

## Service Quality Dimensions: A Case Study of Telangana Grameena Bank

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### Abstract

In the service industry, Service quality has become a performance indicator. Customer happiness is widely regarded as a key differentiator that is at the heart of marketing theory and practise and is the primary outcome of any marketing effort. The purpose of this research is to evaluate service quality in the banking sector. SERVQUAL scale was used to analyse customer perceptions created by A. Parasuraman et al in order to support the research study's objective. Using convenience sampling, a sample size of sixty customers was selected. What are the bank's customer perceptions of service quality? Which dimension of service quality of Telangana Grameena Bank is performing well? The purpose of this study paper is to find answers to these questions. Many surveys have been conducted in the past to determine customer happiness and to identify customer-friendly institutions, but the primary goal of this research is to determine the service quality of Telangana Grameena Bank.

### Key words:

Service Quality, Perceptions, Tangibility, Reliability, Responsiveness, Assurance, Empathy.

### 1. Introduction

Telangana Grameena Bank (formerly Deccan Grameena Bank) was created as a government scheduled bank on March 24, 2006, under the Regional Rural Bank Act 1976. In the ratio of 50:35:15 percent, the bank's shareholders are the Government of India, State Bank of India, and the Government of Telangana. Its headquarters are located in Hyderabad. Telangana Grameena Bank's vision is to be the most trusted bank for rural development in the state, delivering technologically sophisticated, dedicated, and quality service in all domains of banking. Telangana Grameena Bank presently has a network of 426 branches in five former districts, namely Adilabad, Karimnagar, Nizamabad, Ranga Reddy, and Hyderabad, i.e. 14 reorganised districts of the State. It serves around 1,878 villages as well as the twin cities of Hyderabad and Secunderabad with banking services. It offers a wide range of financial services to its customers, including fixed deposits, recurring deposits, savings accounts,

current accounts, loans, online banking, RTGS, NEFT, IMPS, Pradhan Mantri Suraksha Bima Yojana, Atal Pension Yojana and many others. More than 35 lakh satisfied customers are served by the bank today. Telangana Grameena Bank's mission is to provide transparent and efficient banking services at a reasonable cost to our customers by ensuring 100 percent financial inclusion, rural customer empowerment, promotion of Self-Help Group (SHG) movement with special emphasis on women, and earning consistent profits through a healthy business mix, thereby becoming a leading Regional Rural Bank.

## **2. Objectives of the study**

- What are the customer perceptions of service quality of the Telangana Grameena Bank?
- To determine which dimension of the Telangana Grameena Bank's service quality is doing well.
- To establish which dimension of Telangana Grameena Bank's service quality has to be enhanced in order to improve service quality.

## **3. Variables used for the study**

For data gathering, the following variables are used:

1. The demographic variables in the study include gender, age, educational qualification and occupation.
2. SERVQUAL dimensions Tangibility, Reliability, Responsiveness, Assurance, Empathy.

## **4. Research Methodology**

The research was based on primary data acquired through a survey. Questionnaires were developed, and bank customers from three branches were asked to complete them in Ranga Reddy district only. The survey includes twenty questions about the types and quality of services given by banks to their customers. For each question, the customer's reaction was graded on a scale of Very Poor, Poor, Fair, Good, and Excellent. The completed data was then examined to achieve the needed interpretation and results. The research is exploratory until service quality parameters are identified. Later on, when measuring customer perceptions of bank service excellence, it becomes descriptive.

## **5. Banks' Service Quality**

In today's world of tough competition, Banks are just like any other customer-based marketing company. It has become critical for customer-based service companies in general, and banks in particular, to determine what their customers' needs are and how they may be addressed successfully. In a world where product and pricing distinctions are becoming increasingly mixed, exceptional service by the service provider is the only difference left for banks to educate, attract, and retain with customers. Superior service quality allows banking businesses to stand out from the competition, achieve a long-term competitive advantage, and increase efficiency.

## **Dimensions of Service Quality**

### **Tangibility**

Equipment, information systems, machines, physical facilities and staff appearance are all tangibles. It focuses on improving access to resources and physical facilities.

### **Reliability**

The SERVQUAL model's reliability component affirms the competence to provide services correctly, timely, and honestly. Consistency is a vital aspect in providing Customers with timely support or products in error-free environment. You must honour your pledge to provide your service on time and as correctly as you promised.

### **Responsiveness**

The enthusiasm to serve customers with respect and deliver timely service to satisfy is referred to as responsiveness. This dimension concentrates on two critical factors: willingness and promptness. As a result, you must ensure that the customer receives their service as soon as possible and that you are genuinely interested in assisting them. The length of time customers must wait for an answer or solution will determine responsiveness. In a nutshell, responsiveness resolves a customer issue as quickly as possible by giving anticipated information or replacing products.

### **Assurance**

Customers' trust and credibility are built through assurance. Competence, courtesy, credibility, and security are four criteria that make up the assurance dimension. As a result, these abilities will assist the bank in gaining Customer's confidence and reputation.

### **Empathy**

Empathy is paying close attention to consumers in order to provide compassionate and distinctive service. Serving each customer individually is a fundamental attitude in some places around the world. It's also a great approach to give Customers a psychological boost by boosting their confidence, trust, and loyalty. Due to a lack of empathy among the personnel, the bank may lose Customers; consequently, compassion must be ensured. Empathy is a result of a variety of factors: Access (both physical and social), Communication, and Customer Understanding.

### **Measuring the quality of a service**

Measuring the service quality can be a challenging task. Access, communication, competence, courtesy, credibility, reliability, responsiveness, security, understanding and tangibles are among the determinants of service quality identified by Parasuraman et al. There are a total of five consolidated service quality dimensions:

Tangibles (questions 1 to 4): Physical facilities, equipment's and appearance of personnel

Reliability (questions 5 to 8): Ability to perform the promised service dependably and accurately

Responsiveness (questions 9 to 12): Willingness to help customers and provide prompt services

Assurance (questions 13 to 16): Employees' ability to convey trust and confidence through their knowledge and courtesy.

Empathy (questions 17 to 20): Caring and individualized attention that firm provides to its customer.

A sample of the questions are utilised in the survey questionnaire in order to calculate which dimension of service quality is doing well. Calculate the score for each of the twenty questions using the questionnaire. After analysing the data, an overall score for each statement is assigned on a scale of 1 to 5, with 1 indicating Very Poor, 2 indicating Poor, 3 indicating Fair, 4 indicating Good, and 5 indicating Excellent. To reach a final score, add the scores for each dimension of service quality to determine which dimension is functioning well and which dimension need improvement.

## 6. Result and Analysis

Descriptive analysis using SPSS statistical package were used to analyse the data.

### Profile of customers

Parameters	Category	Frequency	%
Gender	Male	32	53.33
	Female	28	46.67
	<b>Total</b>	<b>60</b>	<b>100%</b>
Age	Below 35	18	30
	36-50	24	40
	51-65	10	16.67
	Above 65	8	13.33
	<b>Total</b>	<b>60</b>	<b>100%</b>
Educational qualification	Graduation and below	46	76.67
	Post Graduation and above	14	23.33
	<b>Total</b>	<b>60</b>	<b>100%</b>
Occupation	Student	9	15
	Salaried	21	35
	Business	3	5
	Housewife	16	26.67
	Retired	11	18.33
	<b>Total</b>	<b>60</b>	<b>100%</b>

Source : Primary Data

Female responders are less than male respondents, as can be seen in the table above. The majority of the people in this age group are between the ages of 36 and 50, and their education ranges from high school to postgraduate. In the sampling unit, the majority of respondents are salaried.

**Descriptive analysis**

<b>Factor</b>	<b>Weighted Total</b>	<b>Weighted Mean</b>
<b>Tangibility</b>		
1.Existence of e-banking tools	211	14.06
2. Bank ambience	157	10.46
3. Professional appearance	220	14.66
4. Physical facilities	172	11.46
<b>Reliability</b>		
5. Accuracy of transactions	257	17.13
6. Timely services	195	13
7. After-sales service handling	153	10.2
8. Grievance's handling	209	13.93
<b>Responsiveness</b>		
9. Low service charge	254	16.93
10. Respond to Request	211	14.06
11. Willingness to Help	153	10.2
12. Individual Attention	145	9.6
<b>Assurance</b>		
13. Security in transactions	250	16.66
14. Staff availability at counters	181	12.06
15. Staff knowledge regarding queries	206	13.73
16. Staff behaviour	164	10.93
<b>Empathy</b>		
17. Regular meetings	212	14.13
18. Attention to new customers	188	12.53
19. Trustworthy Employees	231	15.4
20. Understanding Needs	177	11.8

*Source : Primary Data*

Customers' perceptions toward tangibility Telangana Grameena Bank received significant weighted mean score of 14.66 for E-banking tools, but was unsatisfied with bank ambience, obtaining the lowest weighted mean score of 10.46.

Customers' perceptions of Telangana Grameena Bank In terms of reliability, the accuracy of transactions received the greatest mean score of 17.13, while banks' after-sales service handling received the lowest mean score of 10.2.

Customers' perceptions toward responsiveness Telangana Grameena Bank highly rated parameter was low service charge, which received the highest mean score of 16.93, while the least rated parameter was individual attention, which received the lowest mean score of 9.6.

Customer's perceptions of Telangana Grameena Bank In terms of assurance were very satisfied with the security in transactions, with a mean score of 16.66, but failed to instil confidence in staff behaviour, with a mean score of 10.93.

Customer's perceptions of Telangana Grameena Bank In terms of empathy were very satisfied with the staff' trustworthiness, which received the highest mean score of 15.4, while the least ranked criteria, Understanding Needs, received the lowest mean score of 11.8.

### Rank analysis

S.No.	Dimension	Weighted Mean	Rank
1	Tangibility	12.66	V
2	Reliability	13.56	I
3	Responsiveness	12.71	IV
4	Assurance	13.35	III
5	Empathy	13.46	II

Source : Primary Data

Based on above mentioned table that Reliability is the major Dimension in Telangana Grameena Bank which affects customer satisfaction and it is ranked first by customers. The next key Dimension is Empathy which is ranked 2nd by the customers. Customers rank Assurance as the third most important dimension. The Dimension which is ranked 4th by the customers is Responsiveness. The next Dimension which is ranked 5th by the customers are Tangibility.

### 7. Limitations of the study

The study's limitations are listed below.

1. The research was based on the opinions of customers at only three Telangana Grameena Bank branches in the Ranga Reddy district, Telangana, India.
2. Bank customers were chosen using a non-probability convenience sampling technique.

### 8. Conclusion

To get a competitive advantage over competitors, service quality should be used as a strategic tool. The banking sector in India has become more competitive as the country's banking industry has become more globalised and universal banks have been adopted. Banking at any location and at any time has now become a reality. Service quality is now seen as a competitive advantage.

The bank's service quality has to be improved, particularly in the identified areas of "tangibility" and "responsiveness," according to the analysis. The total service quality found indicates that sufficient attention is needed to improve service quality in order to maintain existing customers and attract new ones.

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