

# Service Quality of Public Sector Banks in Kerala: An Overview of SBI and Canara Bank

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## ABSTRACT

This paper aims to measure the service quality of the selected public sector banks, SBI and Canara Bank in Kerala. The SERVPERF model was used to evaluate the service quality of the banks by giving the criteria questionnaire with the appropriate questions to measure each standard, pointing towards the service quality. The analysis is done based on the primary data collected. The evaluation tells that based on gender and age; the respondents say that both banks have good service quality. An independent sample T-test was used to measure and compare the service quality of both banks; the results indicate both banks' service quality is not significantly different and has an excellent descriptive value which further reflects the customers' satisfaction towards the services of the selected banks. The sample size of this survey is 108, all the respondents were chosen by multistage proportionate sampling, and the selected respondents are well aware of digital banking activities.

**Keywords:** service quality, public sector banks, SERVPERF model, digital banking

## INTRODUCTION

In the present world, the influence of banks in every individual's life is significant; from drinking tea to advance payment options, a person uses the Bank's assistance. Banks have made significant strides from old-world ports, but their basic strategic policies have not changed much. Although the grades of the best action plans have changed over time, a bank's motivation to lend and protect taxpayers' money remains. Banks still exist to perform these essential functions as advanced banking and financing replace traditional physical areas. The most critical advance in banking of the late 20th and mid-21st centuries was the introduction of web-based banking, which dates back to the 1980s but took off with the advent of the internet in the 1990s, along with the use of mobile phones and diversified banking has accelerated the trend. At the same time, many customers continue to do some banking at physical locations, according to a 2021 report by J.Power.

Due to the increased attention paid by buyers, the type of work and products has become a staple today. Quality is becoming increasingly important for organizations that recognize the benefits of work like their work and their consequences for banks; it is imperative to characterize, measure and evaluate the quality of services to gain and maintain an advantage. It is essential to know the variables that affect the consistency of the customer in the financial business where the administration serves the customer. Therefore, banks are expected to reliably measure consumer loyalty and deal with the nature of

deceptive administrations. Today our goal must be to win new customers and keep them as customers, this must be accomplished by maintaining and improving the service quality. Because organizations can survive as long as they have customers and increase their productivity, customer assumptions must be reliably evaluated and met.

Consequently, there is a continuing need to examine the routine and sawn nature of work and services. Assessing the quality of services is a challenge as hard-to-promote definitions and practices are recognized and valued by all current and potential clients. The SERVPERF test used in the study is one of the most widely used techniques for assessing management and service quality. This study is carried out to evaluate the service quality of the two selected banks, SBI and Canara Bank.

### **SERVPERF MODEL AN OVERVIEW**

Cronin and Tylor (1992) developed SERVPERF model for measuring service quality. It is a performance based measurement model and uses 22 performance related statements. E-P gap is not analysed in this model and only perceived service quality is analysed. This model uses five dimensions for measuring service quality such as tangibles, responsiveness, reliability, assurance and empathy. Although SERVQUAL is a widely applying service quality model, servperf gains more acceptance just because of its credibility. It reduces the survey by one and half and only measures customer perceptions not expectations. The superiority of SERVPERF over other service quality model is proved in its efficiency in measuring customers' perception about service quality. SERVPERF performs better in measuring service quality in banking industry (Adil & Ansari 2012).

### **LITERATURE REVIEW**

**Dauda Alusine kuyateh (2020)** studied the impact of service quality on customer satisfaction and loyalty amongst Public Sector Banks in Gujarat. The study revealed that the dimensions Assurance and tangibility have more influence on customer satisfaction. The study suggested the improvement in services of frontline employees of public sector banks in order to retain and motivate them to recommend the bank to friends families and relatives.

**Tamil Mathi (2012)** examined the perception of commercial bank customers towards service quality in Thanjavur district. Multistage sampling method was used in the study. The study found that service quality of private banks is much better than that of public sector banks in all service quality dimensions. training to employees, customer complaint monitoring cell and customer segment specific strategies are the some important areas where commercial banks need more attention.

**E.Ashraf and Dr. K. Venugopalan (2018)** compared the different service quality dimensions of both public sector banks and private sector banks in Kerala. The results of the study revealed that there is no significant difference between the service quality dimensions of public sector banks and private sector banks.

**Shruti Agrawal Manish Mittal and Ratish Gupta (2016)** studied service quality of public and private sector banks in India. The study also measured the service quality gaps between customer expectation and perception regarding various dimensions. The study found that the service quality gap is lower in private sector banks than public sector banks. The study observed no significant difference in reliability and assurance dimensions of both private and public sector banks.

**Asante-Darko (2018)** Using information from Ghana's financial system, this paper aims to determine the governance of the hierarchical culture related to management quality, consumer loyalty and financial

trustworthiness. The aim is to decide how different important aspects of support are to customers using banking services in Ghana, as well as what fosters customer loyalty and whether this compliance influences their loyalty. Quality and its impact on consumer loyalty and reliability. The results show that trustworthiness, sentiment and social factors in working with these banks have a good critical connection to customer loyalty. In both cases, rep validation and responsiveness are not necessarily related to customer loyalty. In addition, the hierarchical culture must appear to support the positive association between quality aspects of management and customer retention. In addition, the results show that customer loyalty is directly related to customer trustworthiness.

**RESEARCH METHODOLOGY**

This study was descriptive and hypothetical to some extent. Primary data was the main source of this study; all the data were collected by giving a validated questionnaire. This paper aimed to measure the service quality of the selected public sector banks, SBI and Canara Bank in Kerala. The SERVPERF model was used to evaluate the service quality of the banks by giving the criteria questionnaire with the appropriate questions to measure the service quality. One hundred and eight samples were collected based on multistage proportionate sampling. This study only concentrated on the region of Palakkad and Malapuram district. T-test, Anova, and descriptive statistics are the primary tools incorporated for the analysis of the collected data.

**OBJECTIVES OF THE STUDY**

- To study the opinion of both genders about the service quality of the selected Bank.
- To evaluate the age of the respondents have any role in perceiving the service quality of the banks.
- To compare the service quality of SBI and Canara Bank.

**ANALYSIS & FINDINGS**

**T-TEST**

*To study the opinion of both genders about the service quality of the selected Bank.*

Group Statistics					
	gender	N	Mean	Std. Deviation	Std. Error Mean
Service quality	female	78	4.4193	.34812	.03942
	male	30	4.4157	.44369	.08101

**t-test**

f	Sig	T	DF
.183	.670		
Equal variances assumed		0.45	106
Equal variances not assumed		0.40	43

Here the service quality of the selected public sector banks is evaluated based on the gender of the respondents. In the group statistics, it is found that the mean value of the response towards the service quality of the selected banks is similar, and the respondents are saying they verymuch rely on the services provided by them. For further analysis,the T-test is used & the hypothesis tested here is to find

the significant difference of the respondent on the opinion towards the service quality of the banks. The test's outcome shows that the respondents' ideas are similar.

**ANOVA**

*To evaluate the age of the respondents have any role in perceiving the service quality of the banks.*

AGE	N	MEAN	SD
18-30	72	4.36	.39
31-45	30	4.54	.31
46-60	6	4.31	.30
Total	108	4.41	.37

ANOVA (table)					
Service Quality					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.736	2	.368	2.701	.072
Within Groups	14.304	105	.136		
Total	15.040	107			

The above tables show the results of the ANOVA and the descriptive statistics on the respondent's age and their opinion about the service quality of the selected public sector banks. The group statistics value shows that the age group 18-30 has 4.3 as their mean value, the group 31-45 has 4.5 as their value in mean, and finally, the group 46-60 has 4.4 in the mean value and .39, .31, .30 as standard deviation respectively. The ANOVA results try to figure out the difference in opinion of the respondent on the service quality of the selected banks. The results show no difference in the respondent's views about the service quality based on age.

**T- TEST on bank and service quality**

*To compare the service quality of SBI and Canara Bank*

Group Statistics					
	BANKS	N	Mean	Std. Deviation	Std. Error Mean
Service quality	CANARA	18	4.2810	.38258	.09018
	SBI	90	4.4458	.36941	.03894

**t-test**

f	Sig	T	DF
.074	.786		
Equal variances assumed		1.71	106
Equal variances not assumed		1.66	23.7

Here the service quality of two selected banks, namely Canara bank and SBI, are measured, and the null hypothesis tested shows there is no significant difference between the service quality of SBI and Canara

Bank. This test is carried out to find the result of this hypothesis; it is observed that there is no significant difference in the service quality of both banks since the test value is higher.

## CONCLUSION

This study analyzed service quality aspects using the SERVPERF model for assessing the quality of banks in Kerala. SERVPERF appears to be a reliable scale to assess the service quality of banks. The study results show the comprehensive service quality of the two selected banks. The results will help service providers to gain an advantage in the banking business for improving further quality aspects; of course, some constraints need to be tested; the sample size and scope of this study are the main limitations. The promotional character of the selected banks in the public sector is evaluated against the background of the orientation of the respondents; it is observed that the average value of the respondents saying that both banks are keeping good service quality to their customers. Finally, there are some fields the Bank should keep developing, i.e. the offline service quality of the Bank is less than the online service quality, which indicates that the customers are getting a better experience in online banking. In the entire observation, no opinion differences were found based on gender and age; also, there were no opinion differences between the customers of SBI and Canara Bank relating to the services rendered to them.

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