

A STUDY ON CUSTOMER PERCEPTION TOWARDS SERVICE QUALITY OF BANKING SECTOR IN TIRUCHIRAPPALLI

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Abstract

The banking sector plays a vital role in the economies world over, during the past decade, the banking sector has undergone an astronomical change in terms of technology. The traditional model of banking is fast losing ground to “one-click banking”(E-Banking). The figure below shows the perceived threat by the banks which are responsible for the above transformation. For the present study, a Structured Questionnaire is used as a primary medium of data collection. The sources of secondary data were the Internet, Books, Journals, Articles, RBI reports, newspapers, etc. This study covers ‘Tiruchirappalli City’ only. The sample size of this study is 80 respondents and the information is collected from the respondents having accounts in SBI, KVB, ICICI, HDFC, and IOB.

Keyword: *Customer Perception, Technology, Service Quality.*

Introduction

The Indian banking industry was uniform during the period 1900 to 1950. It adage the origin of Reserve Bank of India (RBI) and enactment of the Banking Regulation Act 1949, which empowers the RBI to regulate, supervise, and develop the banking system in India. The decades of 1950 to 1960 provided a real foundation for the Indian banking system which was also called the establishment stage. There was a rapid expansion of Indian banking. As a result, the population per branch fell significantly from 63,000 in 1969 to 20,000 in 1980. The entry of new private sector banks and foreign banks fuelled more competition in the Indian banking sector. In India, there is 27 Public Sector Banks, 31 Private Sector Banks, 196 Regional Rural Banks, 57 Scheduled Urban Cooperative Banks, 38 Foreign Banks, and 16 Scheduled State Co-Operative banks were operating as on March 31, 2008. These enormous expansions of bank branches have shaped competition among banks. “Customer service is not merely the fulfillment

of government guidelines or mechanical adherence to the time frames of services. It is a philosophy, an attitude of professional commitment which believes in the ultimate satisfaction of customers want". The above declaration clearly states that customer service is beyond stain transactions. Customers are not homogeneous in their behavioral patterns, attitude, needs, and expectations. Human awareness changes from person to person or from individual to personality from time to time. This change in the perception of a customer makes the job of satisfying him more challenging. Customer receipt and customer preference to banks play a vital role in the achievement of their functioning hence study in this kind is very essential.

Objectives of the Study

- ❖ To Study the Customer Perception towards Service Quality of banking sector in Tiruchirappalli.
- ❖ To investigate the demographic factors have any significant influence on customer perception.

Review of Literature

Ansar Ali (2019) analyses the E-Banking covers both computer and telephone banking. These two types of banking involve the usage of passwords. It came into existence due to Innovation in Technology and competition among the existing banking organizations, who display their banking products and services for easy accessibility to the customers which can be delivered through the internet. The rapid development of E-banking services carries risks as well as benefits. Hence, it is the responsibility of the bankers to recognize, manage, and to address banking institutions incautious and sensible way according to the fundamental characteristics and challenges of E-Banking services. So this paper discusses the impact of E-Finance on the banking sector, its various products, and services, the diverse risk associated with electronic banking services, and its solutions to tackle these challenges. The study is based on exploratory research mainly on qualitative analysis.

Vasanthi (2013) investigated that the Government of India globalization and liberalization of financial reforms strongly suggested operational flexibility and functional autonomy to the bank to improve efficiency and productivity along with deregulation in interest rates, the substantial reduction in statutory reserves and entry of new banks in the private sector to engineer and encourage competition. In the deregulated, competitive, and ever-demanding customer's market retaining the existing customer and attracting new customers is very

important. Customer acceptance and customer preference for banks play an important role in the success of their functioning. This study explores the customer perception towards service quality attributes among public sector banks and private sector banks.

Research Methodology

Descriptive research is used in this present study in order to determine the customer perception towards service quality. This is the trendiest type of research system, generally used in survey research design and most useful in describing the characteristics of consumer behavior. A structured questionnaire is used as a primary medium of data collection. The sources of secondary data were the Internet, Books, Journals, Articles, RBI reports, newspapers, etc. This study covers 'Tiruchirappalli City' only. The sample size of this study is 80 respondents and the information is collected from the respondents having accounts in SBI, KVB, ICICI, HDFC, and IOB.

Analysis and Findings

Table. No.1

Demographic Profile of the Respondents

Particulars		No. of Respondents	Percentage
Gender	Male	55	69
	Female	25	31
	Total	80	100
Age	Below 25 years	30	38
	26 to 35 years	20	25
	36 to 45 years	17	21
	Above 45 years	13	16
	Total	80	100
Educational Qualification	School Level	12	15
	UG	12	15
	PG	35	44
	Professional	7	8
	Others	6	8
	Total	80	100
Monthly Income	Below 10000	17	22
	Rs 10001 to 20000	23	28
	Rs 20001 to 30000	22	27
	Rs 30001 to 40000	13	17

	Above Rs 40000	5	6
	Total	80	100
Name of the Banks	SBI	19	23
	KVB	13	17
	ICICI	10	12
	IOB	17	22
	HDFC	21	26
	Total	80	100

Source: Primary Data

The above table shows that the majority of respondents (69%) are male respondents. The majority of respondents (38%) belong to the age group from below 25. The majority of the respondents (44%) are having PG Qualification. The majority of the respondents (56%) are others. The majority of the respondents (28%) were under an income group of Rs.10001 to 20000. The majority of the response (26%) holding their account in IOB.

Conclusion

After independence and until then, the functioning of banks is becoming efficient and faster than ever before. With the ascending globalization and the espousal of the universal banks, the competition has furthermore deepened. Anywhere and anytime banking now becomes a reality. The emergence of information technology and other and level of income have created massive growth in banking in India. In this study, we conclude that high customer perception of service quality can create improvement in the operational efficiency and service quality provided by the bank.

Reference

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