



# A STUDY ON THE RELATIONSHIP BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION: WITH REFERENCE TO SELECTED PRIVATE BANKS IN BHOPAL CITY

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## ABSTRACT

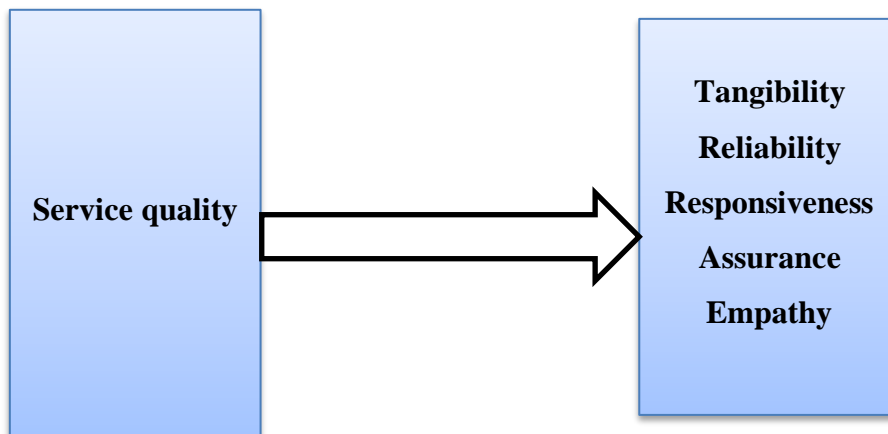
*The purpose of this study is to determine the relationship between service quality and customer satisfaction among the selected private sector banks in Bhopal city. The study is based on primary data which has been collected among the peoples of various selected banks. The final survey was conducted among the 200 customers in which 153 customers have been positively participated in the survey. In order to explore the relationship between service quality and customer satisfaction i have identified 5 service quality parameters which may be highly influence the satisfaction level of the customer. These service quality parameters are tangibility, reliability, responsiveness, assurance and empathy. The data for present study has been calculated by using t test at the significant level 0.05. The findings of the study explore that among all the service quality parameters reliability, tangibility, assurance and responsiveness has been found significantly related with customer satisfaction. However, empathy of the various selected banks is not have a significant impact on the customer satisfaction.*

## INTRODUCTION

The service quality provides the impetus in order to increase the customers need for a particular product and services. However, the quality of service is most important parameters which may negatively and positively impact the satisfaction level of the customers. The banking industry is a largest service industry in the world with higher number of customers. However, banking industry using traditional as well as modern technology to improve quality of service in order to increase the level of customer satisfaction. Service quality and customer satisfaction both are the important aspects of banking since the banking industry is being introduced. On the other hand customer satisfaction is expected to the result from the excellence service quality from the customer point of view which may improve customer engagement and inter relationship. Most of the research study has been explore that service quality is only the critical element which is most important to the success of banking industry. The present research study is related with the relationship between service quality and customer satisfaction among the customers of various private sector banks in Bhopal city. The explanation of this relationship between service quality and customer satisfaction is based on various service quality parameters such as tangibility, reliability, responsiveness, assurance and empathy.

### Aspect / parameters of service quality

The various aspect of service quality can be seen in the diagram





1. **Tangibility:** Tangibility refers the physical facilities and availability of physical equipment which may be related to the customer's expectation.
2. **Reliability:** reliability of service is refers the dependability of service between the employees and customers. However, reliability refers the trust showed by employee for future services.
3. **Responsiveness:** Responsiveness of the service is highly influence parameters which are related with first time interaction between employee and customers at the beginning of service.
4. **Assurance:** Assurance refers the commitment for complication of future service as demand by the customers during the organization visit.
5. **Empathy:** empathy of service quality is most important parameter which works as remedies and sympathy on the frailer of service.

## REVIEW OF LITERATURE

**Anuj Bhowmick et al (2023)**, has been conducted a research study to explore conceptual models and factors of product quality directly impact the customer satisfaction and also discussed the various factors whose may be effective for development and sustainability of business. In order to major the impact of product quality on customer satisfaction three independent variables has been identified such as product features, value chain and consumer behavior. The findings of the study explore that product development highly influence the customer satisfaction after reducing the product failures. Furthermore it has been point out by the author that customer satisfaction work as mediator to improve the service value chain by leading the customer loyalty. However consumer behavior extend the life of the product and influence the satisfaction of the customer

**Yabg Yingfei, et al (2023)**, has been conducted a research and explore that service quality is most important determinant of peoples commitment to the organization. However it is most important to examine the service quality in order to increase the corporate image. The purpose of this study is to explain the role service quality and customer experience with mediating effect of corporate image. The study was based on primary data and also use convenience sampling method to collect the data among the 366 customers. The findings of the study shows that service quality and customer experience have a significant impact on the level of customer's commitments. On the other hand study also found that service quality and customer satisfaction having the major contribution in order to increasing the corporate image. Furthermore the findings states that mediating role has been played by corporate image between service quality and customer commitment.

**Nurul Fazleen Mohd Zariman et al (2023)** has been conducted a research study to determine the E-service quality of mobile commerce application and customers loyalty intention. The research study was based on SERVQUAL model. Furthermore the study examine mediating effect of customer satisfaction on the relationship between loyalty intention and quality of service. The study was based on primary data which has been collected by the purposive sampling method among the 120 customers. The findings of the study indicated that all the dimensions of service quality is highly affected the customer satisfaction and customer satisfaction mediate the relationship between all the dimensions of service quality.

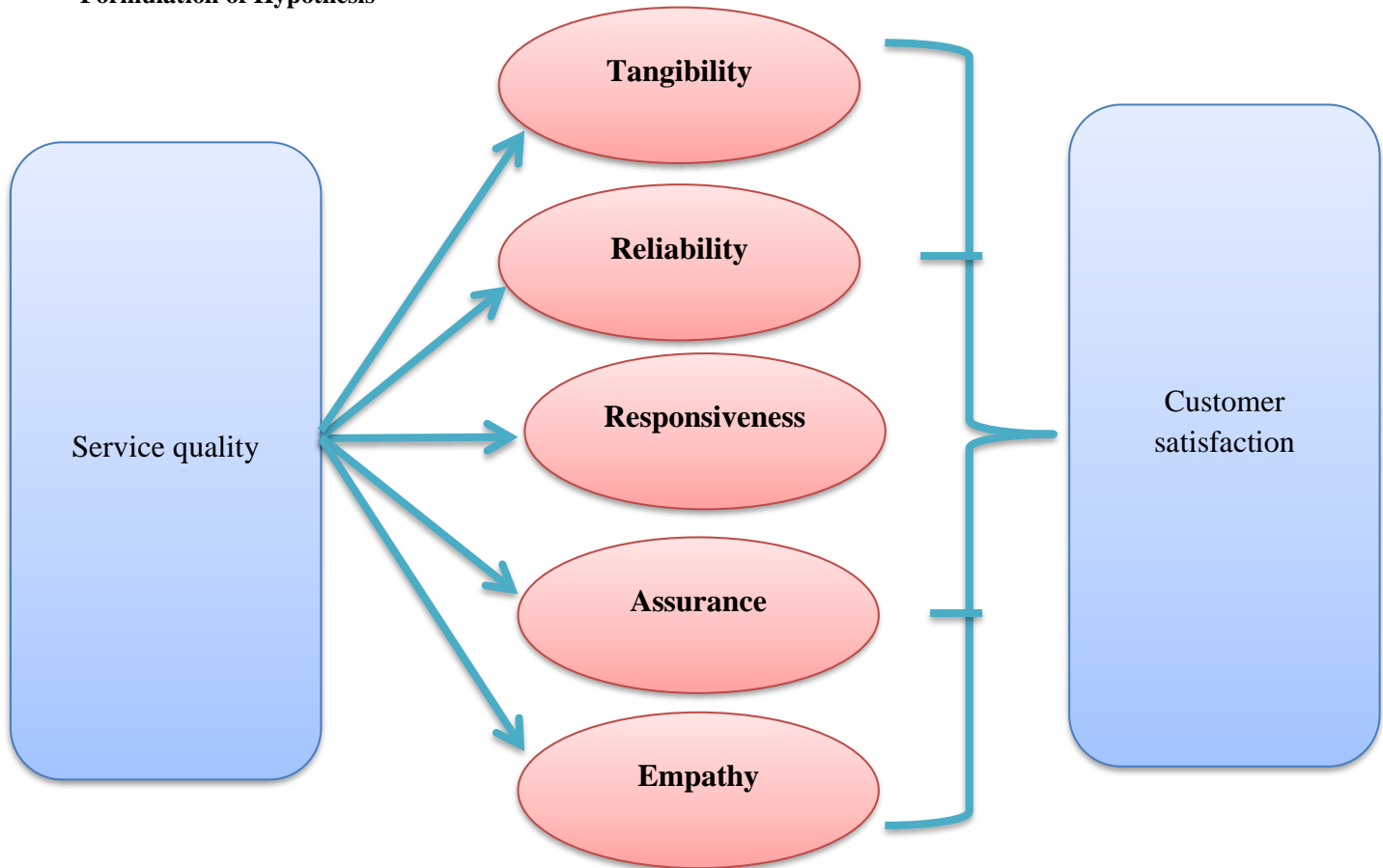
**Ugo Chuks Okolie et al. (2022)**, has been conducted a research study in order to explore the relationship between service quality and customer satisfaction with respect to the banking sector. In order to examine the relationship the study adopted SERVQUAL model. The study was based on primary data which has been obtained by using the structure questionnaire method and also convenience sampling techniques has been adopted by the author. The questionnaire distributed among the 420 peoples. However 292 peoples return the filled questionnaire. The finding of the study indicated that all the dimensions of the service quality are highly related with customer satisfaction. However study found positive service gap between expectation and perception of customer towards service quality of banks. Furthermore it has been recommended by the author that bank must be work to improve reliability and assurance towards customer service because service gap between expectation and perception with respect to reliability and assurance is average.

## OBJECTIVES OF THE STUDY

1. To study the relationship between service qualities of banks and customer satisfaction towards **tangibility**.
2. To study the relationship between service qualities of banks and customer satisfaction towards **reliability**.
3. To study the relationship between service qualities of banks and customer satisfaction towards **Responsiveness**.
4. To study the relationship between service qualities of banks and customer satisfaction towards **Assurance**.
5. To study the relationship between service qualities of banks and customer satisfaction towards **empathy**.



### Formulation of Hypothesis



### The Hypotheses of the study are as under

- H<sub>01</sub>:** Tangibility of service has no significant relationship with customer satisfaction among the selected private banks.
- H<sub>a1</sub>:** Tangibility of service has significant relationship with customer satisfaction among the selected private banks.
- H<sub>02</sub>:** Reliability of service has no significant relationship with customer satisfaction among the selected private banks.
- H<sub>a2</sub>:** Reliability of service has significant relationship with customer satisfaction among the selected private banks.
- H<sub>03</sub>:** Responsiveness of service has no significant relationship with customer satisfaction among the selected private banks.
- H<sub>a3</sub>:** Responsiveness of service has significant relationship with customer satisfaction among the selected private banks.
- H<sub>04</sub>:** Assurance of service has no significant relationship with customer satisfaction among the selected private banks.
- H<sub>a4</sub>:** Assurance of service has significant relationship with customer satisfaction among the selected private banks.
- H<sub>05</sub>:** Empty of service has no significant relationship with customer satisfaction among the selected private banks.
- H<sub>a5</sub>:** Empty of service has significant relationship with customer satisfaction among the selected private banks.

### RESEARCH METHODOLOGY

Research methodology is a systematic process to the identification of the solution of any problem. In a research study methodology playing most significant role because it helps researcher to prepare a appropriate framework of the study. There are different types of research are being used by the customers which is based on nature of the research problem. The present research study is quantitative in nature and primary data has been obtained to explore the relationship between service quality of banks and customer satisfaction.

### DATA COLLECTION

The data for the present study has been collected by using different methods which is applicable on the nature of data.

1. **Primary data:** The primary data for present study has been collected by using the questionnaire method on the basis of various parameters of service quality and customer satisfaction.
2. **Secondary Data:** Secondary data for the study has been collected from various published research papers and study available on the different platforms.



**Sampling**

Sampling is a process to identified pre-determined number of population among the different groups and areas. The sampling process of the study has been completed by using four steps such as

- **Sampling design:** Designing of the sampling is consisting with size, methods and areas. The sample for the present study has taken among the group of customers of various selected banks. The sample was taken from the different locations of banks in Bhopal city. The final questioner was distributed among the 200 respondent in which 153 responded have been positively replied with compilation of survey questions.
- **Sample method:** Convenient method of sampling was used to collect the sample among the entire population.
- **Sample Size:** As discussed in sample design the 153 peoples positively respond the survey. However, sample size of the study is 153.
- **Sample area:** Sample area for study is Bhopal city which further classified in different locations of banks were number of branches are located.

**Scaling of data**

Scaling of data for the present study has been done by using likert scale method. In this process of scaling five points Likert scale were used such as 01 strongly disagree to 05 strongly agree.

**Tools for data analysis**

The data analysis and testing of hypothesis was taken place by using t test at the significant level 0.05.

**DATA ANALYSIS AND TESTING OF HYPOTHESIS**

**Hypothesis**

**Table: Relationship between service quality and customer satisfaction**

Hypothesis	Statement	df	t	P value	Result
H <sub>a1</sub>	Relationship between tangibility and customer satisfaction	4	9.22	0.001	Significant
H <sub>01</sub>					
H <sub>a2</sub>	Relationship between reliability and customer satisfaction	4	11.22	0.021	Significant
H <sub>02</sub>					
H <sub>a3</sub>	Relationship between responsiveness and customer satisfaction	4	6.22	0.016	Significant
H <sub>03</sub>					
H <sub>a4</sub>	Relationship between assurance and customer satisfaction	4	12.72	0.321	Not Significant
H <sub>04</sub>					
H <sub>a5</sub>	Relationship between empty and customer satisfaction	4	8.50	0.004	Significant
H <sub>05</sub>					

**FINDINGS**

The above table explore the Relationship between service quality and customer satisfaction.

**On the basis of data analysis the findings of the study are as**

1. In the above table relationship between service quality and customer satisfaction with respect to tangibility explored. Since the value of t is 9.22, and p value is 0.001.The relation has found significant. However, it may explore that, the reliability of some banks is highly related with customer satisfaction. Study accepted alternative hypothesis and reject Null hypothesis.
2. In the above table relationship between service quality and customer satisfaction with respect to reliability explored. Since the value of t is 11.22, and p value is 0.021.The relation has found significant. However, it may explore that, the reliability of some banks is highly related with customer satisfaction. Study accepted alternative hypothesis and reject Null hypothesis.
3. In the above table relationship between service quality and customer satisfaction with respect to responsiveness explored. Since the value of t is 6.22, and p value is 0.016.The relation has found significant. However, it may explore that, the reliability of some banks is highly related with customer satisfaction. Study accepted alternative hypothesis and reject Null hypothesis.
4. In the above table relationship between service quality and customer satisfaction with respect to assurance explored. Since the value of t is 12.72, and p value is 0.321.The relation has found not significant. However, it may explore that, the reliability of some banks is not related with customer satisfaction. Study reject alternative hypothesis and accepted Null hypothesis.
5. In the above table relationship between service quality and customer satisfaction with respect to empathy explored. Since the value of t is 8.50, and p value is 0.004.The relation has found significant. However, it may explore that, the reliability of some banks is highly related with customer satisfaction. Study accepted alternative hypothesis and reject Null hypothesis.



## CONCLUSIONS

In the present scenario banking sector played a significant role for economic development of the country because banking sector is one of the large service sector in the world. However, the banking sector has a large number of active customers for banking services. The present research study related with relationship between service quality and customer satisfaction with reference to selected private banks. In order to explore the relationship between service quality and customer satisfaction the five parameters of banking service have been discussed such as tangibility, reliability, responsiveness, assurance and empathy. The findings of the study based on significant relationship between all the parameters of banking services and satisfaction of the customers. In the findings it is clearly reveals that among all the five parameters tangibility, reliability, responsiveness and empathy has been found significant and positively related with customer satisfaction. However, assurance of the banking services has been found not significant.

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