A STUDY ON SERVICE QUALITY IN PRIVATE BANKS – AN ALTERNATE APPROACH

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Abstract

Traditional SERVQUAL may be quite sufficient for the measurement of service quality of banks. But this research aimed for a more practical approach in using the actual services offered by banks in measuring their service quality. For this research, customers' satisfaction towards the services offered by private banks was considered. A total sample of 112 is taken from the customers of private banks. Data was collected using a structured questionnaire from the customers which included factors to get opinion on general customer service offered by the banks, security provided for investments and assets, interest rate offered for investments, access to other products offered by the banks apart from traditional services, loan facilities and locker facilities offered by these banks. Data description was done with percentages of the sample, while data was done using linear regression and analysis of covariance (ANCOVA). From the outcome it was found that majority of the customers of private banks are satisfied with the services offered by the banks. There is a significant impact from the considered factors on the overall satisfaction of the customers on the services offered by these banks and there is no significant group difference among the gender and domicile of customers considered on their perception of overall satisfaction on the services offered by these banks. It was also found that there is a significant group difference on the opinion of overall satisfaction among customers differentiated by their age, education, marital status and income.

Keywords:

Private Banks, Modified Service quality, Linear Regression, Levene's test, Analysis of Covariance (ANCOVA)

1. INTRODUCTION

In recent years, rapid economic growth has improved the household income and also the demand for retail banking services [1]. The banking system has a greater place in the service sector, and is treated as an essential institutional and functional vehicle for the transformation of the economy of the country; therefore, the banking sector acts as a barometer of the financial system [2]. Banking has also become more competitive in respect of the location of points of sale, i.e., the branch network [3]. The service firms are conscious of the need for positioning and are putting in substantial effort to do so [4]. The growth of the banking sector is characterized by an increasing competitive and globalized market, more discerning customers, and continuous improvement of its products and services [5]. Most of the managers would agree that the profitability of their business is closely connected to the quality of service [6]. The service industries are mostly customer driven and their survival in competitive environment largely depends on quality of the service provided by them [7].

Most of the studies consider delivering quality services as an essential strategy for success and survival for any Organisations. Although existing service quality literature is prodigious, researchers have paid little attention to usage frequency and its possible relationship with service quality perception, even though

it is well known that service users may change their perceptions over time as they gain additional experience [8]. The importance of service quality in banking industry is well documented in the services marketing literature. It has been linked to profitability, customer retention, customer loyalty, customer satisfaction, word of mouth, complaint, recommendation and switch over [9].

The changing customer demographics and psychographics have necessitated creation of differentiated service offerings of superior quality. Diffusion of technology and enhanced awareness has resulted in raising the customer expectations sky high. Providing superior service uniformly and consistently at every touch point has become a great challenge. One of the determinants of success of a firm is how the customers perceived the resulting service quality, as the perceived service quality is the key driver of perceived value. It is the perceived value, which determines the customer satisfaction [10]. The end result is that market power is getting shifted from banks to their customers. Thus banks are directing their strategies towards increasing customer satisfaction and loyalty through improved service quality [3]. However, there are two major importance for service quality. On the one hand, delivery of high service quality to customers offers firms an opportunity to differentiate themselves in competitive markets. On the other hand, high service quality results in customer satisfaction and loyalty, greater willingness to recommend to someone else, reduction in customer complaints, and improved customer retention rates [11].

High service quality increases customer satisfaction and produces measurable long-term benefits in market share and profitability. From the managerial point of view, the ultimate goal is to attract and maintain customers [12]. Furthermore, service quality is related to business issues such as loyalty, behavioural intentions, switching behaviour, and financial performance. Therefore, it is important for bank marketers to measure service quality as perceived by their customers so they can adapt to the environmental changes and achieve a lasting competitive advantage founded on a loyal customer basis [13]. The effective measurement, management and improvement of service quality can provide financial organisations with the ability to develop sustainable competitive advantages and build customer loyalty. Service quality starts from what customers want; what customers perceive [14]. Banks tend to emphasise customer retention because the cost of acquisition of new customers is higher than their retention.

Customers are the major decision makers in any marketing effort. They select a service offering that adds value to them and optimises their satisfaction. Therefore, bank managers are seeking out most influential determinants of customer satisfaction and loyalty. Customers' satisfaction leads to their loyalty that helps in realising economic success of the firm in terms of profitability, market share and return on investment [15]. Service quality has remained a critical measure of organisational performance for

banking institutions. Every time a bank reaches a certain level of customer service quality, customer expectations can also be expected to rise. Thus, the ever continuing efforts to bridge the gap is evolving, given the fact that the understanding what makes customers satisfied is important for keeping them coming back [16]. In a fiercely competitive market, non-price factors, such as customer service, become more important. Hence, it is desirable for banks to develop a customer-centric approach for future survival and growth [17]. However, the association between customer satisfaction and the attributes of service has proved difficult to pin point because of the intangible nature of services [18].

The customer perceptions of service quality will vary at every level in the organization [19]. Perceived value is the global evaluation that the client does about the utility of the product based on the perception of what is given and what is received. Value represents the exchange between what is given and that which is obtained [20]. Some of the important factors that determines the quality of service provided by the firms are customer service, security, interest rate, accessibility, loan facility, locker facility, etc., This research area is primarily dedicated to three aspects: To know the awareness among the customers regarding the services provided by a private bank; to study the usage pattern of various banking services provided by a private bank among customers; to find the satisfaction level among the customers regarding the services provided by a private bank.

2. REVIEW OF LITERATURE

Service quality is defined as "a global judgement or attitude relating to a particular service; the customers' overall impression of the relative inferiority or superiority of the organization and its services". In the competitive business market, many firms are focusing on their efforts to maintain loyal customer base. Most of the retail banks set their strategies towards increasing customer satisfaction and customer loyalty through the quality of service [21]. According to the social exchange theory, service employees who are loyal to their organizations is committed to deliver services with higher levels of quality to the customers [22].

Parasuraman et al. [23] defined service quality as the "gap between customers' expectations and perceptions of the service experience". Customers' expectations reflect what customers think that the companies have to offer. Customers' perceptions correspond to what customers feel, they have received from the company. The combination of customers' expectations and perceptions influences future intentions. Abdel and Norizan [24] said that the relative importance of the factors varies from one country to another and, also, may depend upon the demographics of the customers i.e., age, gender, income, marital status, occupation and cultural background of customers.

Any service quality initiates that, the bank plans to undertake, therefore, must focus on the most important aspect of the customers' expectation. Most importantly, it must obtain wholehearted the top management commitment and service quality goals must top the list of organisational goals [16]. Muhammad and Syed [25] posited that the employee–customer relationship is considered as highly interactive in nature, the banking sector should ensure service excellence by conducting a training programme for their employees. This employee skill and service culture programme may assure the highest level of customer satisfaction but specifically with regard to front-line officers.

A compilation of the definition of service quality by various authors is given in Table.1.

Table.1. Definitions of Service Quality

Author	Definition
Parasuraman, et al. [26]	Service quality is a form of attitude, which is related but not equivalent to customer satisfaction and results from a comparison of expectations with perceptions of performance
Parasuraman et al. [27]	Service quality is a global judgment or attitude relating to the superiority of a services offered relative to competing service offerings
Gronroos [28]	Service quality is defined as the overall difference between a delivered service experiences conforming to the client's expectations.
Bitner et al. [29]	Service quality is the customer's overall impression of the relative inferiority or superiority of the organisation and its services
Bolton and Drew [30]	Service quality is a form of attitude, related but not equivalent to satisfaction that results from the comparison of expectations with performance
Bitner and Hubbert [31]	Service quality is consumer's judgment of, or impression about the overall excellence or superiority of an entity
Rust and Zahorik [32]	Service quality is related to business issues such as loyalty, behavioural intentions, switching behaviour, and financial performance
Asubonteng et al. [33]	Service quality is the difference between customer's expectations for service performance prior to the service encounter and their perceptions of the service received after
Adrian Payne [34]	A service is an activity which has some element of intangibility associated with it, which involves some interaction with customers or with property in their possession, and does not result in a transfer of ownership

Indian banks are adopting latest technology to meet the challenges of speed, efficiency and changing customer demands and also provide value added services to their customers. It includes e-banking systems and ATMs. These user-friendly self-service technologies help customers to perform banking transactions. It helps in obtaining information on purchasing financial products. ATMand internet banking help customers' to check balance, pay utility bills, transfer money and obtain information on mutual funds. Technology helps banks to work as a marketing agency in selling products like RBI bonds, credit cards, life insurance, and so on [15].

Antreas [35] studied that the bank branches are being the front-runners of banking strategy towards attracting customers but financial services in the form of deposits, loans and commissions. The bank as a whole and the branches individually

commit some collective effort in order to perform these functions successfully. Customer satisfaction is a function of service quality, price, innovativeness and convenience [36].

Michael, Joseph and Richard [37] suggested that both service quality and consumer satisfaction are important considerations in consumers' decision-making processes for services; these two constructs do not explain all the variances in consumers' purchase intentions which also includes the other factors. Perhaps consumers' do not necessarily buy the highest quality service; convenience, price, or availability may enhance satisfaction while not actually affecting consumers' perceptions of service quality [38].

Chen and Bayu [39] in their study realized that for achieving customer satisfaction, it is very important in understanding the customers' expectations regarding the service and how they will evaluate the service quality. The measurement of customer satisfaction has been operationalised in many ways by researchers. Some studies employ a single item, measuring overall customer satisfaction towards the service or service providers; while the others employ multiple items, to assess more details of customer satisfaction dimensions. Also we consider it important to link service quality with customer satisfaction. Thus service quality is an antecedent of customer satisfaction, which in turn influences purchase intention. Furthermore, when the customers are satisfied they became more loyal to the company.

Hsin-Hui, Jay and Devi [40] suggested that the management should not just focus on improving customer satisfaction but also target on improving the customer perceptions of overall service quality and increasing consumer perceived value. Greater competitiveness is associated with higher level of quality, greater perceived value and customer satisfaction in building a successful image and improving customer retention. Therefore, service providers should continuously improve both service quality and perceived value. Managers must set quality standards that guarantee the quality of services. The process by which services are offered to customers should continuously be monitored to guarantee that customers have access to services at all times or not.

Considering the increasingly competitive nature of the global market the two important terms 'satisfaction' and 'quality' have been central in banks management, and their importance is likely to increase as competition among banks continues to grow [41]. Satisfaction with the bank means, customers are highly likely to tell their friends and family about their positive experiences i.e. the positive word of mouth. Since satisfaction is an important component of the total value required by customers [42]. Rishi, Deepak and Mishra [2] revealed that to have higher reputation and improved image in the banking sector, a favourable image directly influences the bank customers to revisit and spread positive word of mouth, and is considered one of the key strategic marketing factors which acts as a source of differentiator in the standardized nature of the Indian banking sector. Moreover, they revealed that positive bank image can be enhanced indirectly by offering superior quality of services.

Shamsher Singh [17] suggested that if the banks under study are able to provide prompt service, their employees have knowledge of different services, procedures and have courteous behaviour, business hours are convenient to customers, personal attention is paid to understand specific need of the customers,

ensure availability of information and informative materials in their branches, ATM and even on the websites, they will be able to deliver higher service delivery quality. This will enhance the customer satisfaction, and improve the customer retention and develop customer relationship [43]. Lay, Boon and Syaiful [44] said that it is equally important that a customer experiences the 'wow effect' that only superior customers' services can deliver. A bank that caters to their customers' needs will inevitably gain the loyalty of their customers.

The original SERVQUAL instrument is considered to be multidimensional, comprising of five dimensions: tangibles, responsiveness, reliability, assurance and empathy. This instrument has been widely adopted for the measurement of service quality [23].

3. METHODOLOGY

Traditionally most of the research on service quality use factors explained already, which is quite adequate. But in this research, services which are very specific to banks, which may influence customer satisfaction such as interest rate offered by bank, accessing various products offered by bank, satisfaction on locker facilities, security provided for deposited funds and locker, loan facilities offered and general customer service provided by banks were considered.

This section discusses the method and procedure to collect the data in order to achieve the aims and objectives of this study. The topic to be discussed in this chapter includes the research design and instruments, data collection methods, sampling design and analysis tools. Descriptive research design is used in this study. Primary data required for this research was collected from the customers of private banks through a structured questionnaire which had details about demographic factors and used a Likert type five point scale for questions on service quality. Data was collected from 112 customers of private banks.

In order to analyse the impact of the variables such as (a) General customer service offered by the banks, (b) Security provided for investments and assets, (c) Interest rate offered for investments (d) Access to other products offered by the banks apart from traditional products/services (e) Loan facilities offered, and (f) Locker facilities offered, on the customers' satisfaction towards the services offered by bank, the linear regression model was used. Regression analysis helps to understand typical value of the dependent variable changes when anyone of the independent variable is varied, while the other independent variables are held fixed. The regression equation takes the form $Y = a + b_n x_n$, where Y is the dependent variable, the b's are the regression coefficients for the corresponding x (predictors) terms, where a is the constant or intercept, and e is the error term reflected in the residual (not shown in equation above).

The impact of various demographic factors of customers on overall satisfaction towards services offered by private banks is done by using test called Analysis of Covariance which is also called as ANCOVA. ANCOVA is used to analyse the impact of the variables such as gender, place of residence, age, educational qualification, occupation, family size, marital status and family monthly income on their overall satisfaction towards service offered by banks. The analyses were carried out through IBM SPSS®.

4. 4. DATA DESCRIPTION

The customers are classified based on the gender of the customers, place of residence of the customers, age of the customers, educational qualification of the customers, occupation of the customers, family size of the customers, marital status of the customers and family monthly income of the customers, the information is collected through the questionnaire and they are presented below.
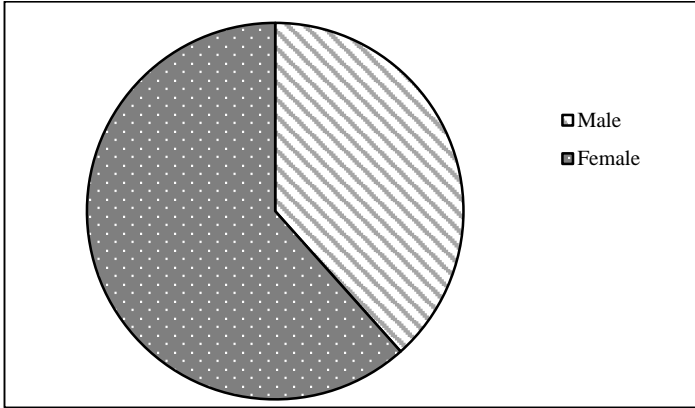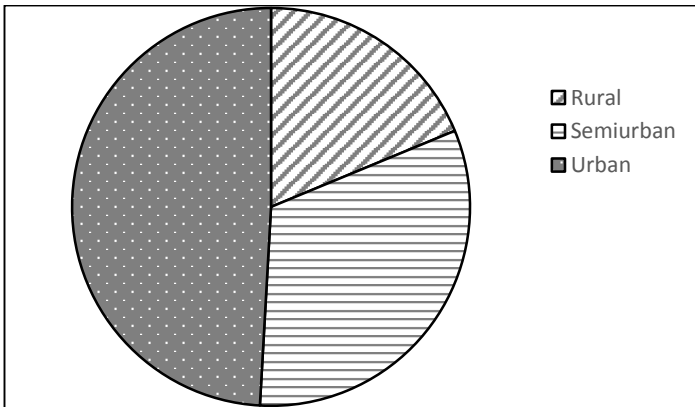

Fig.1. Gender among respondents

Fig.2. Distribution of domicile of respondents

The gender of the respondents is presented in Fig.1. It is evident from Fig.1 that majority of the respondents whom covered for the study were female. Out of 112 respondents, 62% were female and only 38% are male. Since the survey is regarding the service quality, the gender does may play a major role so according to the convenience; female customers are targeted more for the study. Further, looking at the distribution of domicile of respondents, it is evident from the Fig.1.2 that majority of the respondents whom covered for the study were from the urban region. Out of 112 respondents, 49% belong to urban region followed by 32% belonging to Semi-Urban region and 19% belonging to the rural region. Since the survey is regarding the service quality, the place of residence may not play a major role so according to the convenience; customers from the urban region are targeted more for the study.
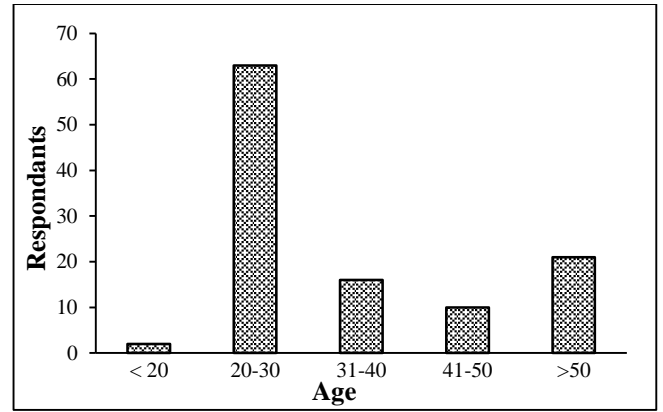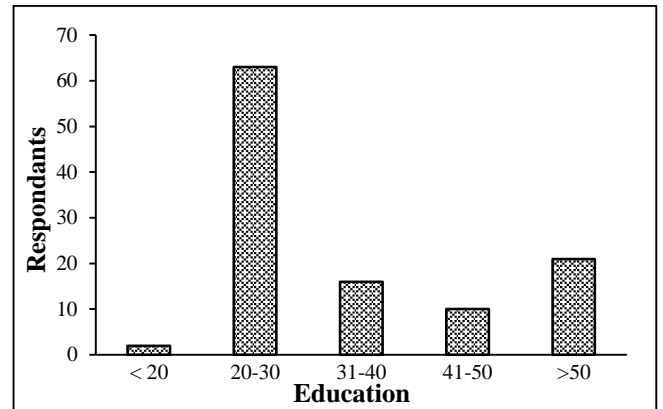

Fig.3. Distribution of Age of respondents

Fig.4. Distribution of education of respondents

The Distribution of Age of respondents of the sample is shown in Fig.3. Observing Fig.3 it is apparent that majority of the respondents considered in this study belong to age group of 20-30 years. Out of 112 respondents, 63 respondents belong to the age group of 20-30 years followed by 21 respondents belonging to the age group of greater than 50 years. A minimum of only 2 respondents were below the age of 20 years. The Distribution of education of respondents is presented in Fig.4. It can be seen from the distribution of education of respondents that majority of the respondents are students of Master degree. Out of 112 respondents, a maximum of 44 respondents have a Master degree followed by 39 respondents holding a Bachelor degree. Two respondents had their education above PG level and another 2 respondents were uneducated.
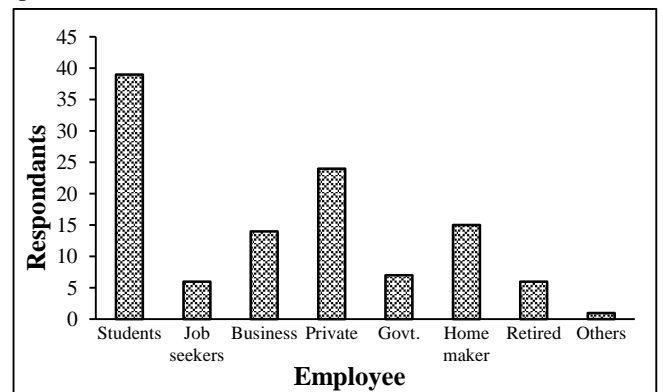

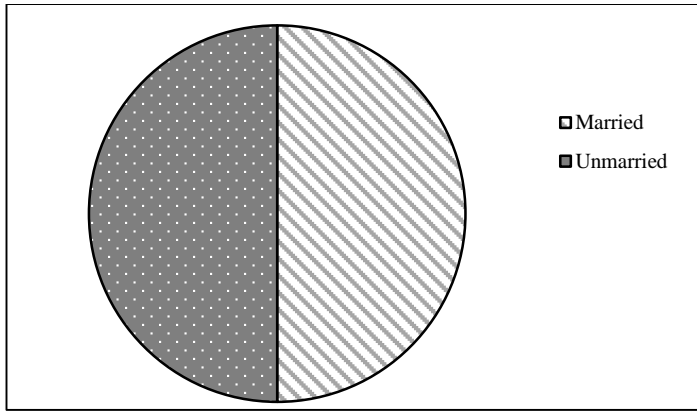Fig.5. Distribution of employment among respondents

Fig.6. Marital status of respondents

The distribution of employment among respondents (Fig.5) indicates that majority of the respondents are students. Out of 112 respondents, about 35% respondents (39 respondents) are students from various disciplines. This is followed by 24 respondents who are private employees. In this classification of employment, 1 respondent is a coolie employee who is designated in the 'others' category. Further, observing the marital status of the respondents, (Fig.6) it can be seen that the respondents who were married and unmarried were equal. Out of 112 respondents, 56 were married and 56 were unmarried. Therefore the married and unmarried respondents were in the ratio 1:1.

Fig.7. Family size of respondents

Fig.8. Distribution of income of respondents

The next demography variable taken for description is the Family size of respondents, which is shown in Fig.7. It is evident that majority of the respondents whom covered for the study consist of a family size with 4 members. Out of 112 respondents, 44 respondents belong to family size of 4 members followed by 33 respondents who were with a family size of 3 members. A smaller of 11 respondents were with a family size of 2 members. Distribution of income of respondents is depicted in Fig.8. It can be observed from the Fig.1 that majority of the respondents whom covered for the study belong to a family monthly income of more than Rs.40,000. Out of 112 respondents, 35 respondents' family monthly salary is Rs.40,001 - Rs.60,000, 35 respondents' family monthly salary is greater than Rs.60,000 and 19 respondents' family monthly income is less than Rs.20,000.
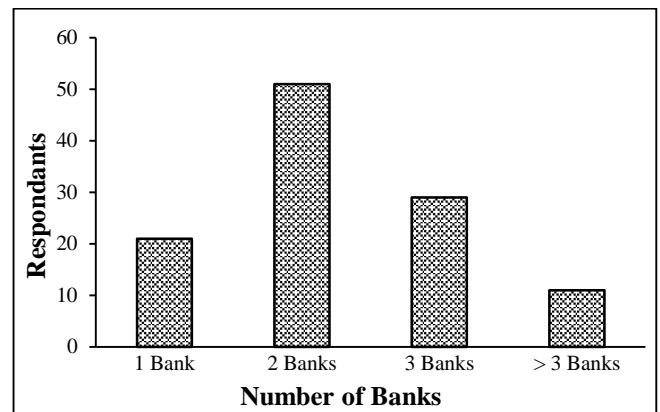

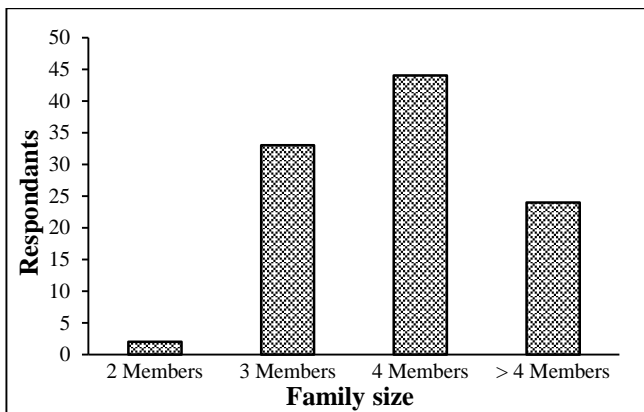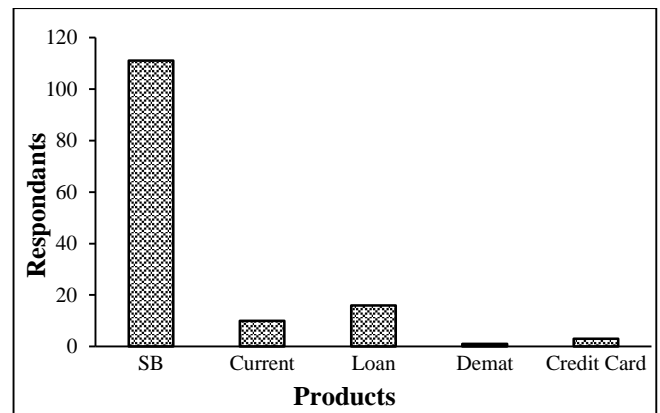Fig.9. Number of banks used by respondents

Fig.10. Different products used by respondents
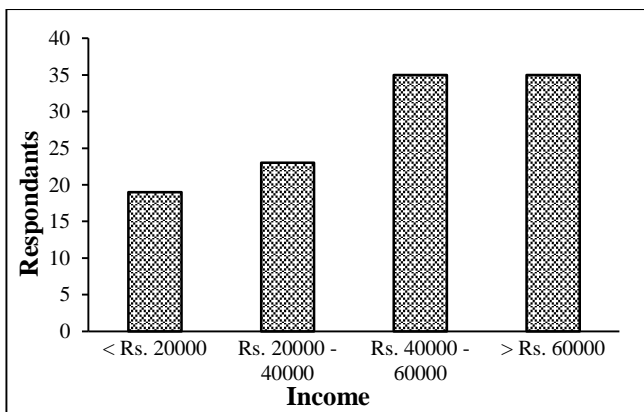
The factor quite closely relevant to this study is considered next, which is the Number of banks used by respondents, which is shown in Fig.9. It is evident from the Fig.9 that majority of the respondents whom covered for the study have accounts with 2 banks. Out of 112 respondents, almost half of the respondents (51 respondents) have accounts with 2 banks. This is followed by 29 respondents who have accounts with 3 banks. 11 respondents have their accounts and use services of more than 3 banks. It can also be seen from Fig.10 that majority of the respondents whom covered for the study have savings account. Out of 112 respondents, a maximum of 111 respondents have savings account with banks followed by 16 respondents who were having loan account. Out of all the respondents taken for the study, only one respondent is has demat account.

5. DATA ANALYSIS AND DISCUSSION

This section is divided into two parts. In the first part, the impact of service quality indicators on the overall satisfaction of customers towards the services offered by private banks is analysed using regressions. In the second part, the impact of the influence of demographics on overall satisfaction of customers towards the services offered by private banks is analysed using ANCOVA.

5.1 IMPACT OF CONSIDERED SERVICE QUALITY INDICATORS ON THE OVERALL SATISFACTION OF CUSTOMERS TOWARDS THE SERVICES OFFERED BY PRIVATE BANKS

To analyse the impact of the variables such as Customer service, Security provided, Interest rate, Access to products, Loan and Locker facilities on the customers' satisfaction towards the services offered by private banks, the linear regression model was used. Regression analysis helps to understand typical value of the dependent variable changes when anyone of the independent variable is varied, while the other independent variables are held fixed. The regression equation takes the form $Y = a + b_n x_n$, where Y is the true dependent, the b's are the regression coefficients for the corresponding x (independent) terms and a is the constant or intercept. The linear regression was carried out separately for the factors. The result in the below section give the effects of independent variables and the dependent variable. Separate linear regressions were carried out for the individual factors and the results of these separate regressions are compiled together and presented in a tabular form (Table.2). The null hypotheses in all the cases is considered as there is no significant impact of the considered independent variable on the overall satisfaction of customers towards the services offered by private banks (Y).

Table.2. Linear regression for various factors and overall satisfaction level towards the services offered by banks

Variables	R	Reg coeff	T	R^2	Change Statistics			H_0
					R^2	F	Sig.	
Customer service	0.530	0.534	6.550	0.281	0.281	42.896	0.000	Reject
Security provided	0.539	0.566	6.706	0.290	0.290	44.972	0.000	Reject
Interest rate offered	0.558	0.549	7.047	0.311	0.311	49.666	0.000	Reject
Access to products	0.667	0.656	9.377	0.444	0.444	87.923	0.000	Reject
Loan Facility	0.731	0.597	11.240	0.535	0.535	126.335	0.000	Reject
Locker Facility	0.691	0.607	10.022	0.477	0.477	100.434	0.000	Reject

The regression outcomes in Table.2 show that when considered separately, all the antecedents of customers' overall satisfaction towards the services offered by private banks have a significant impact at $p < 0.01$. It can be observed that the Pearson correlation coefficients of all the factors are above 0.53 in all cases, which is quite high and they could be considered as

significant. The R^2 values indicate that these factors are important for explaining the overall satisfaction of the customers. The regression equations are presented below.

$$Y_1 = 2.074 + 0.534x_1 \tag{1}$$
$$Y_2 = 2.025 + 0.566x_2 \tag{2}$$
$$Y_3 = 2.072 + 0.549x_3 \tag{3}$$
$$Y_4 = 1.585 + 0.656x_4 \tag{4}$$
$$Y_5 = 1.860 + 0.597x_5 \tag{5}$$
$$Y_6 = 1.807 + 0.607x_6 \tag{6}$$

where,

x_1 – General customer service offered by the bank,

x_2 – Security provided for investments and assets,

x_3 – Interest rate offered for investments,

x_4 – Access to other products apart from traditional products,

x_5 – Loan facilities offered,

x_6 – Locker facilities offered.

The first variable taken up for the study is the perception of level of customer service provided by the banks. The impact of level of customer service on the customers' overall satisfaction towards the services offered by private banks is studied here. Observing the values for this regression in Table.2, it can be concluded that there is significant relationship between the Customer service offered by the banks and the dependent variable (Customers satisfaction towards the services offered by private banks). This means that as the customers' perception of customer services increases, the overall satisfaction also increases. Observing the values of regression of the other variables Table.2, it can be concluded that the customers' opinion on the Security provided for investments and assets, Interest rate offered for their investments, Access to other products offered by the banks apart from traditional services, Loan facilities offered by these banks and the Locker facilities offered all have a significant and positive impact on the overall customers' satisfaction towards the services offered by private banks. It can thus be concluded that as the customers' opinion on these factors increases, the overall customer satisfaction also increases.

5.2 INFLUENCE OF DEMOGRAPHICS ON OVERALL SATISFACTION OF CUSTOMERS TOWARDS THE SERVICES OFFERED BY PRIVATE BANKS

In this section the customers' personal influencers on satisfaction level such as their gender, domicile, age, education, marital status and income are considered for analysis. The impact is analysed using ANCOVA and the results are presented below. ANCOVA is used here because the data for the factor overall satisfaction towards services offered by private banks (dependent variable) is in the discrete (metric) form while the data for the place of residence (independent variable) is in the categorical form (non-metric).

Interaction effects represent the combined effects of factors on the dependent measure. When an interaction effect is present, the impact of one factor depends on the level of the other factor. Part of the power of ANCOVA is the ability to estimate and test interaction effects. The interaction is that the effect of a change in

the level or value of one explanatory variable on the mean outcome depends on the level or value of another explanatory variable. Therefore interaction relates to the structural part of a statistical model. Levene's test [45] is used to test if k samples have equal variances. In other words, Levene's test examines the null hypothesis that the error variance of the dependent variable is equal across groups. Equal variances across samples are called homogeneity of variance. The analysis of covariance assumes that the variances are equal across groups or samples. The Levene's test can be used to verify that assumption. If the resulting p-value of Levene's test is less than the chosen critical value (typically 0.01), the obtained differences in sample variances are unlikely to have occurred based on random sampling from a population with equal variances. Thus, the null hypothesis of equal variances is rejected and it is concluded that there is a difference between the variances in the population.

Table.3. Levene's Test of Equity of Error Variances

Factors	F	DF_1	DF_2	Sig.	Level of Sig.
Gender	3.454	1	110	0.066	Weak
Domicile	0.588	2	109	0.557	Strong
Age	13.351	4	107	0.000	Nil
Education	5.159	5	106	0.000	Nil
Marital status	6.639	1	110	0.011	Nil
Income	3.396	3	108	0.021	Nil
Tests the null hypothesis that the error variance of the dependent variable is equal across groups					

In order to find out whether the results of ANCOVA are valid, the results from Levene's test have to be verified. Levene's test is used to verify the assumption that the variances are equal across groups of respondents in ANCOVA. From Table.2 which shows the Levene's test of equality of error variances, it can be seen that the underlying assumption of homogeneity of variances for the one-way ANCOVA has been met only for variables Gender and Domicile at $p > 0.01$. This is evidenced by $F(1,110) = 3.454$, $p = 0.066$, that is $p (0.066) > \alpha (0.01)$ and $F(2,109) = 0.588$, $p = 0.557$, that is $p (0.557) > \alpha (0.01)$. Thus results for variables gender and domicile may be interpreted even though the results of ANCOVA show significance otherwise.

Table.4. ANCOVA for influence of demographics on overall customers' satisfaction towards the services offered by private banks

Factors	Type III Sum of Squares	df	Mean Square	F	Significance	Partial η^2
Gender	-	-	-	0.000	0.988	-
Domicile	1.037	2	0.519	1.651	0.197	0.029
Age	3.888	4	0.972	3.313	0.013	0.110
Education	8.010	5	1.602	6.228	0.000	0.227
Marital status	3.223	1	3.223	11.061	0.001	0.091
Income	6.353	3	2.118	7.907	0.000	0.180

Examining the results of the ANCOVA output presented above in Table.4, it is evident that the significance of the factor gender ($F = 0.000$, $p > 0.05$), and for the factor domicile ($F = 1.651$, $p > 0.05$) are higher for an α of 0.05. The null hypothesis says there is no significant difference in the perception of overall satisfaction on the customers differentiated by customers' gender and domicile. Thus it can be concluded that both the genders and customers living in rural or urban or semi urban localities do not have any significant difference among themselves in their perception of satisfaction towards service offered by private banks. In other words they all think in the same way as each other on the service offered by private banks.

Probing the results of the ANCOVA further, it is obvious that the there is a significant difference on the opinion of overall satisfaction among customers differentiated by their age, education, marital status and income with $F = 3.313$ (at $p < 0.05$), $F = 6.228$ (at $p < 0.001$), $F = 11.061$ (at $p \leq 0.001$) and $F = 7.907$ ($p < 0.001$) respectively. It can be thus concluded that there is a significant difference in the overall satisfaction towards service offered by private banks with the customers differentiated based on the above discussed factors. This means that customers of different age groups, with different education levels, differing marital status and income have significant difference in their perception on the service offered by private banks.

While investigating the responses of the respondents on their overall satisfaction towards the services offered by private banks based on their age, it can be observed that in the 20-30 age group, out of 63 respondents, 60 have expressed a higher satisfaction level. Similarly individuals belonging to the 31-40 age group also have expressed higher satisfaction levels. However individuals belonging to the 41-50 age group have not given that much satisfaction as the previous two groups.

It is also observed from Table.4 that there is a significant difference in the perception of satisfaction among respondents with different education levels. From the data it is apparent that majority of the respondents with a master's degree and above are more satisfied with the services offered by the banks than customers with lesser education. Even those respondents with bachelor's degree register a slight dissatisfaction with the services of the banks.

Exploring the data further for insights on the satisfaction of customers based on their marital status, it is seen that unmarried individual are more satisfied with the services than the married respondents, even though both the categories of respondents are represented equally in the sample. This corresponds with the conclusion which was seen in the age group of respondents where aged respondents where less satisfied.

The next factor based on which respondents differ significantly among themselves on their opinion on services offered is the monthly income. Here, customers belonging to the higher income group are more satisfied with the services of banks than the lower income group respondents. This again is commensurate with the results corresponding to the education level of the respondents.

6. CONCLUSION

This research study aimed at studying the service quality in private banks through an alternative approach. Survey was

conducted among 112 respondents. Overall, most of the respondents are satisfied with the services provided by private banks. Majority of the respondents were aware about the products/services provided by private banks and also majority of them are using savings account in private banks. Different variables were considered as antecedents to be impacting the customers' opinion overall satisfaction towards the services offered by private banks. After a linear regression analysis done with all the antecedents separately, it was found that customers' opinion on the general customer service offered by the bank, security provided for investments and assets, Interest rate offered for investments, access to other products offered by the banks apart from traditional products, loan and locker facilities offered has a significant, positive and contingent impact on the customers' overall satisfaction of customers towards the services offered by private banks. Thus it could be concluded that as the customers' opinion on these factors increases, the overall customer satisfaction also increases. This means that if the banks improve their services pertaining to the above antecedents or provide ample assurance and confidence about the various services offered by the banks, then the overall satisfaction of the customers is set to improve. This could be achieved through an effective public relations (PR) program and through customer educational initiatives offered by the banks aimed at improving the customer confidence on the banks.

Examining the results of the ANCOVA it is evident that there is no significant difference among the male and female customers on their perception of overall satisfaction. It is also found that there is no significant difference among customers from differing locality on their perception of overall satisfaction. Thus it can be concluded that both the genders and customers living in rural or urban or semi urban localities do not have any significant difference among themselves in their perception of satisfaction towards service offered by private banks. In other words they all think in the same way as each other on the service offered by private banks. Further, it is obvious that the there is a significant difference on the opinion of overall satisfaction among customers differentiated by their age, education, marital status and income.

In the discussion part it was explained that respondents/ customers of banks in the 41-50 age group have expressed lesser overall satisfaction that the younger customers. This could be because of the higher expectation of services from banks by the mature people. Thus banks need to design their services in such a way that it satisfies the needs of the mature target audience. Further, since only highly educated respondents express better satisfaction on the services offered by the banks, and respondents with lesser education express their dissatisfaction, it could be assumed that the services of the banks are perceived to be elitist. If this perception among the customers is removed by the banks, then they can better serve the customers.

Unmarried individual are more satisfied with the services of banks than the married ones. This may be because of the fact that married customers could be busier and will be able to spend only less time with the procedures dictated by the banks and thus feel impatient. This may lead to the perception of waiting for more time in queue and this may lead to dissatisfaction. On contrast, unmarried individuals may be more patient with the procedures and thus be less irritated. Further, low income customers are less

satisfied for the fact that they may also be less educated and thus find the bank procedure complicated.

It may thus be concluded that in order to satisfy the need of the elderly individuals, customer who are less educated and with lesser income, banks may need to modify their service offering accordingly to suit the need of the above said category of customers.

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