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Impact of Service Quality towards Retail Banking's ATM Service in Chennai

Dr. K.Gunasekaran, Assistant Professor,

Department of Business Administration, Annamalai University

ABSTRACT

In today's world of technological advancements, banking sectors have developed to a great extent due to the enhancements in the area of information and technology. Among all the e-banking services, ATM service is the most popular and used widely by mostly all the people. The study done here is an endeavour to examine the service quality level of the services of ATM offered by the banks in Chennai. For the purpose of the paper, primary data was collected through a questionnaire from 123 respondents of the banks of private sector in Chennai. The respondents were selected though random sampling. Analysis of the data was done using paired sample t-test. The results of the analysis show that most of the service quality attributes exhibit positive gap which means satisfaction is seen in service quality.

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KEYWORDS: Service Quality, Retail Banking

INTRODUCTION

The other term for retail banking is consumer banking. It is a kind of typical mass market banking. The consumers of these banks make use of the local branches of bigger commercial banks. These banks offer various services like savings account, personal loans, mortgage, debit cards, credit cards and the certificate for deposits. The sector of retail banking also offers services like lending to consumers, e-banking, insurance, investment management, phone banking and fund management.

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The facility of ATM is that it offers hard cash in our hands just a few steps from ous place. It is also available the whole day and at any place throughout the world. ATM also allows us to execute a lot more functions of banking like; withdrawal of cash, checking the account balance, transfer of money from one account to another with the help of plastic and magnetic stripe card. One need not have to visit the bank for any banking service as the person can avail it with the help of ATMs.

Service quality (SQ) is a comparison between perceived expectations (E) and perceived performance (P) of a service, the equation for finding the service quality gap is SQ=P-E (P Balathandayutham, R Sritharan, 2014, 2016)

STATEMENT OF THE PROBLEM

To retain the existing customers and to attract new customers, banks are continuously updating their technology usage in offering banking services. Due to the reason that the usage of ATMs has been increased in recent days, nearly all the banks are offering the ATM facility to its customers, which is one of the features of technological advancement.

NEED FOR THE STUDY

The main feature of ATMs is that it offers 24 hours cash availability to the customers. various other banking services are also provided through ATMs by the banks like; transfer of funds, withdrawal of cash, bill payment, account balance checking, accepting deposits, card transfer etc,. Many studies have proved that there are many factors which contribute towards the satisfaction of ATM users. Hence, the study presented here has made an attempt to identify the aspects of service quality and satisfaction of customers regarding the ATM facility of private bank in Chennai.

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OBJECTIVE OF THE STUDY

The purpose of this paper is to explore the opinion of customers regarding the service quality gap provided by the private banks through ATMs in Chennai.

REVIEW OF LITERATURE

Adil, Mohd& Sadiq, Mohd& Bharti, Kumkum (2019); SSTQUAL Model: Assessment of ATM Service Quality in an Emerging Economy (In Press). The main aim of this paper was to examine the main elements of service quality regarding ATMs. It also had tried to investigate the relation between e-loyalty, e-satisfaction and the service quality among the banking sectors of India. The data needed for the study was collected using a questionnaire from 360 users of ATM facility. Findings of the study showed that the main elements of ATM that are the main areas of concern for the ATM users are the privacy and enjoyment factors.

Sivakumar, M et al., (2017); the idea behind this paper was to investigate the service quality of ATM services as offered by the public sector banks of Kanchipuram. For the purpose of the study, questionnaires were used to collect the primary data. The sample size of the study was 500 respondents. The study also considered the service quality of 5 banks in this town. As per the objectives of the study, the data was analyzed. it was recommended from the study that the banks should make a note of changes in the needs of customers prior to the implementation of a banking service through ATM regarding fee for transaction, prompt delivery of ATM cards, providing new cards on the loss of old cards, etc.

Darmula, Srinivas & Rao, Prof. (2018). This paper was attempts an investigation of the service quality process in banks, and the bank customers' satisfaction ultimately. It will evaluate the reviews and establish the finding out the gaps in the review, which will give the conceptual on which this research is based. One of the study's major contributions to the

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knowledge is the investigation of the service quality process from a comparative perspective of different banks customer perceptions and expectations. The concept advanced within this study focus on the discriminating customers as satisfied and dissatisfied for the assessment of customer satisfaction on banking services. This reveals that there is relation among service quality and customer satisfaction.

RESEARCH METHODOLOGY

The study presented here is done on the basis of primary data and the data collection tool was a questionnaire. The respondents were selected randomly for achieving the purpose of the study. The area where this study is undertaken is Chennai. For the purpose of the paper, primary data was collected through a questionnaire from 123 respondents of the banks of private sector in Chennai. The collected data was analyzed with the help of paired sample t-test. Service quality instrument was adopted from Parasuraman et al (1981)

ANALYSIS AND INTERPRETATION

Paired sample t-test.

Sl	SERVICE QUALITY ATTRIBUTES	Perc	Exp	Gap	t-test value	*p*-val
1	Update equipment	3.99	3.39	0.60	-5.244	0.000
2	Visually appealing	3.67	3.54	0.12	-1.142	0.256
3	Neat dressed	3.54	3.24	0.30	-2.990	0.003
4	Good appearance	3.87	3.63	0.24	-2.484	0.014
5	Service as promised	4.04	3.80	0.24	-1.895	0.061
6	Bank employee is kind and supportive	3.72	3.67	0.06	-0.557	0.578
7	Bank employee is dependable	3.74	3.60	0.14	-1.344	0.181
8	Promised time	3.97	3.96	0.01	-0.066	0.948
9	Records accurately	4.07	3.88	0.19	-1.571	0.119
10	Bank employee inform customers	3.25	2.18	1.07	-8.700	0.000

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11	Do not provide prompt service	3.12	2.32	0.80	-6.123	0.000
12	Always to help customers	3.03	2.44	0.59	-5.197	0.000
13	Too ready to respond to customers	3.00	2.63	0.37	-3.702	0.000
14	Trust employees of the bank	3.67	3.60	0.07	-0.636	0.526
15	Feel safe in their transactions	3.59	3.76	-0.17	1.811	0.073
16	Employees are always polite	3.50	3.69	-0.19	1.796	0.075
17	Adequate help from their employer	3.67	3.77	-0.10	1.007	0.316
18	Give individual attention	2.97	2.29	0.67	-5.586	0.000
19	Give personal attention to their customers	2.98	2.33	0.64	-5.076	0.000
20	Aware of the needs of the customers	3.49	2.31	1.18	-7.653	0.000
21	Employees do extend true hearted customers	3.40	2.30	1.10	-6.508	0.000
22	Office hours convenient for the customers	3.26	2.47	0.79	-5.314	0.000

The response options were anchored on a five-point scale for each item of retail banking service. The mean score of each service quality factor was calculated in order to point out a measure of importance of each item as shown in Table. It was experiential that the mean perception rating was higher than the mean expected rating which yields a positive gap for all corresponding service quality attributes. These outcomes were expected because of high satisfaction in many service quality of retail banking service. Such findings indicated that there were many factors that influence the satisfaction. The biggest gap of a value 1.18 was for service quality attribute 20. While the smallest gap of a value 0.01 was for service quality attribute 8.

Service quality attributes 2,5,6,7,8,9,14,15,16 and 17 have no significant difference between service quality perception and service quality expectation other than these attributes there is significant difference exists. This study was done by using the service quality gap analysis to measure service quality with the retail banking service.

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CONCLUSION

In the context of Indian banking sector, ATM is one of the main e-services provided and widely used by many. The current study has made efforts to examine the satisfaction of customers regarding the dimensions of service quality of ATM provided by the private sector banks in Chennai. The customers feel happy when they receive hard cash in hand just a few steps away from home. But the main issues as portrayed by the ATMs in Chennai are the problem of inadequate cash in ATMs and out of order machines in some cases. Also the customers feel dissatisfied with the transaction cost and the method of grievance solving by the banks regarding ATMs. Hence, it is recommended that, the banks should see to all these issues and solve it for retaining the valued customers and attract new customers towards their banks.

The biggest gap of a value 1.18 was for service quality attribute 20. While the smallest gap of a value 0.01 was for service quality attribute 8. Service quality attributes 2, 5, 6, 7, 8, 9, 14, 15, 16 and 17 have high expectation in service quality but the perception of service quality is very less. Hence it is concluded from the study that only seven attributes exhibit negative gab.

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