.3: Customer Expectation and Perception on Bank Services

S. No.	Variables	Mean Score		
		Level of Expectation	Level of Perception	Service Gap
1.	The service commission and charges are reasonable and fair	3.81	3.63	0.18
2.	Access of bank and services are easy and good network of banks	3.66	3.64	0.01
3.	Bank make value generation to its customers	3.14	3.43	(0.29)
4.	The banks have trained persons	3.62	2.90	0.72
5.	Bank employee are have knowledge and give solutions to customer questions	4.00	3.52	0.48
6.	Cash ATM availability and ATM machines	4.34	3.77	0.57
7.	The bank gives clear instructions related to transactions	3.91	3.79	0.12
8.	Use friendly services are provided by the bank	3.77	3.79	0.02
9.	Location and Bank layout are convenient	3.68	3.59	0.09
10.	Fair lending rates of the banks	3.92	3.48	0.44
11.	Bank offers need based and innovative services	4.12	3.81	0.30

Source: Computed from Primary data

Expected services of the banks

The most expected service quality are ‘Availability of ATM and cash’, ‘Offer need based and innovative services’, ‘employee are having knowledge and give solutions’, ‘fair lending rates’, ‘Clear instructions for transactions’ since the means score are equal and above the average level of 3.82 in the banks customers, that is 4,34, 4.12, 4.00, 3.92 and 3.91 respectively. These are most expectations variables in the selected bank customers.

The ‘service commission and charges are fair’, ‘bank provides user friendly services’, ‘Layout are convenient with all’, ‘access of bank and services are easy with good network’ and ‘Bank makes value generation to customers’ are least expectations variables of the selected bank customers, since the means score are below the average level of 3.82 in the public sector banks, that is 3.77, 3.68, 3.66 and 3.14 respectively.

Perceived services of the banks

The most perceived service quality in the public sector banks are ‘Bank offers need based and innovative services’, ‘Bank gives clear instructions’, ‘user friendly services are provided by the banks’, ‘ATM availability and cash’, ‘easy access of bank and services’, ‘service commission and charges are reasonable’ and ‘convenient location of bank and layout’ are highly perceived services and since the mean score are above the average level of 3.58, that is 3.81, 3.79, 3.77, 3.64, 3.63 and 3.59 respectively.

The least perceived service qualities are ‘Bank personnel have knowledge to answer questions’, ‘Fair lending rates’, ‘Bank makes reasonable value generation to customers’, ‘Banks have trained personnel’, since the mean score are below the average level of 3.58, that is 3.52, 3.48, 3.43 and 2.90 respectively.

Expected and Perceived services of the selected banks customers

The banks have trained personal, availability of ATM and cash, knowledge to answer customer questions, fair lending rates and offering need based innovative services are very high level

service gap between expectation and perception of the customers. The commission charges, clear instruction to transactions, convenient location of bank and layout, user friendly services, access of bank and services are less level service gap between expectation and perception of the customers. However, bank make value generation to its customers has more than expectation of the customer service.

SUGGESTIONS

1. The banks should provide good customer experience in a view to obtain the satisfaction of their customers. They also provide the good customer service, along with the better experience, whether that is direct banking or online banking.
2. Banks staffs are talk with their customers makes them happy with the banking transactions.
3. Banks rely on a one-size-fits-all approach. Because of the lack of personal touch, banks tend to use the same approach for all the customers, regardless of their financial situation or personality.
4. The communication with customers is clear information to help customers understand what they can do with your product or service and how it works.
5. Banks should recognize the account holder needs, requirements based on their preferences and provide relevant information at the right time.

CONCLUSION

The customer satisfaction is the success and builds a strong reputation among the customers. The financial activities need trustworthiness of the services is to acquire the confidence among the customers. The safety of financial transactions services focus on investors' funds and provide safety and returns to them. The quality services enhance the customer satisfaction and bank should focus on providing qualitative support to its customers and make them grow. The banks should pay special attention to by giving quality and timely services win the customers' confidence.

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