

Quality of Service of New Generation Banks in Vellore District

V.S. Sivapparkash, S.Venkatash

Abstract: Service quality is emerged as an important aspect of banks as competition is increasing day by day. To be competent enough, banks in general and new generation banks particular, they have to improve their service quality and its delivery modes to customers and it is also essential for long-term banking operations. The findings reveal that significant difference exists between quality of service of new generation banks and profile of customers. The quality of service of new generation banks is moderately, positively and significantly related with satisfaction of customers. To improve quality of service, new generation banks must ensure accuracy of transactions and easy accessibility to customers. Employees should solve problems in banking services and provide right services timely as customers anticipated.

Key Words: New Generation Banks, Quality of Service, Satisfaction

I. INTRODUCTION

During the last three decades, regulatory and structural changes and technological advancements have appreciably transformed the banking business across the globe including India (Shanka, 2012). In a banking environment which is highly competitive, service quality is considered as a critical measure of performance that compels the attention of banks (Wafaa and Abderrezzak, 2014) and stays competent in banking operations in India. As a result of financial sector reforms in India, new generation banks are entering in to the banking business and it create a lot of challenges to other types of banks (Jain and Gupta, 2012).

Service quality is emerged as an important aspect of banks as competition is increasing day by day. To be competent enough, banks in general and new generation banks particular, they have to improve their service quality and its delivery modes to customers and it is also essential for long-term banking operations (Manrai and Manrai, 2007). Thus, it is essential for new generation banks to offer superior quality of services to their customers through innovative services with cost effective (Ghost and Gnanadhas, 2011). In addition, quality of services has significant impact on satisfaction among customers (Ravichandran et al 2010). Hence, it is essential to study quality of service of new generation banks in Vellore district.

Revised Manuscript Received on November 15, 2019

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II. METHODOLOGY

The present research is conducted in Vellore district and 150 customers of new generation banks are chosen by using random sampling method. Percentages are worked out to examine profile of customers and mean and standard deviation are calculated for component of quality of service of new generation banks. t- test and ANOVA test are done to look difference between profile of customers and quality of service of new generation banks. The correlation analysis is done to study relation between quality of service of new generation banks and satisfaction of customers.

III. RESULTS AND DISCUSSION

3.1. Profile Of Customers

The profile of customers of new generation banks is revealed in Table-1.

Table-1. Profile of Customers

Profile	Number of Customers	Percentage
Gender		
Male	82	54.67
Female	68	45.33
Age Group		
21 – 30 years	53	35.33
31 – 40 years	64	42.67
41 – 50 years	33	22.00
Education		
Secondary	27	18.00
Higher Secondary	35	23.33
Diploma	31	20.67
Graduation	57	38.00
Monthly Income(Rs.)		
Less than Rs.25,000	28	18.67
Rs.25,001 – Rs.30,000	60	40.00
Rs.30,001 - Rs.35,000	36	24.00
More than Rs.35,000	26	17.33

The findings disclose that 54.67 per cent of customers of generation banks are males, whilst 45.33 per cent of them are females and 42.67 per cent of them are belonging to the age group of 31 – 40 years, whereas, 22.00 per cent of them are belonging to the age group of 41 – 50 years. The findings explicate that 38.00 per cent of them are graduates, whereas, 18.00 per cent of them are having secondary education and 40.00 per cent of them are having monthly income of Rs.25,001 – Rs.30,000, whereas, 17.33 per cent of them are having monthly income of more than Rs.35,000.

3.2. Quality Of Service Of New Generation Banks

The quality of service of new generation banks from customers' perspective is given as below.

3.2.1. Tangibility

The tangibility component of new generation banks is shown in Table-2.



Table-2. Tangibility of New Generation Banks

Tangibility	Mean	Standard Deviation
The amenities of banks are attractive	3.84	0.79
My transactions have no error	3.39	0.72
Communication facilities are excellent	3.72	0.69
Bank is easily accessible	3.34	0.71
Operating hours are convenient to customers	3.70	0.77

The customers of new generation banks are agreed with the amenities of banks are attractive, Communication facilities are excellent and operating hours are convenient to customers, while, they are neutral with their transactions have no error and bank is easily accessible.

3.2.2. Reliability

The reliability component of new generation banks is shown in Table-3.

Table-3. Reliability of New Generation Banks

Reliability	Mean	Standard Deviation
Employees afford services as assured	3.77	0.75
Employees are trustworthy in solving service issues	3.37	0.84
Employees give services in correct time	3.26	0.86
Bank provides services as customers expected	3.35	0.88
Bank gives services quickly	3.80	0.72

The customers of new generation banks are agreed with employees afford services as assured and bank gives services quickly, while, they are neutral with Employees are trustworthy in solving service issues, Employees give services in correct time and Bank provides services as customers expected.

3.2.3. Empathy

The empathy component of new generation banks is shown in Table-4.

Table-4. Empathy of New Generation Banks

Empathy	Mean	Standard Deviation
Bank employees give personal concentration on customers	3.38	0.94
Bank employees have greatest attention at heart to customers	3.36	0.98
Bank employees are taking care of customers	3.78	0.85
Bank employees recognize personal requirements of customers	3.41	0.92
Bank employees inform whenever services are carried out	3.80	0.83

The customers of new generation banks are agreed with bank employees are taking care of customers and bank employees inform whenever services are carried out, while, they are neutral with bank employees give personal concentration on customers, bank employees have greatest attention at heart to customers and bank employees recognize personal requirements of customers.

3.2.4. Assurance

The assurance component of new generation banks is shown in Table-5.

Table-5. Assurance of New Generation Banks

Assurance	Mean	Standard Deviation
Bank provide safe and secured transactions to customers	3.90	0.97
Bank employees creates trust among customers	3.43	0.93
Bank employees have abilities to response doubts of customers	3.73	0.88
Bank employees have courtesy towards customers	3.42	0.91

The customers of new generation banks are agreed with bank provide safe and secured transactions to customers and bank employees have abilities to response doubts of customers, while, they are neutral with bank employees creates trust among customers and bank employees have courtesy towards customers.

3.2.5. Responsiveness

The responsiveness component of new generation banks is shown in Table-6.

Table-6. Responsiveness of New Generation Banks

Responsiveness	Mean	Standard Deviation
Bank employees are eager to help out customers	3.83	1.02
Bank employees are all set to react to appeal of customers	3.85	0.85
Bank employees are not busy to reply questions of customers	3.32	1.04
Bank employees are punctual in providing services to customers	3.31	0.99

The customers of new generation banks are agreed with bank employees are eager to help out customers and bank employees are all set to react to appeal of customers, while, they are neutral with bank employees are not busy to reply questions of customers and bank employees are punctual in providing services to customers.

3.3. Profile Of Customers And Quality Of Service Of New Generation Banks

To check out difference between profile of customers and quality of service of new generation banks, ANOVA (Analysis of Variance) test and t-test are done and the results are given in Table-7.

Table-7. Difference between Profile of Customers and Quality of Service of New Generation Banks

Particulars	t-Value / F-Value	Sig.
Gender and Quality of Service of New Generation Banks	6.132** (t-value)	.000
Age Group and Quality of Service of New Generation Banks	8.480**	.000
Education and Quality of Service of New Generation Banks	6.916**	.000
Monthly Income and Quality of Service of New Generation Banks	7.748**	.000

** Significant at 1 % level

The t-value and F-values are significant one per cent level demonstrating significant difference is there in quality of service of new generation banks amongst profile of customers. Hence, the null hypothesis is not accepted.



3.4. Relation Between Quality Of Service Of New Generation Banks And Satisfaction Of Customers

The relation between quality of service of new generation banks and satisfaction of customers was studied through correlation analysis and the result is shown in Table-8.

Table-8. Relation between Quality of Service of New Generation Banks and Satisfaction of Customers

Particulars	Correlation Co-efficient
Quality of Service of New Generation Banks and Satisfaction of Customers	0.59**

** Significant at 1 % level

The correlation co-efficient between quality of service of new generation banks and satisfaction of customers is 0.59, it is moderately and positively related with each other at one per cent level of significance. Thus, the null hypothesis is not accepted.

IV. CONCLUSION

The findings exhibit that there is significant difference between quality of service of new generation banks and profile of customers. The quality of service of new generation banks is positively, moderately and significantly correlated with satisfaction of customers. In order to improve quality of service, new generation banks must ensure accuracy of transactions and easy accessibility to customers. Employees should solve problems in banking services and provide right services timely as customers anticipated. Employees of new generation banks must give proper attention and personalized services to their customers and they should be courteous and create confidence among their customer about quality of services. Besides, they must respond property and perform their services promptly.

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AUTHORS PROFILE



Mr V.S. Sivaprakash was a banker with functional experience of 23 years then turned professional Assurance Consultant in banking space for just over 11 years. He is a SME and has been part of the global banking transformation stimulated by the changing banking needs and expectations of the customers. For over a decade, he could successfully factor the best of the monotonous manual transaction banking and Technology-driven banking to carry out Internal Audit engagements in banks. He has a passion for imparting guidance to the budding bankers/Internal Auditors through sessions organised by Indian Institute of Banking and finance, M/s Grey Matter Academy etc. Recently he commenced blogging to create awareness in banking fraud space. He started his career as a banker with State Bank of India and joined Axis Bank Ltd as Internal Auditor. During his tenure in both Public and Private sector Banks for almost 34 years, he had held various roles in the bank as Officer, Branch Manager, Operations Manager, Divisional Head, Computer Centre Head, Learning & Organisation Development facilitator, Head of Investigations on bank fraud.



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