

A COMPARATIVE STUDY OF CUSTOMERS' PERCEPTIONS OF SERVICE QUALITY DIMENSIONS BETWEEN HIMACHAL PRADESH STATE CO-OPERATIVE BANK AND HIMACHAL PRADESH GRAMEEN BANK

Dr. Sanjeet Sharma *

Assistant Professor, UCBS, HPU, Shimla.

Sheela Devi *

Research Scholar, Dept. of Commerce, HPU Shimla.

*Corresponding authors | Received: 05/07/2021 | Accepted: 20/07/2021 | Published: 29/07/2021

Abstract: *The present study has been carried out to examine the customer's perception & the services being rendered by Himachal Pradesh Grameen Bank and Himachal Pradesh State Cooperative Bank. The study covers the period of ten years, i.e., 2007-08 to 2016-17. This paper tries to measure the consumer satisfaction level by knowing customers' perception about banks and the factors responsible for variation in customer satisfaction between Himachal Pradesh State Co-operative Bank and Himachal Pradesh Grameen Bank. The study is mainly based on the primary data collected from HPSCB and HPGB customers through the well-structured questionnaire in Himachal Pradesh. The results of the t-test indicated a significant difference between the performance of both the banks in terms of tangibility dimension of service quality. It depicts that Himachal Pradesh State Co-operative Bank uses the better quality of equipment, materials, and technology to provide superior quality service to customers as compared to Himachal Pradesh Grameen Bank. Further, the results of the t-test indicated that there is no significant difference between both banks in terms of reliability dimension of service quality, i.e., when customers have problems, the bank is sympathetic & re-assuring, your bank show sincere interest in solving problems, and your bank is efficient in its day-to-day operations. It is also revealed from the study that HPSCB provides better service for the third attribute (bank performs the service at the first instance) under the reliability dimension. The results of t-test reveal that there is no significant difference between both banks in terms of all service quality statements under the responsiveness dimension. Further, results of t-test revealed that there is no significant difference between the Himachal Pradesh State Co-operative Bank and Himachal Pradesh Grameen Bank's service quality level on all the attributes of assurance dimension. Further, the p-value of t-test for organizing a consumer awareness program under the empathy dimension is significantly higher than that of the Himachal Pradesh State Co-operative Bank. It indicates that the Himachal Pradesh Grameen Bank is better in organizing the consumer awareness program.*
Keywords: - HPSCB, RRB, Tangibility, Reliability, Responsiveness, Assurance, Empathy dimension.

Introduction

Service quality is considered to be an essential term for the success of any organization. The success an organization largely depends upon the service rendered by the organization. Customer satisfaction is defined as "the number of customers of percentage of total customers, whose reported experience with a firm, its products, or its services rating exceeds specified satisfaction goals. "Satisfaction is the customer's fulfilment response. It is judgments that a product or service feature, or the product or service itself, provides a pleasurable level of customization-related fulfillment¹. In addition to a sense of fulfilment in

the knowledge that one's needs have been met, satisfaction can also be related to another type of feelings, depending on the particular context or service type. The information has been collected using a questionnaire from the customers processed and analyzed for testing the hypothesis. The collected data is analyzed and presented. The analysis of data can be divided into two parts. Part one introduces the demographic profile analysis and essential information related to the study from the respondents. Part two represents the analysis of service quality variable factors in Himachal Pradesh Grameen Bank and Himachal Pradesh State Co-operative Banks in Himachal Pradesh.

Reviews of Literature

Elango and Kumar (2009), in their article entitled, "A Comparative Study on the Service Quality and Customer Satisfaction among Private, Public and Foreign Banks," referred to the recommendation of several committees by the Govt. Of India, which urged the public sector banks to design an effective customer service system. The study involved the various dimensions of the banks' service quality, i.e., tangible, reliability, responsiveness, assurance, and empathy, etc. The research conducted that the level of awareness of customers improved and further revealed that the new generation private sector and foreign banks are fully aware of customer service. The study also suggests that the public sector banks should improve their approach towards customers to perform better.

Irina Bena (2010) examined customer satisfaction with banking services. It was the study of a specific Romanian Bank. The survey conducted based on qualitative research data was collected through a questionnaire from 50 clients of a Bucharest branch. The study suggested that the bank can accede to a higher customer satisfaction level and maintain a strong relationship with its client.

Kumar and Khan (2010) have stated in their study "Service Quality Analysis of Co-operative Banks" studied the ten factors in the choice of co-operative bank, it gives an insight into member perception about the co-operative bank service quality, ranks all the factors influencing customer satisfaction with co-operative banks service, and assess the importance of each service. The study compares the different heirs of rural credit co-operatives based on these dimensions and draws conclusions and policy implementation for their sustainability in the competitive environment.

Hazra and Srivastava (2010), in their paper entitled "Impact of Service Quality, Customer Satisfaction, Customer loyalty and Commitment in the Indian Banking Sector," have explored the difference in perception of these variables between Public and Private sector

banks. The study found a significant difference between the banks concerning customer satisfaction, loyalty, and commitment and suggested that the Public sector banks focus on the Assurance, Empathy, and Tangibles dimension. The Private sector banks should focus on providing reliable services to their customers.

Siddiqui (2011) conducted a study, "Interrelations Between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh," studied the most critical attributes in bank settings, which may be used to review characteristics of the banks as expressed by customers. It was based on a preliminary study. For that purpose sample size of 100 customers was drawn from the different banks in Bangladesh. The result revealed that all the service quality attributes were positively related to customer satisfaction. Empathy demonstrates the highest positive correlation with customer satisfaction, and tangibility shows the most negligible positive correlation with customer satisfaction. The study suggests that SERVQUAL was a suitable instrument for measuring bank service quality in Bangladesh.

Kamlani (2016), in her research paper entitled "Comparative Study Service Quality Assessment of Public and Private Sector Banks using SERVQUAL Model," studied the service quality, i.e., perceptions and expectations of Public sector banks with Private sector banks customers at Nagpur District by using SEVQUAL model. The study was based on primary data. It consists of a sample of 100 respondents (i.e., 50 from Public sectors and 50 from Private sector banks), which was selected based on the random sampling method at Nagpur District. The study found a significant gap between the Private and Public sectors on the five dimensions SERVQUAL model.

Ashraf and Venugopalan (2018), in their research paper entitled "Service Quality and Customer Satisfaction:-A Comparison Between Public and Public Sector Banks in Kerala," compared the quality of service, from the prospective customers, between Public and Private sector banks in Kerala by used the SERVQUAL Model of Parashranmal et. (1988). The study was analytical and based on the primary data collected from public and Private sector banks in Kerala through a well-structured questionnaire. The data has been collected from 150 respondents (i.e., 77 from the Public sector and 73 from Private sector banks) based on a random sampling method. The paper has been concluded that there is no significant difference between public and private sector banks in service quality dimensions and level of customer satisfaction.

Research Methodology

The present study has been carried out to examine the customer's perception & the services being rendered by Himachal Pradesh Grameen and Himachal Pradesh State Cooperative Bank. The work is confined mainly to two districts, i.e., Shimla and Mandi. These have been selected based on the maximum number of expansions of branches of these banks. The reference period of the study is from 2007-08 to 2016-2017. The survey to compare service quality has been conducted based on various factors like demographic factors, age, gender, occupation, qualification, Income, etc. Though there are several service quality dimensions, five familiar service quality dimensions namely tangibility, reliability, empathy, assurance, and responsiveness only have been analyzed in the present study. Purposive, quota, and judgment sampling methods have been used in the present study. To select a sample, multi-stage sampling has been done.

- At the first stage, out of 12 districts, two districts (Mandi and Shimla) were selected, keeping in view the maximum concentration of branches of the bank's under study using purposive sampling.
- At the second stage, three branches of each Bank (Himachal Pradesh State Co-operative Bank Ltd. and Himachal Pradesh Gramin Bank) of each district representing urban, semi-urban, rural areas have been selected. Thus, the study has included $3 \times 2 \times 2 = 12$ branches.
- At the last stage, a quota of 25 account holders has been taken from each branch, keeping their representation to various demographic variables. Thus, the sample constitutes $12 \times 25 = 300$ respondents.

The primary data has been collected with the help of a well-structured questionnaire. It has been organized to obtain relevant information from the bank consumers regarding the service quality of the banks under the study. The primary data for the research has been collected through interviews with the consumers, personal observations, and occasional informal discussions. Service measurement is not easy like measurement of product which has particular specification such as length, depth, width, weight, colour etc. In present study modified SERVQUAL model has been used for ascertaining of service quality. SERVQUAL is a perceived service quality questionnaire survey methodology. It is used for measuring service quality. It is developed by Parsuraman, Zaithaml and Berry in 1985.

Data Analysis

Comparison of HPGB and HPSCB regarding consumer perception on Tangibility Dimension

It is clear from table 6.1 that the mean values are higher for HPSCB for all the statements under the tangibility dimension. The mean value of HPGB is 3.080 and HPSCB is 3.653 for the first statement, mean value of HPGB is 2.880 and HPSCB is 3.513 for the second statement, mean value of HPGB is 3.187, and HPSCB is 3.633 for the third statement, mean value of HPGB is 3.560 and HPSCB is 3.873 for the fourth statement, it is 3.260 for HPGB and 3.766 for HPSCB for the fifth statement. To test the hypotheses that there is a significant difference in customers' perception of the Service Quality dimension of tangibles between HPGB and HPSCB t-test has been applied. Further, Levene's Test for Equality of Variances (Homogeneity) has also been used. The results of these tests have been presented in Table 6.1 Levene's Test result shows that its significance value is less than 5 % for all the statements under the tangibility dimension of service quality and hence, the null hypothesis of homogeneity of variance is rejected. Therefore, it is assumed that variances of the population from which samples have been extracted are not equal, and hence the results of the t-test have been based on the assumption of unequal variances. The results of the t-test indicated a significant difference between the performance of both the banks in terms of tangibility dimension of service quality, i.e., availability of modern equipment, attractive interior design, employee expression, and material associated with service appealing. It depicts that Himachal Pradesh State Co-operative Bank uses the better quality of equipment, materials, and technology to provide superior quality service to customers as compared to Himachal Pradesh Grameen Bank.

Table - Results of T-test for Consumer perception under Tangibility Dimension

Items	Bank	Mean	Test of Homogeneity of variance		t-test	
			Levene Statistic	Sig.	t-Statistics	Sig.
Your bank has modern equipment and up-to-date technology.	HPGB	3.080	19.23	.000	3.916	.000
	HPSCB	3.653				
The Interior designs are attractive and the bank is clean.	HPGB	2.880	7.387	.007	4.715	.000
	HPSCB	3.513				
Your bank's physical facilities are visually appealing.	HPGB	3.187	10.30	.001	3.401	.001
	HPSCB	3.633				
Your bank's employees are well dressed and neat in appearance.	HPGB	3.560	18.93	.000	3.014	.003
	HPSCB	3.873				

Your bank's material associated with the service appealing.	HPGB	3.260	16.45	.000	3.929	.000
	HPSCB	3.766				

Source: - Data Collected through Questionnaire

Comparison of HPGB and HPSCB regarding consumer perception on Reliability Dimension

It is clear from table 6.2 that the mean values have been found higher for HPSCB for all the statements. The mean value for the first statement of HPGB is 3.947 and 4.026 is HPSCB for the second statement, HPGB is 3.940 and HPSCB is 4.013. For the third statement, HPGB is 3.340 and HPSCB is 3.840. For the fourth statement, HPGB is 3.906, and HPSCB is 4.020 for the fifth statement, HPGB is 3.773, HPSCB is 3.940. It clarifies that the mean values higher for HPSCB than HPGB for all the five statements under reliability dimensions.

To test the hypothesis, the results of the t-test under service quality for reliability dimension have been shown in table 6.2. Levene's test for equality of variance has also been used. The results show that the significance value of Levene's test is higher than the 5% level of significance for all the statements, and the null hypothesis of homogeneity of variance is accepted. Therefore, it is assumed that the variances of the population from which samples are extracted are equal, and hence, the results of the t-test have been based on the assumption of equal variance.

Further, the results of the t-test indicated that there is no significant difference between both banks in terms of reliability dimension of service quality, i.e., when customers have problems, the bank is sympathetic & re-assuring, your bank show sincere interest in solving problems, and your bank is efficient in its day-to-day operations. It is also revealed from the table that HPSCB provides better service for the third attribute under the reliability dimension.

Table -Results of T-test for Consumer perception under Reliability Dimension

Items	Bank	Mean	Test of Homogeneity of variance		t-test	
			Levene Statistic	Sig.	t-Statistics	Sig.
1. When customers have problems, the bank is sympathetic and reassuring.	HPGB	3.947	.960	.328	.830	.407
	HPSCB	4.026				
2. Your bank show sincere interest in solving customer's problems.	HPGB	3.940	1.619	.204	.701	.484
	HPSCB	4.013				
3. Your bank performs the service at the first instance.	HPGB	3.340	7.992	.005	3.692	.000
	HPSCB	3.840				
4. Your bank keep accurate records.	HPGB	3.906	.299	.585	1.064	.288
	HPSCB	4.020				

5 Your bank is efficient in its day-to-day operations.	HPGB	3.773	1.399	.238	1.442	.150
	HPSCB	3.940				

Source: - Data Collected through Questionnaire

Comparison of HPGB and HPSCB regarding consumer perception on Responsiveness Dimension

It is clear from table 6.3 that the mean values are higher for HPSCB for the majority of statements under the responsiveness dimension. The mean value of the first statements is 3.960 for HPGB and 3.806 for HPSCB. The mean value is 3.813 for HPGB and 3.846 for HPSCB for the second statement, the mean value is 3.886 for HPSCB and 3.846 for HPGB for the third statement. The mean value is 3.873 for HPGB and 3.753 for HPSCB for the fourth statement. The mean value is 3.333 for HPGB and 3.366 for HPSCB for the fifth statement and the mean value for HPGB is 3.720 and 3.800 for HPSCB for the sixth statement respectively.

To test the hypotheses that there is no significant difference in customers' perception of the Service Quality dimension of responsiveness between HPGB and HPSCB t-test has been applied. Further, Levene's Test for Equality of Variances (Homogeneity) has also been used. The results have been presented in Table 6.3. Levene's test results shows that its significant value is less than 5 % for the first statement under the responsiveness dimension and the null hypothesis of homogeneity of variance is rejected for this statement. Therefore, it is assumed that variances of the population from which samples are extracted are not equal, and hence the results of the t-test have been based on the assumption of unequal variances for this statement. The Levene's statistics for the statements second, third, fourth, fifth, and sixth under responsiveness dimension, the null hypothesis of homogeneity of variance is accepted. Therefore, it is assumed that variances of the population from which samples are extracted are equal variance for these statements, and the results of the t-test have been based on the assumption of equal variance. The results of t-test reveal that there is no significant difference between both banks in terms of all service quality statements under the responsiveness dimension.

Table - Results of T-test for Consumer perception on Responsiveness Dimension

Items	Bank	Mean	Test of Homogeneity of variance		t-test	
			Levene Statistic	Sig.	t-Statistics	Sig.
1. Your bank employees tell customers exactly when services will	HPGB	3.960	5.577	.019	-1.275	.203
	HPSCB	3.806				

be performed.						
2. Your bank's employees provide prompt services to customers.	HPGB	3.813	.155	.695	.309	.758
	HPSCB	3.846				
3. Your bank's employees always willing to help customers.	HPGB	3.866	3.397	.066	.154	.878
	HPSCB	3.886				
4. In your bank there is a delay to respond queries and wait times are satisfactory.	HPGB	3.873	.695	.405	-1.032	.303
	HPSCB	3.753				
5. Your bank's employees adapt well to handle peak customer traffic.	HPGB	3.333	.001	.975	.248	.804
	HPSCB	3.366				
6 Your bank's employees constantly communicate with customers.	HPGB	3.720	3.913	.049	.660	.510
	HPSCB	3.800				

Figure: - Data Collected through Questionnaire

Comparison of HPGB and HPSCB regarding consumer perception on Assurance Dimension

The descriptive statistics and results of the t-test for service quality assurance dimension in respect of HPSCB and HPGB have been shown in table 6.4. The table reveals that the mean value for the first statement is 3.673 of HPGB and 3.887 of HPSCB. For the second statement mean value is 3.620 for HPSCB and 3.580 for HPGB, and for the third statement, the mean value is 3.773 for HPSCB and 3.706 for HPGB. It clarifies that the mean value has been higher for HPSCB with a lower coefficient of variation and standard deviation. To test the hypotheses that there is no significant difference in customers' perception of the Service Quality dimension of assurance between HPGB and HPSCB t-test has been applied. Further, Levene's Test for Equality of Variances (Homogeneity) has also been used. The results have been presented in Table 6.4. Significance value for Levene's test for all the items under assurance dimension has been found higher than a 5 % level of significance, so the null hypothesis for equality of variance is accepted. Therefore, it is assumed that variations of the population for which samples are extracted are equal. Further, results of t-test revealed that there is no significant difference between the Himachal Pradesh State Co-operative Bank and Himachal Pradesh Grameen Bank's service quality level on all the attributes of assurance dimension because the p-value of t-test is higher at 5% level of significance.

Table- Results of T-test for Consumer perception on Assurance Dimension

Items	Bank	Mean	Test of Homogeneity of variance		t-test	
			Levene Statistic	Sig.	t-Statistics	Sig.
1. Your bank's employees are trustworthy customers feel that their transactions are safe.	HPGB	3.673	2.341	.127	1.719	.087
	HPSCB	3.887				
2. Bank employees deal with customers in a caring fashion.	HPGB	3.580	.343	.559	.341	.733
	HPSCB	3.620				
3. Your bank's employees know to render professional services to customers.	HPGB	3.706	2.548	.112	.524	.600
	HPSCB	3.773				

Source: - Data Collected through Questionnaire

Comparison of HPGB and HPSCB regarding consumer perception on Empathy Dimension

The descriptive statistics and results of t-test for service quality under empathy dimension in respect of HPSCB and HPGB have been presented in tables 6.5. The tables 6.5 reveals that the mean value for the first statement is 3.613 for HPGB and 3.780 for HPSCB, for the second statement mean value of HPGB is 3.573, and HPSCB is 3.540, for the third statement mean value of HPGB is 3.893, and HPSCB is 3.480, for the fourth statement mean value of HPGB is 3.687, and HPSCB is 3.680, and for the fifth statement, it is 3.553 for HPGB and 3.693 for HPSCB. It is clarified that the mean value has been found higher HPGB for most of the statements of empathy dimension under study.

In order to test the hypothesis that there is no significant difference in customers' perception of the Service Quality dimension of empathy between HPGB and HPSCB t-test has been applied. The value of Levene's statistics for all the attributes of the empathy dimension has been found higher than at a 5% level of significance, so the null hypothesis of variance between the banks is accepted. Therefore, it is assumed that variations of the population from which samples are extracted are equal. Further, the p-value of t-test for organizing a consumer awareness program under the empathy dimension is significantly higher than that of the Himachal Pradesh State Co-operative Bank. It indicates that the Himachal Pradesh Grameen Bank is better in organizing the consumer awareness program. Furthermore, there is no significant gap between the Himachal Pradesh State Co-operative Bank and Himachal Pradesh Grameen Bank regarding the other four attributes under the Empathy dimension of service quality.

Table - Results of T-test for Consumer perception on Empathy Dimension

Items	Bank	Mean	Test of Homogeneity of variance		t-test	
			Levene Statistic	Sig.	t-Statistics	Sig.
1. Your bank provides individual attention to customers'.	HPGB	3.613	1.280	.259	1.559	.120
	HPSCB	3.780				
2. Your bank welcomes complaints and responds positively.	HPGB	3.573	.272	.603	-.314	.754
	HPSCB	3.540				
3. Your bank organizes consumer awareness programme.	HPGB	3.893	.097	.755	-4.131	.000
	HPSCB	3.480				
4. Customer's best interests are at the heart of employees of the banks.	HPGB	3.687	10.13	.002	-.054	.957
	HPSCB	3.680				
5. Your bank's operating hours convenient to all costumers'.	HPGB	3.553	1.887	.171	1.253	.211
	HPSCB	3.693				

Source: - Data Collected through Questionnaire

Conclusions and Suggestions

The results of the t-test indicated a significant difference between the performance of both the banks in terms of tangibility dimension of service quality, i.e., availability of modern equipment, attractive interior design, employee expression, and material associated with service appealing. It depicts that Himachal Pradesh State Co-operative Bank uses the better quality of equipment, materials, and technology to provide superior quality service to customers as compared to Himachal Pradesh Grameen Bank. Further, the results of the t-test indicated that there is no significant difference between both banks in terms of reliability dimension of service quality, i.e., when customers have problems, the bank is sympathetic & re-assuring, your bank show sincere interest in solving problems, and your bank is efficient in its day-to-day operations. It is also revealed from the study that HPSCB provides better service for the third attribute (bank performs the service at the first instance) under the reliability dimension. The results of t-test reveal that there is no significant difference between both banks in terms of all service quality statements under the responsiveness dimension. Further, results of t-test revealed that there is no significant difference between the Himachal Pradesh State Co-operative Bank and Himachal Pradesh Grameen Bank's service quality level on all the attributes of assurance dimension because the p-value of t-test is higher at 5% level of significance. Further, the p-value of t-test for organizing a consumer awareness program under the empathy dimension is significantly higher than that of the Himachal Pradesh State Co-operative Bank. It indicates that the Himachal Pradesh Grameen Bank is better in organizing the consumer awareness program. Furthermore, there is no significant gap between the Himachal Pradesh State Co-operative Bank and Himachal Pradesh Grameen Bank regarding the other four attributes under the Empathy dimension of service quality.

The service quality under the tangibility dimension is defined by whether the physical facilities, material, interior design, and services are visually appealing at the bank. These visual factors help customer to form their initial impression. In all these tangible factors, HPGB should improve their service quality in rural areas through tangible means to attract customers' attention. HPGB should improve their service what they promise to their customers at the first instance. In the present study, both the banks need to improve the responsiveness dimension by providing personalized services and helpful employees who understand the customer's need which can be the most vital driver. The staff should be made co-operative, friendly and must be capable of understanding the problems of customers. Both

the banks should need to improve their nature to treat customers and provide prompt and professional services to attract their customer's satisfaction level. Service quality of both the banks should be used by using new tools such as Internet Banking, Phone Banking, providing more ATM coverage should be provided in the rural and urban areas by the banks for the convenience of their customers. Further, the bank must start payment apps for their customer's convenience.

References

- Bateson & John E.G., 'Managing Services Marketing', 3rd edition, Fort Worth, Texas: The Dryden Press (1995), pp. 558-565.
- Das, K., Parmar, J. and kumar V.S. (2009), "Customer Relationship Management (CRM) Best Practices and Customer Loyalty- A Study of Indian Retail Banking Sector", European Journal of Social Schemes Europe, Vol. 11(1).
- Irina B. (2010), "Evaluating Customer Satisfaction in Banking Service", Management & Marketing, Vol.5(2), pp. 143-150.
- Kumar, M.and Khan, A. (2010), "Service Quality Analysis of Co-operative Banks", the Indian Journal Commerce, New Delhi, Vol. 63(1), January-March.
- Hozra, S.G. and Srivastava, K. (2010), "Impact of Service Quality, Customer Satisfaction, Customer Loyalty and Commitment in the Indian Banking Sector," Indian Journal of Marketing, pp. 23-35.
- Kazi Omar Siddiqui (2011), "Interrelations Between Service Quality Attributes, Customer Satisfaction and Customer Loyalty in the Retail Banking Sector in Bangladesh", International Journal of Business and Management, Vol. 6(3), March, pp. 12-34.
- KamlaniReema (2016), "Comparative Study Service Quality Assessment of Public and Private Sector Banks using SERVQUAL model", International Journal of Processing in Engineering, Management Science and Humanities, Volume 2(3), pp.2-12.
- Ashraf, E. and Dr. Venugopalan, K. (2018), "Service Quality and Customer Satisfaction: A Comparison between Public and Private Sector Banks in Kerala", International Journal of Research and Analytical Review, Volume 5(3), (July), pp. 1-6.