

Influences Of Service Quality And Customer Satisfaction On Internet Banking In Nationalised Banks

Sharad Sachan¹, Roop Kumar²

^{1,2}*School of Agriculture, Lovely Professional University, Jalandhar (144411), Punjab (INDIA)*

E-mail:-roop.24857@lpu.co.in²

Abstract: There is a huge need of banks in the developing country of India. All the banks of India have been nationalized to make the working of banks more trust worthy and to win the trust of the people of country. The Govt. of India has made it easy by giving control to Reserve Bank of India. Thus this paper investigates the influence of service provided by banks to the customers. This study was conducted in rural areas with 150 respondents using multiple correlation and regression stats applied to analyze the association between various variables in service quality provided by the nationalized banks. It was found that reliability and responsiveness are the most predictable variable and highly influence on customer satisfaction.

1. INTRODUCTION

Nationalized banks have been in the country with the main objective of safe guarding the belongings of the country Balakumar et al., (2008). The nationalized banks have been a part of planned economy for the sustainable as well as equal development of the country as a whole Srivastava et al., (2014). After the nationalization of the banks the public sector as well as private sector banks emerged Vaid et al., (2014). The main motive of public bank was social welfare whereas the private bank was profit making Chaudhary and Singh (2012). These private sector bank were neglecting industries, agriculture, small scale industries, cottage industries and rural industries Patel, S. (2012). With the existence of public sector banks all these sectors were addressed and attended effectively Nagpal et al., (2012).

The nationalization of the banks also resulted in extending the banking services to all areas of the country Sharma et al., (2012). Before the nationalization the private banks were little conservative to open the branches in rural areas Singh et al., (2017). Thus they opened their branches mostly in metropolitan cities, cities and towns. But after the nationalization banks the banks were ready to open their branches in rural areas under the lead bank schemes throughout the countries Ansari et al., (2016). The rural banks will bring more economic development as it will enable the banks to give more loans for rural based economy due to which the regional disparity can also be reduced Jnawali (2016).

Bank services play a vital role in winning the customer trust and help bank to gain competitive advantage to make management decisions Singh (2015). If the services are satisfactory it gives the long term impact in the mentality of the consumers. The satisfied customers become the biggest assets for the bank. Higher customer satisfaction provides many competitive advantages to the organization over other banks. Consumer satisfaction is an art of understanding customers need Gupta et al., (2014). Now a days understanding consumer expectation about the product as important as the product itself. The satisfied or

unsatisfied customer affects the creditability of the banks directly or indirectly. Thus this paper identifies the need to check the customer satisfaction for nationalized banks situated in the rural areas.

2. RESEARCH METHODOLOGY

The main objective of this paper is to analyze the influence of the service quality given by banks on the customer satisfaction of the nationalized banks with respect to Jalandhar district, Punjab. To identify the variables five dimensions of the service quality with 22 statements (Parasuraman, et.al, 1988). Parasuraman, et.al (1988) tool has been adopted consisting of 22 statements classified into five dimensions namely tangibility, reliability, responsiveness, assurance and empathy. For the customer satisfaction Johnson (1998) is used a nine items scale to measure consumer satisfaction Mishra (2018). The study was conducted on 150 respondents which were selected by systematic random sampling technique by the help of survey questionnaire method Pudake (2013). To predict the descriptive analysis, multiple correlation and regression, variance and relationship among the variables SPSS software was used.

3. RESULT AND DISCUSSION

Table 1- Respondent's opinion towards customer satisfaction of banks

Customer Satisfaction	Mean	SD
Did the right thing	3.87	1.06
Satisfying experience	3.63	0.97
Satisfied with my decision	4.10	1.05
The choice to use the Service	4.04	1.26
Satisfying needs	3.74	1.17
Recent experience	3.59	0.92
Met my expectations	3.98	1.15
Preference on next opportunity	3.32	1.09
One and only service	3.12	1.07

Source- Primary data computed

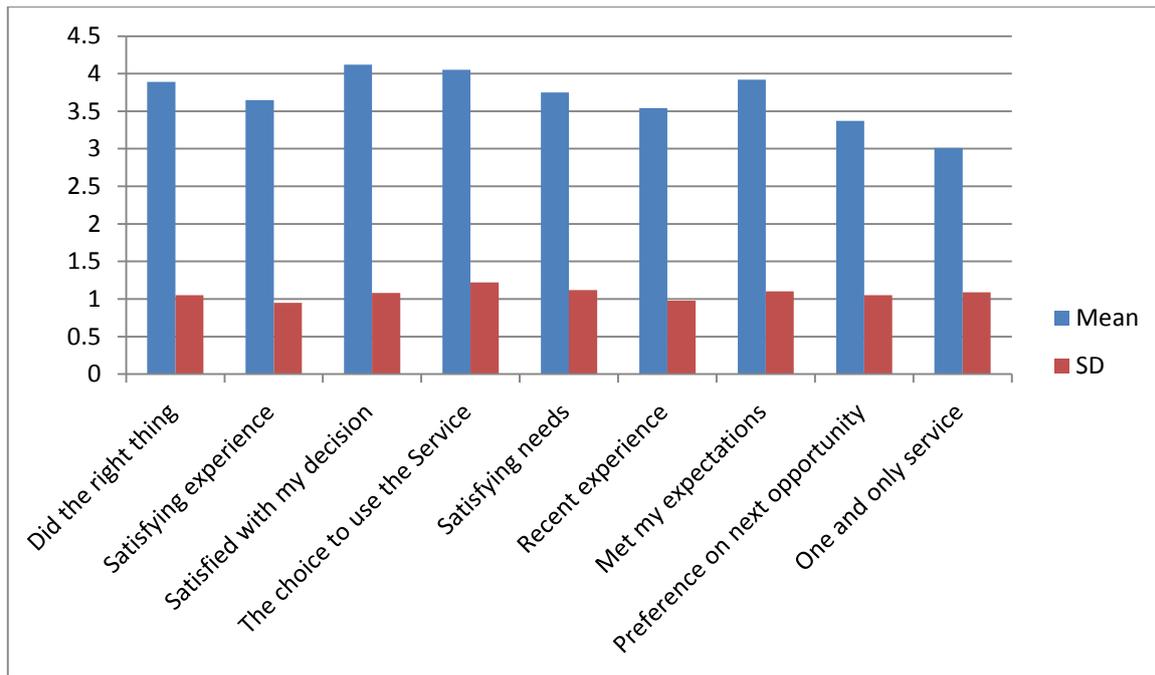


Table 1 and Graph 1 reveal the respondent's opinion about customer satisfaction of the nationalized bank and services. The respondent's opinion was taken on Did the right thing, Satisfying experience, Satisfied with my decision, The choice to use the service, Satisfying needs, Recent experience, Met my expectations, Preference on next opportunity and One and only service Mehta et al., (2016); Singh et al., (2014); Baranwal and Pateriya (2016). Most respondents have given importance to Satisfy with my decision followed by The choice to use the service, Met my expectations etc. The minimum importance was given to one and only services. The standard deviation among the group shows that there is no much deviation within the group of respondents Bhatia et al., (2013); Trukhanov et al., (2018); Anand et al., (2017); Mahesh et al., (2014); Saxena et al., (2018).

Table 2- Service quality determinants on customer satisfaction

R-value	R ² -value	Adjusted R ² -value	Std. error	F-value	P-value
0.957	0.925	0.920	0.2121	1749.54	0.001*

Factors	B-value	Std. error	Beta	t-value	p-value
Constant	0.159	0.037	-	2.531	0.001*
Tangibility	0.102	0.023	0.099	5.122	0.001*
Reliability	0.258	0.038	0.328	6.552	0.001*
Responsiveness	0.351	0.029	0.389	6.887	0.001
Assurance	0.242	0.036	0.215	4.255	0.001
Empathy	0.221	0.049	0.235	5.575	0.001

The service quality of any organization depends mainly on following components i.e tangibility, reliability, responsiveness, assurance and empathy Sharma et al., (2019). The table 2 reveals the effect of quality of service on consumer satisfaction. The aim to go for regression analysis to search the most predictors variables on customer satisfaction Ansari et al., (2015). Thus the regression coefficient determination R² is 0.925 and R-value is 0.957. The R² indicates that the independent variables influence 92.50 per cent of the dependent

variables. The F-value is 1749.54 significant at 1 percent level of significance showing a significant relationship between independent and dependent variables Prabhakar et al, (2013).

Customer satisfaction is determined by the following equation

$$\text{Consumer satisfaction} = 0.159 \text{ (Constant)} + 0.258 \text{ (Reliability)} + 0.221 \text{ (empathy)} + 0.351 \text{ (Responsiveness)} + 0.242 \text{ (assurance)} + 0.102 \text{ (tangibility)}.$$

The following equation shows the positive impact of tangibility, responsiveness, assurance, tangibility and empathy on customer satisfaction Raza et al., (2015). From the above table it is found that to increase the one unit of satisfaction bank has to increase reliability by 0.258 times keeping others constant or 0.221 times empathy or 0.351 times responsiveness or 0.242 times assurance or 0.102 times tangibility. Thus it indicates that responsiveness has most influence on customer satisfaction.

Table 3- Relationship between service quality variables and consumer satisfaction

Service quality variables	Consumer satisfaction	
	r-value	P-value
Responsiveness	0.765	0.001*
Reliability	0.721	0.001*
Assurance	0.653	0.001*
Tangibility	0.729	0.001*
Empathy	0.559	0.001*

The table 3 shows the relation between customer satisfaction and service quality for which the Pearson correlation is employed. From the table it has been observed that the responsiveness has secured the highest r-value of 0.765 with consumer satisfaction followed by tangibility (0.729), reliability (0.721), Assurance (0.653) and empathy (0.559). It means responsiveness and tangibility have the higher influence to the customer satisfaction. The customers will feel that the bank is more suitable thus they will be using the bank in the future Kumar et al, (2009); Arora & Anand (2019).

4. CONCLUSION

The customers judge and prefer the bank based on the quality of services given to them. Understanding the customer current and future need and keeping the pace with the other competitive banks measuring the satisfaction of the customers through various banks become the need of the hour. Satisfaction and dissatisfaction becomes more important because it leads to the proper improvements which will create satisfied loyal customers. The present study was conducted to find the responsiveness and reliability on consumer satisfaction. So, it is observed that nationalized banks have good service qualities among their customers. Customer satisfaction leads to loyal customer which in turns enhance the brand quality and in returns higher profits.

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