A STUDY ON CUSTOMERS’ SATISFACTION IN AUTOMATED SERVICE QUALITY IN PRIVATE SECTOR BANKS
(WITH SPECIAL REFERENCE TO PRIVATE BANKS IN SALEM DISTRICT)

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ABSTRACT
Nowadays, the customers’ satisfaction is a challenging task for every sector. In this junction, many empirical studies in various sectors of service industry such as banking, hotel, insurance, workshops, car rental, and other financial companies have been conducted to find out the factors that determine service quality. Service quality has always been the main study for retail banking (for example Avkiran, 1994; Johnston, 1997; Lassar et al., 2000; Sureshchandar et al., 2002). Present competitive environment where various banks are available for customers for their requirements. Hence, further study is required to know which factors will satisfy the need of the present customer. Banks seeking strong competitiveness in the future need to develop new ideas to foster good relationships with their retail customers. In this research work evaluate customers’ satisfaction in automated service quality of the private banks.

Keywords: Service Quality, Private Banks, Automated Services, Customer delight.

INTRODUCTION
In last two decades, service quality has become a main interest in the industrial world especially in the service industries. The key to success in winning the global competition now and in the future is to have high quality service. High quality of service is believed to influence over customer value and customer satisfaction, and furthermore customer satisfaction will affect customer loyalty directly. Therefore, the importance of service quality, value, and customer satisfaction seems justified to the survival of service companies, including the banking companies.

Many empirical studies in various sectors of service industry such as banking, hotel, insurance, workshops, car rental, and other financial companies have been conducted to find out the factors that determine service quality. Service quality has always been the main study for retail banking (for example Avkiran, 1994; Johnston, 1997; Lassar et al., 2000; Sureshchandar et al., 2002) in today’s very competitive environment in which a lot of banks are available for customers to choose from. However, need to study further the factors that enable banks to attract and maintain their customers. Banks seeking strong competitiveness in the future need to develop new ideas to foster good relationships with their retail customers.

In order to attract new customers and to retain them, private banks in India have been using a variety of ways such as providing customers with excellent services, modern looking equipment, courteous, skillful, well-trained employees, and supportive operational systems. Banks expect that with excellent service, customers will be satisfied and if satisfied, they will become loyal customers.

The significant growth of banks has caused the appearance what is called “buyer’s market” in which the supply exceeds the demand. In this condition, the customers’ are in strong bargaining position and therefore the banks have to be more effective in providing services because customers now have many choices in determining the bank they want. The customers’ need for excellent service keeps changing. The level of service quality varies from time to time. There is no guarantee that what is excellent service today is also applicable for tomorrow. There is also the rapid change of the retail-banking sector in the last 15 years with the increased application of the technology in the service delivery. To win the battle of global competition in the service industries and be able to survive, banks will need to use new strategies in providing service that will satisfy their customers. This is the reason why service marketing and bank marketing in particular keeps developing and it gaining the prominence in the marketing literature.

In this study deals with, automated service quality of the private sector banks in Salem district.

OBJECTIVES OF THE STUDY
- To evaluate customers convenience in private Banking sectors
- To know the customers’ satisfaction in automated service quality
STATEMENT OF THE PROBLEM

This research is designed to help both academicians and practitioners understand the extent to which automated service quality, customer Trust, Delight, related to customer commitment in a private-banking environment. The assessment of the most important attributes in banking settings can provide important cues, which may be used to review characteristics of the bank as experienced by customers. These cues can be used to improve customer Trust and delight which lead to improved customer commitment. Finally, this study contributes to the service quality dimensions by applying concept of automated services in Internet Banking, Automated Teller Machine, Mobile Banking, etc., of retail-banking setting in Salem district, Tamilnadu, India.

SCOPE OF THE STUDY

The scope of the problem to be explored is restricted to the automated service context the delivery channels (ATM, Telephone, Internet and Mobile Banking) and automated service factors (Convenience, Queue Management, Personalization, Responsiveness, and Security) attributes towards customer trust and delight towards customer commitment in the selected private sector Banks in Salem District, Tamilnadu, India. The study mainly concentrates towards the automated service quality delivery channels and its service factors.

RESEARCH METHODOLOGY

Since the Likert's scale survey items are coded at the interval level of measurement, the appropriate bivariate and multivariate statistical tests were applied. Tests included Chi Square, analysis of variance, and correlation analysis using the Pearson product moment coefficient and were concluded to be acceptable tests for these types of data. When comparing several groups to each other, several tests could be used to analyze the relationships. Since parametric methods have been determined to be appropriate, ANOVA tests were used to compare the age and income with respect to customer commitment towards their banks. Structural Equation Modeling (SEM) is a comprehensive statistical approach for testing hypotheses about relations between observed and latent variables. It combines features of factor analysis and multiple regressions for studying both the measurement and structural properties of theoretical models. SEM is formally defined by two sets of linear equations called the inner model and the outer model. The inner model specifies the relationships between unobserved or latent variables, and the outer model specifies the relationships between latent variables and their associated observed or manifest variables.

DATA COLLECTION

The study consisted of both primary and secondary data. The primary data were collected with the help of survey instrument (Questionnaire) which consists of four parts. The first part consisted of questions related to customers' personal details. The second part consisted of measuring four dimensions of automated service delivery channels (ATM, Telephone, Internet and Mobile). The third part consisted of measuring five dimensions automated service factors (Convenience, Queue management, Personalization, Responsiveness, and Security). The fourth part consisted of measuring three dimensions (Customer trust, Customer delight, and Customer commitment). The secondary data were obtained from Journal, Magazines, Books, Research Journals and articles published by the Banks.

SAMPLE DESIGN

The private Banks like ICICI (Industrial Credit Investment Corporation of India) Bank, HDFC (Housing Development Finance Corporation) Bank, Axis Bank, KVB (Karur Vysya Bank), LVB (Lakshmi Vilas Bank) and CUB (City Union Bank) are considered as the population in Salem District. The Salem district consists of nine Taluk which is considered as strata. From each stratum 150 respondents were considered as the respondents. Thus stratified random sampling technique (disproportionate/Equal allocation) will be appropriate for the study. Hence the sample size for the study is 900.

REVIEW OF LITERATURE

Niti Kiran (2013) in the article "Mobile banking on the rise in India" highlights that SBI group dominates the space in terms of volume with an overall share of 67.4 % in total volumes in Nov 2012. Private and foreign banks followed with an overall share of 30.1% and PSBs and Cooperative banks accounted for only 2.5% in November 2012. The article 76 also sheds light on the fact that mobile recharges,
DTH recharges, ticket bookings (movies / travel) were among the fast growing transactions in mobile banking.

Khanna (2006), in the article “Prevention of Automatic Teller Machine Fraud” discusses in detail frauds related to ATMs. The author has discussed different methods adopted by fraudsters like phishing, 74 skimming, the Lebanese loop, pretexting and spoofing. The author has suggested precautionary measures for customers and banks. This article is useful but theoretical and is not supported by primary data.

Ogbuji et al (2012), in their research paper “Analysis of the negative effects of Automated Teller Machine (ATM) as a channel for delivering banking services in Nigeria” proposed that the ATM system of delivering banking services not only contribute to increasing rate of fraud but equally lures Nigerians into profligate expenditure. The study reveals that ATM was lauded by several customers as an alternative to standing in long Q’s. But today, this has become a source of worry to customers and banks. This study concludes that ATMs have contributed to the alarming rate of fraud in Nigerian banking industry. ATM fraud could be reduced but cannot be wiped out completely. The study comes out with the conclusion that out of various services of ATMs, inability of the machine to deliver seamless service, poor maintenance by management, frustrating network, irregular deductions from customer accounts were problems faced by customers. However, problem of network failure was the most outstanding problem.

Shilpan Vyas (2012), in the paper “Impact of E-banking on traditional banking services”, attempts to introduce terms like e-banking by giving its meaning, functions, types, advantages and limitations. More importantly it attempts to show the impact of e-banking on traditional services and finally documents the results. The researcher discusses the impact of e-banking on traditional services by focusing on the fact that e-banking transactions are much cheaper than branch or even phone transactions. This in turn could turn yesterday’s advantage of a large branch network into a comparative disadvantage allowing e-banks to undercut brick and mortar banks. This is called the “beached dinosaur” theory. The paper is based only on secondary data. Use of primary data would have added to the effectiveness of the paper.

**DATA ANALYSIS AND INTERPRETATION**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Service Dimension</th>
<th>R1</th>
<th>R2</th>
<th>R3</th>
<th>R4</th>
<th>R5</th>
<th>R6</th>
<th>R7</th>
<th>R8</th>
<th>R9</th>
<th>R10</th>
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<tbody>
<tr>
<td>1.</td>
<td>Secure Service</td>
<td>111</td>
<td>161</td>
<td>93</td>
<td>85</td>
<td>120</td>
<td>99</td>
<td>43</td>
<td>48</td>
<td>57</td>
<td>83</td>
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<tr>
<td>2.</td>
<td>Convenience</td>
<td>65</td>
<td>83</td>
<td>151</td>
<td>117</td>
<td>107</td>
<td>70</td>
<td>100</td>
<td>87</td>
<td>75</td>
<td>45</td>
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<tr>
<td>3.</td>
<td>Efficiency (time)</td>
<td>72</td>
<td>52</td>
<td>107</td>
<td>146</td>
<td>100</td>
<td>82</td>
<td>110</td>
<td>97</td>
<td>70</td>
<td>64</td>
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<tr>
<td>4.</td>
<td>Performance</td>
<td>88</td>
<td>98</td>
<td>91</td>
<td>94</td>
<td>87</td>
<td>129</td>
<td>118</td>
<td>90</td>
<td>68</td>
<td>37</td>
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<tr>
<td>5.</td>
<td>Accurate records</td>
<td>119</td>
<td>104</td>
<td>91</td>
<td>100</td>
<td>98</td>
<td>115</td>
<td>99</td>
<td>92</td>
<td>51</td>
<td>31</td>
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<td>6.</td>
<td>User-friendly system</td>
<td>116</td>
<td>95</td>
<td>51</td>
<td>113</td>
<td>125</td>
<td>81</td>
<td>117</td>
<td>75</td>
<td>81</td>
<td>46</td>
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<tr>
<td>7.</td>
<td>satisfy complaints</td>
<td>41</td>
<td>40</td>
<td>63</td>
<td>82</td>
<td>86</td>
<td>96</td>
<td>74</td>
<td>75</td>
<td>123</td>
<td>220</td>
</tr>
<tr>
<td>8.</td>
<td>Accurate transactions</td>
<td>70</td>
<td>110</td>
<td>109</td>
<td>81</td>
<td>66</td>
<td>72</td>
<td>99</td>
<td>129</td>
<td>97</td>
<td>67</td>
</tr>
<tr>
<td>9.</td>
<td>Efficiency (overall)</td>
<td>72</td>
<td>107</td>
<td>97</td>
<td>43</td>
<td>47</td>
<td>77</td>
<td>74</td>
<td>109</td>
<td>140</td>
<td>134</td>
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<tr>
<td>10.</td>
<td>Recognition</td>
<td>149</td>
<td>62</td>
<td>51</td>
<td>42</td>
<td>64</td>
<td>79</td>
<td>66</td>
<td>101</td>
<td>128</td>
<td>158</td>
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</table>

The above table shows the ranking of service dimension which consists of factors such as secure service, convenience, efficiency (time), performance, accurate records, user-friendly system, satisfy complaints, accurate transactions, efficiency (overall) and recognition.

Out of 900, 111 respondents ranked secure service as first, 161 respondents ranked it second, 93 respondents ranked secured service third. 85 respondents ranked it fourth. 120 respondents ranked secure service fifth. 99 respondents ranked the secure service factor sixth. 43 respondents ranked service security seventh. 48 respondents ranked it in eight position, 57 respondents ranked secure service ninth and to 83 respondents ranked secure service in tenth position.

Out of the whole 65 respondents ranked convenience as first, 83 respondents ranked it second, and
151 respondents ranked convenience third. 117 respondents ranked it fourth. 107 respondents ranked convenience fifth. 70 respondents ranked the convenience factor sixth. 100 respondents ranked convenience seventh. 87 respondents ranked it in eighth position, 75 respondents ranked convenience ninth and to 45 respondents ranked convenience in tenth position.

Out of the whole 72 respondents ranked Efficiency (time) as first, 52 respondents ranked it second, 107 respondents ranked Efficiency (time) third. 146 respondents ranked it fourth. 100 respondents ranked Efficiency (time) fifth. 82 respondents ranked the Efficiency (time) factor sixth. 110 respondents ranked Efficiency (time) seventh. 97 respondents ranked it in eighth position, 70 respondents ranked Efficiency (time) ninth and to 64 respondents ranked Efficiency (time) in tenth position.

According to 88 respondents ranked Performance as first, 98 respondents ranked it second, 91 respondents ranked Performance third. 94 respondents ranked it fourth. 87 respondents ranked Performance fifth. 129 respondents ranked the Performance factor sixth. 118 respondents ranked Performance seventh. 90 respondents ranked it in eighth position, 68 respondents ranked Performance ninth and to 37 respondents ranked Performance in tenth position.

Out of the whole 119 respondents ranked Accurate records as first, 104 respondents ranked it second, 91 respondents ranked accurate record third. 100 respondents ranked it fourth. 98 respondents ranked accurate records fifth. 115 respondents ranked the accurate records factor sixth. 99 respondents ranked accurate records seventh. 92 respondents ranked it in eighth position, 51 respondents ranked Accurate records ninth and to 31 respondents ranked Accurate records in tenth position.


Out of 900 respondents 41 respondents ranked satisfy complaints as first, 40 respondents ranked it second, 63 respondents ranked satisfy complaints third. 82 respondents ranked it fourth. 86 respondents ranked satisfy complaints fifth. 96 respondents ranked the satisfy complaints factor sixth. 74 respondents ranked satisfy complaints seventh. 75 respondents ranked it in eighth position, 123 respondents ranked satisfy complaints ninth and to 220 respondents ranked satisfy complaints in tenth position.

Out of the whole 70 respondents ranked Accurate transactions as first, 110 respondents ranked it second, 109 respondents ranked Accurate transactions third. 81 respondents ranked it fourth. 66 respondents ranked Accurate transactions fifth. 72 respondents ranked the Accurate transactions factor sixth. 99 respondents ranked Accurate transactions seventh. 129 respondents ranked it in eighth position, 97 respondents ranked Accurate transactions ninth and to 67 respondents ranked Accurate transactions in tenth position.

According to 72 respondents ranked Efficiency (overall) as first, 107 respondents ranked it second, 97 respondents ranked Efficiency (overall) third. 43 respondents ranked it fourth. 47 respondents ranked Efficiency (overall) fifth. 77 respondents ranked the Efficiency (overall) factor sixth. 74 respondents ranked Efficiency (overall) seventh. 109 respondents ranked it in eighth position, 140 respondents ranked Efficiency (overall) ninth and to 134 respondents ranked Efficiency (overall) in tenth position.

Out of 900 respondents 149 respondents ranked Recognition as first, 62 respondents ranked it second, 51 respondents ranked Recognition third. 42 respondents ranked it fourth. 64 respondents ranked Recognition fifth. 79 respondents ranked the Recognition factor sixth. 66 respondents ranked Recognition seventh. 101 respondents ranked it in eighth position, 128 respondents ranked Recognition ninth and to 158 respondents ranked Recognition in tenth position.

Thus, summing up the service dimensions in the order of importance by the respondents accurate records was ranked first, Secured service dimension was ranked second. Convenience dimension was ranked third, efficiency was ranked fourth by the respondents, user-friendly system was ranked fifth. Performance was ranked sixth, accurate transactions were ranked eight, efficiency (overall) was ranked ninth and satisfies complaints and recognition was ranked tenth.

**FINDINGS AND SUGGESTIONS**

**SERVICE DELIVERYCHANNELS**

In this study, ATM, Telephone Banking, Internet Banking and Mobile Banking are considered as the service delivery channels and to identify its impact of customer commitment towards the private banks.
Out of the 4 service delivery channels, Internet banking founds to be the most significant factor towards service delivery channels. This result is consistent with the consequence of Laukkanen (2007). This result may because customers have the courage to take up new technology even with little information about it. This research study also vividly exhume that internet banking is familiar among the respondents. The rationale why customers adopting internet banking is because this is the age of digital era and customers understand technology faster than before traditional banking.

Communication campaigns have to be launched by banks since all age group of peoples may be aware about the usefulness of internet banking service. Internet training should be given to customers who do not have awareness about internet banking. This internet education will increase the contribution of new users.

There must be strong security to do away with hackers who want to access information. Back up must be there in times of power cuts since customers will not be able to access their currents if the server with bank is down. Effective laws can vastly accelerate the development of Internet banking - especially laws concerning digital signature. Effective privacy protection laws considering the Internet environment would help to build trust and consumer confidence. Engage more with customers to identify critical areas of need to improve the delivery of e banking products.

In this study, Mobile Banking is found to be the second significant delivery channels in private banks. The mobile banking is very popular among the youth in India. The banks should make necessary steps to change this trend, if not the banks will face niche market problem. So efforts should be made by Banks in bring all age group of peoples using mobile banking technology.

Banks should develop the belief of usefulness and ease of use by providing sufficient information on the benefits of mobile banking. In order to achieve this, banks should provide user manual that contains details on mobile banking including usefulness and ease of use. Banks should also have counters for mobile banking customers.

Today, it is a known fact that a mobile phone is not just a communication tool but a multitasking device that throws ample opportunities for businesses. The mobile banking concept addresses the limitation of Internet banking. Still the users face many problems right from the telecom operator to banks, the handset to software application support for using services. Above that still there’s lack of trust while using mobiles for banking, so Banks has to take responsibility to create awareness among the customers about Mobile banking and try to increase their customers count.

To overcome all the risk barrier mobile banking could be offered on a trial basis to potential customers. Banks can provide a trial service in which customers can see and try out free of charge how the service functions without using their own accounts. From the communication perspective this can be considered as guiding without personal face-to-face or telephone contact.

In this study, telephone banking stands as the third significant delivery channel. The average waiting period should be minimized, which will enhance the customer experience towards telephone banking.

Banking over a telephone system should be more convenient than banking in person, since some functions can be accessed even when a bank is closed. Telephone banking must allow various issues to be more easily resolved for multiple customers at once, since some information and procedures are automated and do not require human interaction. There are some potential disadvantages with telephone banking, however, including difficulties that may be present in accessing an automated telephone system and security risks that can be created by providing bank access without human interaction.

Telephone banking should allow customers of a bank to process various banking procedures over the telephone. Such services can include anything from applying for loans and altering the terms of an existing account to ordering new checks and monitoring the balance in an account. The ease of access for such services is one of the major advantages that telephone banking can provide for customers. Telephone services can be provided 24 hours a day, unlike most services provided at bank locations which are typically closed in the evenings, on weekends, and on many holidays.

Telephone banking can be utilizing an automated system; multiple customers can also be helped simultaneously. Simple questions regarding bank locations, branch hours, and even account balances can all be handled by such systems. This allows those operators or associates who are available to help fewer customers and focus on providing more thorough customer service, without taking time to answer simple questions that do not require human assistance.

Telephone banking is not without its potential negative aspects, however, and many of these problems depend on the type of system developed by a bank. Automated phone systems are somewhat notorious for difficulty in use, especially older systems that may not recognize voices or other forms of input.
Newer telephone banking systems have improved upon many of these flaws, but the menus utilized by such systems may still be difficult to effectively navigate.

There are also some potential security risks that arise through the use and development of telephone banking systems. Since customers are not actually present and face-to-face with a bank teller or manager, it may be easier for identity theft to occur and produce misrepresentation of customer needs over the telephone. This can be controlled through various security protocols incorporated into a phone banking system, but even these measures can be insufficient in some instances. Telephone banking should be compatible with the mobile phones. Customized messages from Bank promoting new products and services, current interest rates and branch information can be reintroduced.

In this study, out of four automated delivery channels ATM stands last. Nowadays majority of the customers considers ATM as one of the traditional banking system. That might be the reason why ATM stands last in automated delivery channels. Even then the banks should pay special attention to convenience by providing the customers with electronic banking service at points which can easily be accessibility. For instance, some ATMs should be installed in supermarkets, learning institutions and medical centers.

The banks’ management should also improve their ATM systems so as to minimize waiting time in the queue. This will improve the efficiency in the service delivery hence boosts customer confidence. Banks should also provide customers with a toll free number. This could handle customers with complaints and general feedback about the electronic banking services. This would not only provide a service to a customer that is free, but also provide the bank with valuable information for future development on electronic service.

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The banks should provide statements for every transaction that has been conducted electronically. This will enable customers to verify accuracy of all transactions including transaction confirmation. According to Lovelock (1991), customer feedback is an established concept of strategic planning. Therefore, it is recommended that performance of banking institutions should be monitored on a regular basis.

Out of 900 respondents 149 respondents ranked Recognition as first, 62 respondents ranked it second, 51 respondents ranked Recognition third, 42 respondents ranked it fourth, 64 respondents ranked Recognition fifth, 79 respondents ranked the Recognition factor sixth, 66 respondents ranked Recognition seventh, 101 respondents ranked it in eighth position, 128 respondents ranked Recognition ninth and to 158 respondents ranked Recognition in tenth position.

Thus, summing up the service dimensions in the order of importance by the respondents accurate records was ranked first, secure service dimension was ranked second. Convenience dimension was ranked third, efficiency was ranked fourth by the respondents, User-friendly system was ranked fifth. Performance was ranked sixth, accurate transactions were ranked eight, efficiency (overall) was ranked ninth and satisfies complaints and recognition was ranked tenth.

CONCLUSION

In this research find the customer satisfaction in automated service quality delivered by the private banks in Salem District. The automated services of Banking system increased customers’ delight, commitment, trust, service quality, etc. This research provides the first investigation into conceptualizing such relationships in the automated banking service context. In particular, this research systematically developed a model of service quality outcome relationships that are mentioned in the literature and then empirically tested the model in an automated banking service context. Evidence about the relationships between automated service quality, delight, trust, and commitment was produced.

REFERENCES

