



RESEARCH ARTICLE

Factors for Improving Service Quality- Analysis using Garrett Ranking.

Dr. S. Valli Devasena.

Assistant Professor, Department of Commerce, Mother Teresa Women's University, Kodaikanal-624 102, Dindigul District, Tamil Nadu, India.

Manuscript Info

Manuscript History

Received: 16 July 2016

Final Accepted: 26 August 2016

Published: September 2016

Key words:-

Radiotherapy, Collagenase gene, cancer and Swiss mice.

Abstract

The customer choice and awareness have been increasing tremendously during this decade due to more open economy, the advent of information technology and media revolution, besides hectic competition for resources by banks. As markets have become increasingly competitive, customers can now immediately go elsewhere if they do not get what they want. Continuous improvement, gaining the competitive edge, increased market share, higher profits-none of these things is possible unless businesses can find new ways of maintaining the loyalty of existing customers. It takes only a few incidents and direct experiences for the knowledgeable customers to form an opinion about the quality of the services and the quality of the product offered. Hence, "customer service is not being viewed as just a business strategy but should become a corporate mission."

Copy Right, IJAR, 2016., All rights reserved.

Introduction:-

"By entering into your premises, the customer is giving you opportunity to serve him, but you are not doing a favour by serving him"

- Mahatma Gandhi.

The liberalisation and globalisation of Indian economy took place almost a decade ago. Ever since, the focus point in any service organisation has been "customer service", more so in the banking industry. The phrases such as "customer is the king in our business", "service to customer is service to God" are no more a myth but have turned out to be a reality. Customer service is the base for business expansion because of the stiff competition prevalent in the banking industry. With the advent of new private banks, the concept of "customer service" has become an important and pivotal issue in banks, whether it is in the public sector, private sector, co-operative sector and so on. The survival of banking business is dependent on customer services.

Customer Service-Significance:-

"The Banking sector industry is considered a service oriented industry. It has to render manifold services to the people who visit the banks. Customer service refers essentially to counter level inter face or through other modes with the customers."¹

The issue of proper customer service is central to all business operations. That is why management experts have for long, considered customer service as an integral part of the growth strategy of their businesses.

Corresponding Author:- Dr. S. Valli Devasena.

Address:- Assistant Professor, Department of Commerce, Mother Teresa Women's University, Kodaikanal-624 102, Dindigul District, Tamil Nadu, India.

‘The leader of an organisation should live and breathe customers’ needs and should communicate this across the organisation.’²

Hence, the major component of customer service is related to the involvement and commitment of the staff rendering such service. Since the marketing of financial service offered by bank very much depends on the quality of customer service and the satisfaction that customers derive from the services they receive the important criterion to judge the benchmark of a bank is customer satisfaction in terms of good service.

Banker and Customer Relationship:-

Today the relationship between the banker and customer has come under sharp focus both at the banker’s as well as at the customer’s ends. Many customers are expecting better service. The dominant questions which are bothering the minds of bank management today are how to improve customer service and competitive advantage. The products are almost the same; however, the battleground is service.

Paradigm Shift – Scenario in India

<i>Before 1991</i>	<i>After 1991</i>
Seller’s market	Buyer’s market
Protected market	Open market
Not many global brands	Increase in number of global brands
Friendly competition	Cut-throat competition
Patient customers	Demanding customers
Limited choice for customers	Increasing choice for customers
Limited role of service	Increased role of service
Speed @ will	Turbo speed
Fundamental standalone system	Enterprise system
IT-competitive advantage	IT-Enabler
Gaining new customers	Retaining existing customers
Monologue	Dialogue
Transaction	Relationship

Source: IBA Bulletin, August 2004, p-6.

Statement of problem:-

Customers’ preferences keep on changing at a rapid speed and their demands are turned insatiable. In order to cater to the changing preferences, bankers are bound to provide the services suitable to their needs to survive in the competition. Hence an attempt is made to analyse the opinion of Bank Employees on service quality improvement and reasoning factors for it and hence it is subjected to Garrett Ranking Analysis.

Review of Literature :-

Kamath³ in his thesis entitled “Marketing of Bank Service with Special Reference to the Branches in Bombay City of Syndicate Bank” has concluded that quick and better services mattered in attracting and retaining a bank customer.

R.P Goyal⁴ in his article “Customer Service in Banks” has underlined the importance of improving customer service in banks and suggested that it could be achieved by motivating and orienting the staff, simple systems and procedures and specific schemes to suit customer needs.

H.K. Bedbak⁵ in his study entitled “Institutional Financing for Priority Sectors – An Analysis of Delay and Attitude,” has analysed the delays in sanctioning of loans and attitude of institutional agencies towards the customers as borrowers.

Manjit Singh⁶ in his project “A Study of the Impact of Bank Lendings on Weaker Sections – A Case Study of Agricultural Development Branch of State Bank of India, Moga” has reviewed the standard of living of beneficiaries and non beneficiaries in Moga of Madhya Pradesh.

R. Neelamegam⁷ in his research study “Institutional Financing to Small Scale Industries” has reviewed the various types of institutional financing facilities available to small scale industrial units in Tamil Nadu.

Ranade⁸ in his study entitled “Marketing of Deposit and Allied Service to Non-resident” customers concluded that guide service is the major factor influencing an NRI in the selection of a bank.

Eugene W. Anderson, Daes and Furness and Donald R. Lehmann⁹ discussed the links between quality, expectations, customer satisfaction and profitability. The findings state that when quality and expectations increase, there is a positive impact on customer satisfaction and in turn, profitability.

Objectives of the Study:-

1. To analyse the opinion of Bank Employees on service quality improvement and reasoning factors for it
2. To offer suggestions for the improvement of customer services in State Bank of India

Scope of the Study:-

This study covers the customer services rendered by State Bank of India in Madurai city. As the study is an empirical study to identify the attitude of the customers towards the services rendered by the banker, the study has been focused towards customers who are the recipient of services and bank employees who are the agencies of delivery of services. As such, it has been projected from the point of view of bank employees and from the point of view of bank customers. It is analysed with reference to customers and employees attitude. The State Bank of India in Madurai city consists of 13 branches. The study was undertaken on the customers and Bank employees of 13 branches only.

Methodology:-

The present study is an empirical one based on survey method. Data were collected from both primary and secondary sources. The primary data were collected from banks' customers and bank employees by means of interview schedule and questionnaire.

Sampling Design:-

The study aims at analysing the attitude of customers of State Bank of India in Madurai city branches with regard its services.

242 bank employees were supplied with the questionnaire in 13 branches of State Bank of India in Madurai city. But only 240 respondents filled in the questionnaire. Out of these 240 respondents, 60 respondents were bank officials (Bank Managers and Officers). All of them have responded. The remaining was clerical which amounting to 60 per cent of the clerical staff selected on proportionate random sampling method. Indeed, the questionnaires were given through branch managers of the said 13 branches to the clerical staff and they got back researcher the questionnaire filled in by the clerical staff of the respective branches.

Geographical Area of the Study:-

The study covers the whole area of Madurai city only where the branches of the State Bank of India are situated. They are Amman Sannadhi Branch, Arasaradi Branch, Commercial Tax Complex, Madurai Agricultural Development Bank Branch, Madurai city Branch, Pasumalai Branch, Personal Banking Branch, Tallakulam Branch, Vinayakanagar Branch, West Tower Branch, Railway Station Branch and Madurai Main Branch.

Analysis of the study:-

Suggestion for Improving Service to Customers:-

Bank employees have suggested certain factors for improving the quality of service rendered to the customers and they ranked the factors as given in Table 1

TABLE 1 Bank Employees' Suggestion for Improving Service to Customers

Sl. No.	Factor	Rank								Total
		1	2	3	4	5	6	7	8	
1.	Customer Education and Counselling	40	20	24	56	24	20	40	16	240
2.	Personalised service/door-step service	28	60	32	28	12	32	20	28	240
3.	Gearing up Grievance setting machinery	16	12	28	20	48	56	32	28	240
4.	Mechanism and Automation	28	24	20	24	60	20	48	16	240
5.	Simplification of rules, formats, procedures and the like	60	36	52	28	16	16	8	24	240
6.	Staff Training	32	40	32	36	32	36	28	4	240
7.	Making working Days/hours more flexible	28	32	24	36	24	36	52	8	240
8.	Greater Trust in staff	8	16	28	12	24	24	12	16	240
	Garrett's Table value	80	67	60	53	47	40	33	20	

TABLE 2 Suggestion for Improving Service to Customers-Garrett's Ranking

Sl. No.	Factors	Total Score	Average	Rank
1.	Customer Education and Counselling	12516	52.15	IV
2.	Personalised service/Door-step service	12728	53.03	III
3.	Gearing up grievances settling machinery	10936	45.56	VII
4.	Mechanism and Automation	11844	49.35	VI
5.	Simplification of rules, procedures and formats	13952	58.13	I
6.	Staff Training	13016	54.23	II
7.	Making working days/hours more flexible	12176	50.73	V
8.	Greater Trust in Staff	8832	36.80	VIII

It is inferred from Table 2 that simplification of rules, procedures and formats factor is ranked first to improve customer service by bank employees.

Staff Training is ranked as the second factor, personalised service/door step service is ranked third, customer education and counselling is ranked fourth, making working days/hours more flexible is ranked fifth for quality service in State Bank of India. Introduction of technology and automation is ranked sixth gearing up grievance redressal machinery is ranked seventh and greater trust in staff is ranked eighth in rendering quality service.

Suggestions:-

Recognition of service quality as a competitive weapon is relatively a recent phenomenon in the Indian Banking sector. Prior to the liberalisation era the banking sector in India was operating in a protected environment and was dominated by nationalised Banks. Banks at that time did not feel the need to pay attention to service quality issues and they assigned very low priority to identification and satisfaction of customer needs.

Conclusion:-

Customers vary in their expectations and attitudes and belong to wide socio-economic and cultural backgrounds. The gap between the expectations of customers and their fulfillment is the root cause of grievances which affects the image of the bank. To overcome this situation, there should be an effective monitoring mechanism and constant vigil over the services provided to customers. Since they have a wide choice of services and multiplicity of products they are more conscious of convenience and cost, safety and speed, respect and quality, courtesy and elegance. State Bank of India has to be very careful in responding to the needs of their customers in an intensely competitive and rapidly changing environment.

References:-

1. K.V. Bhaskara Rao, "Customer Service in Banks" **Banking and Finance**, January 2006, p.8.
2. Debashis Sarkar, **TIPS for Customer Satisfaction**, Beacon Books, New Delhi, 1997, p.10.
3. Kamath, "Marketing of Bank Service with Special Reference to the Branches in Bombay City of Syndicate Bank" BMP Ph.D., Thesis, Submitted to NIBM Pune, 1979.
4. R.P Goyal, "Improving Quality of Banking Service Commerce" Banking Supplement, Bombay, July 30, 1983 p.3.
5. H.K. Bedbak, "Institutional Financing for Priority Sectors – An Analysis of Delay and Attitude," **Commerce and Management** Vol.3, No.1, pp.20-30, 1983.
6. Manjit Singh, "A Study of the Impact of Bank Lending on Weaker Sections – A Case Study of Agricultural Development Branch of State Bank of India, Moga" **Research Project Sponsored by Indian Council of Social Research**, New Delhi, 1983.
7. R. Neelamegam, "Institutional Financing to Small Scale Industries", Ph.D., Thesis Submitted to Madurai Kamaraj University, Madurai, 1983
8. M.P.Ranade, "Marketing of Deposit and Allied Service to Non-Resident", BMP, Ph.D., Thesis Submitted to NIBM, Pune, 1985.
9. Eugene W. Anderson, Daes, Furness and Donald R. Lehmann, "Customer Satisfaction, Market Share and Profitability: Findings from Sweden", **Journal of Marketing**, Vol.58, July 1994, pp.53-66.
10. R.M. Chidambaram, "Promotional Mix for Bank Marketing", **IBA Bulletin**, Vol.16, No.3, March 1991, pp.24-26.
11. Biswa N. Bhattacharyya, "Marketing Management and Innovators in the Light of Liberalisation", **Prajnan**, Vol.20, No.5, 1991, p.419-425.

12. Valariee A. Zeithaml and Mary Jo Bitner, **Building Customer Relationship through Segmentation and Retention Strategies, Service Marketing**, McGraw Hill, 1996, pp.169-199.
13. A.M. Sadare, "Competency Building for Improving Customer Service in Banks", **Banking and Finance**, Vol.17, No.8, August 2004, pp.19-21
14. Financial Express 8th March 2004.
15. Financial Express 29th May 2004.
16. Krachenberg, Anthony Richard, "The Marketing of Services with Particular Reference to Commercial Bank Services," Ph.D., Thesis Submitted to University of Michigan, 1963.
17. Person Marjorie, "Marketing and Banking – An Evaluation of Marketing Program Development in Selected Commercial Banks", Ph.D., Thesis Submitted to Indiana University, 1965.
18. Reed Jim Dale, "Commercial Bank Selection: A Factor Analysis of the Determinants of Consumer Choice", Ph.D., Thesis University of Arkansas, 1972.
19. Robert Lee Fitts, "Predictors of Usage Rates for Selected Commercial Bank Service - A Cross Sectional Approach Utilizing Socio-economic, Demographic and Attitudinal Variables" Ph.D., Thesis Submitted to University of Alabama, 1975.
20. R.P Goyal, "Improving Quality of Banking Service Commerce" Banking Supplement, Bombay, July 30, 1983 p.3.