SERVICE QUALITY OF URBAN CO-OPERATIVE BANKS IN THRISSUR CORPORATION

* Dr. Anand K.,Assistant Professor of Commerce, Sri C Achutha Menon Government College, Thrissur

** Siji M.U., Assistant Professor of Commerce, Sri C Achutha Menon Government College, Thrissur

*** Unnimaya Santhosh, First Semester M. Com, Marian College, Kuttikkanam,

ABSTRACT

From the view point of business administration, service quality is an achievement in customer service. The relationship between service quality and customer satisfaction has a direct impact. The results of most research studies reveal that service quality and customer satisfaction are indeed independent but are closely related. The service sector has tremendous development due to their differentiate service. In order to retain customers, the organization wants to provide facilities. The importance of service quality has been increased in these recent years sometimes there may be difference between customer's expectation and actual perception. The co-operative banks also contribute to the development of nations.

Keywords : Service Quality, SERVQUAL, Urban Co-operative Banks

INTRODUCTION

Banking sector is an important component of financial system and economy. The banking system in India is well regulated by Reserve Bank of India and it consists of banks having different patterns with a large network of branches. The main components in the banking sector are public sector banks, private sector banks, co-operative banks etc. During the last few decades, tremendous changes have been witnessed in almost all the aspects of the banking sector. This had great impact on the service quality levels and customer satisfaction.

Co-operative credit societies established in urban areas are referred to as urban co-operative banks. In most states, however, no clear-cut definition of an urban co-operative bank is statutorily followed. Urban co-operative banks are confined to the municipal area of a town. They are of types, unit banking type and branch banking type. Urban co-operative banks usually meet the needs of specific types or group of members pertaining to a certain trade, profession, community or even locality. Urban co-operative banks are also called primary co-operative banks by the Reserve Bank. The Reserve Bank of India defines primary co-operative banks as 'small sized co-operatively organized banking units which operate in metropolitan, urban and semi-urban centre to cater mainly to the needs of small borrowers, viz., owners of small-scale industrial units, retail traders, professionals and salaried classes. Urban

co-operative banks are unique in terms of their clientele mix and channels of credit delivery. Urban co-operative banks are organized with the objective of promoting thrift and self-help among the middle class/lower middle-class population and providing credit facilities to the people with small means in the urban/semi urban centre. On account of their local feel and familiarity, UCBs are important for achieving greater financial inclusion.

Dr.Vilas Bhikaji Khandare[1] observed that that the growth performance parameters of urban cooperative banks in Beed district shows on an average positive growth rates during the study period. Fathima Adeela Beevi[2] focused on the customer satisfaction towards the services provided by the co-operative banks reference to Malappuram Service Cooperative Bank. The results showed that the customers of bank were highly satisfied with their services and attitude of the employees but they express their dissatisfaction towards the less technological advancements.

Measuring service quality depends on the model underpinning service quality. Based on theoretical development of the PZB Service Quality gap Model, the SERVQUAL instrument was proposed in 1988 by Parasuraman and colleagues from the USA. Among all the service quality scales SERVQUAL has attracted the most attention and has been identified as being the most widely used scale for measuring service quality in service management and marketing literature. The SERVQUAL instrument developed by Parasuraman et al(1988) originally consisted of 97 items and ten dimensions, it was then refined and reduced to 22items that measure five dimensions. The original 10 dimensions for measuring service quality by Parasuraman, Zelthamal, & Berry are as follows: Reliability, Responsiveness, Competence, Accessibility, Courtesy, Communication, Credibility, Security, Understanding and Tangibility. The above mentioned ten dimensions have been integrated into five dimensions. Researchers agreed on the fact that these dimensions are appropriate ones which help reveal the customer's expectations and perception. Finally, 'SERVQUAL' was developed. This compound word consists of the two words 'Service' and 'Quality 'Thus SERVQUAL issued to measure service quality as a multi-dimensional construct across five dimensions: tangibility, reliability, responsiveness, assurance and empathy.

RESEARCH QUESTIONS

Service quality of banks attained new heights due to the drastic and continuous changes in the environment during the last few decades. The standards are revised frequently by the industry in formal and informal manner. Customers are expecting more and more services and their satisfaction levels have attained a different scenario now expecting cent percentage efficiency.

Under this context the researcher has the following questions.

1. How the urban co-operative banks are performing in the service quality aspects?
2. What are the perceptions and expectations of customers in urban co-operative banks?

OBJECTIVE OF THE STUDY

The objectives framed for this study are as follows.

- To determine the service quality of urban co-operative banks
- To study the perceptions and expectations of customers regarding the quality of services delivered by Urban Co-operative Banks

SIGNIFICANCE OF THE STUDY

Nowadays lots of co-operative banks are entered into our service sector. Urban co-operative societies provide a number of services but with different qualities. Customers are entering into co-operative banks with lot of expectations especially customers of Urban Co-operative banks. Sometimes the expectations are fulfilled otherwise it is not possible. So this study is an attempt to analyze the expectations and actual perseverance of different customers and also for understanding is there any gap or mismatch between the expectations and actual perseverance of customers Urban Co-operative Banks at Thrissur Town.

STATEMENT OF THE PROBLEM

With the phenomenal increase in the country's population and the increased demand for banking services, speed, service quality and customer satisfaction are going to be key differentiators for each bank's future success. So, it is imperative for banks to get useful feedback on their actual response time and customer service quality aspects, which in turn will help them to take positive steps to maintain a competitive edge. Measuring and assessing customer perception on various services offered by the banks has required foremost significance in the development of banking sector. Customer perception on various services is considered as an important parameter for the management of banks to prepare future strategy. Today, customers are more value oriented in their consumption of services because they have alternative choices.

SCOPE OF THE STUDY

The present study titled as "study on service quality of Urban Co-operative Bank with special preference to Thrissur Town" aims to probe into the perception of the respondents on the quality of services offered by the Urban Co-operative Bank and the satisfaction derived by the respondents on the various aspects in the functioning of Urban Co-operative Bank in Thrissur Town.

RESEARCH METHODOLOGY

The research methodology associated with the study are as follows.

- ➢ Data: This study includes both primary data and secondary data. Urban Co-operative Bank situated in Thrissur Town is selected for data collection. The primary data is gathered through structured questionnaires by using SERVQUAL model. Secondary data were collected from different books, journals and various websites.
- ➢ Sample: Population consists of customers of Urban Co-operative Bank in Thrissur Corporation. The research is based on sample and the sample size is 50. Convenience sampling is used.

- ➤ Period of study: The study is conducted during the period of June to November 2022.
- ➤ Analysis of Data: Data is analysed by using percentage analysis, mean scores and t test. Tables are used to present the data.

ANALYSIS AND INTERPRETATION
The following part deals with the analysis and interpretation of data associated with the study.

Table No. 1-Analysis of Tangibility factor

TANGIBILITY						
var	Mean Score		Diff	t value	p value	significance
	Ex	Pe				
1	4.26	3.28	0.98	6.112	0.000	Significant
2	4.32	3.36	0.96	6.354	0.000	Significant
3	4.72	3.74	0.98	10.119	0.000	Significant
4	4.34	3.78	0.56	3.132	0.003	Significant

Source: Computed from Primary Data

On analyzing the customer expectation with regard to the tangibility factors of urban co-operative banks, it is found that their expectations are significantly high as the mean expectation score is greater than 4. However, the mean perception scores regarding the said construct and its components are much lower than that level even though it is relatively high (more than 3). There exists expectation-perception gap with regard to tangibility construct and the same is statistically significant at 1% level. Hence the UCBs have to improve the tangibility aspect in the form of better infrastructure and ambience provided by the bank.

Table No. 2- Analysis of Reliability factor

RELIABILITY						
var	Mean Score		Diff	t value	p value	significance
	Ex	Pe				
1	4.30	3.12	1.18	8.148	0.000	Significant
2	4.46	3.22	1.24	7.851	0.000	Significant
3	4.46	3.10	1.36	10.708	0.000	Significant
4	4.40	3.04	1.36	9.202	0.000	Significant
5	4.42	3.46	0.96	7.339	0.000	Significant

Source: Computed from Primary Data

On analyzing the reliability factors of urban co-operative banks, it is found that their expectations are significantly high as the mean expectation score of all five variables is greater than 4. However, the mean perception score of these variables are lower than the mean expectation score, even though it is more than 3. There exists expectation-perception gap with regard to reliability construct and it is significant. Hence the UCBs have to

improve the reliability aspect in the form of excellent performance of service and insisting error free records.

Table No. 3 -Analysis of Responsiveness factor

RESPONSIVENESS						
var	Mean Score		Diff	t value	p value	significance
	Ex	Pe				
1	4.10	3.22	0.78	5.917	0.000	Significant
2	4.22	3.08	1.14	6.743	0.000	Significant
3	4.38	3.16	1.22	9.254	0.000	Significant
4	4.14	2.86	1.28	7.679	0.000	Significant

Source: Computed from Primary Data

On analyzing the responsiveness factors of urban co-operative banks, it is found that their expectations are also high. The mean expectation score of all the variables of responsiveness is more than 4. The mean perception score is lower than the mean expectation score, even though it is more than 3. One variable shows a mean perception score of 2.86. However, there exist expectation-perception gap with regard to responsiveness factors and it is significant. Hence the UCBs have to improve the responsiveness aspect in the form of providing prompt service to customers and willingness to help customers.

Table No. 4 -Analysis of Assurance factor

ASSURANCE						
var	Mean Score		Diff	t value	p value	significance
	Ex	Pe				
1	4.06	3.02	1.04	8.839	0.000	Significant
2	4.48	3.64	0.84	7.758	0.000	Significant
3	4.32	3.18	1.14	9.151	0.000	Significant
4	4.38	3.70	0.68	4.463	0.000	Significant

Source: Computed from Primary Data

On analyzing the assurance factors of urban co-operative banks, it shows that their expectations are significantly high as the mean expectation score of all the four variables is more than 4. However, the mean perception score of assurance construct is much lower than the mean expectation, even though it is more than 3. There exists expectation-perception gap with regard to this construct and it is significant. Hence the UCBs have to improve the assurance aspect in the form of providing safety in transactions and instill confidence in customers.

Table No. 5- Analysis of Empathy factor

var	Mean Score		Diff	t value	p value	significance
	Ex	Pe				
1	4.26	3.00	1.26	9.667	0.000	Significant
2	4.42	3.24	1.18	8.148	0.000	Significant
3	3.86	2.80	1.06	7.219	0.000	Significant
4	3.88	2.94	0.94	6.800	0.000	Significant
5	4.36	3.12	1.24	10.665	0.000	Significant

Source: Computed from Primary Data

On analyzing the empathy factors of urban co-operative banks, it is found that their expectations are high. The mean expectation score of three variables is more than 4 and mean expectation score of two variables is 3.86 and 3.88, just lower than 4. However the mean perception score of empathy construct and its components are much lower that of the mean expectation score. Mean perception score of three variables is more than 3 and two variables show a mean perception score of 2.86 and 2.94. There exists expectation-perception gap with regard to empathy construct and it is statistically significant at 1% level. Hence the UCBs have to improve the empathy aspects in the form of excellent individual attention and giving customers personal service.

Table No. 6 -Combined analysis of five dimensions of service quality

Dimensions	Mean score		Difference	Average of differences
	Ex	Pe		
Tangibility				
1	4.26	3.28	0.98	
2	4.32	3.36	0.96	0.87
3	4.72	3.74	0.98	
4	4.34	3.78	0.56	
Reliability				
1	4.30	3.12	1.18	
2	4.46	3.22	1.24	
3	4.46	3.10	1.36	1.22
4	4.40	3.04	1.36	
5	4.42	3.46	0.96	
Responsiveness				
1	4.10	3.22	0.78	
2	4.22	3.08	1.14	1.105
3	4.38	3.16	1.22	

4	4.14	2.86	1.28	
Assurance				
1	4.06	3.02	1.04	
2	4.48	3.64	0.84	0.925
3	4.32	3.18	1.14	
4	4.38	3.70	0.68	
Empathy				
1	4.26	3.00	1.26	
2	4.42	3.24	1.18	
3	3.86	2.80	1.06	1.136
4	3.88	2.94	0.94	
5	4.36	3.12	1.24	

Source: Computed from Primary Data

This table shows the measures of 22 elements of five dimensions of service quality of urban co-operative banks. The differences between the mean expectation score and mean perception score shows the service quality gap of each element. The averages of these differences are calculated to determine which dimensions have more quality gap and which have lower gap. From this table it is clear that the elements of reliability have high average of differences ie.1.22, which shows that the reliability dimension has more service gap. Service quality in this dimension is less as compared to other dimensions. From the table it is found that the elements of tangibility have low average of differences ie.0.87, which shows that tangibility dimension has less service quality gap. Service quality is more in tangibility as compared to others. UCBs have to concentrate more on the reliability factors to reduce the expectation-perception gap. Also they have to improve other elements for improving overall service quality.

FINDINGS AND SUGGESTIONS

The research revealed about the various dimensions of service quality and it is pointed out that the expectation and actual perception of customers are different. By analyzing the tangibility, reliability, responsiveness, assurance and empathy factors it is clearly found that all the mean expectation score is more than 4 and it is relatively high. The mean perception score of all these factors is lower than mean expectation score. So, there is gap between mean expectation score and mean perception score. There exists expectation-perception gap in the service quality of urban co-operative banks and it is statistically significant at 1% level. Quality gap is more in reliability dimension and less in tangibility dimension. In those 22 elements of service quality more gaps were in the third and fourth element of reliability dimension. Third element indicates banks will perform the service right the first time and fourth element indicate banks will provide the service at the time they promise to do. Therefore,

UCBs have to take measures to improve these elements for better service quality. The tangibility has comparatively less gap. By improving the modern looking equipment and employee's appearance the service quality gap in this can be removed. By providing prompt services to customers, by providing safety in transactions and by insisting confidence in customers, by giving individual attention and by giving customers personal service, the quality gap in all other areas can be reduced so that the UCBs can improve their performance at customer satisfaction level. The gap between customer expectation and the actual perception of customers on service quality of UCBs can be reduced by a better performance of the 22elements of five dimensions of SERVQUAL.

CONCLUSION

The services rendered by urban co-operative banks and its quality of utmost importance and has a great scope for evaluating their performance at service sector. The SERVQUAL was useful for analyzing the service quality. It helped to evaluate and monitor various dimensions of statements. The expectation and the actual perception of customers were different and a mismatch is existed between these two points. The quality gap was more on reliability dimension and it is less in tangibility dimension. The urban co-operative banks must take care for improving the service quality. Otherwise, the level of satisfaction will reduce it will affect the future growth of urban co-operative banks. In the service sector delivering of high-quality service has been recognized as an important factor for developing and maintaining long term and satisfying relationship with customers.

REFERENCES:

1. Dr.Vilas Bhikaji Khandare, (2012), Some issues in customers services of urban co-operative banks: A case study of beed district.

2. Fathima Adeela Beevi, (2014), Customers satisfaction and perception towards the services of co-operative banks.

3. Dr.K.V.S.N. Jawahar Babu, (2012), Performance evaluation of urban co-operative banks in india.

4. E. Gnanasekaran, M.Anbalgan, N. Abdul Nazar,(2012), A study on the Urban Cooperative banks success and growth in Vellore district – statistical analysis.

5. Levin Richard, H. Siddiqui Masood, S. Rubin David and Rastogi Sanjay, (2017), Statistics for Management, Noida: Pearson Education.

6. Kothari C.R., (2010), Research Methodology (Methods & Techniques), New Delhi: New Age International (P) Ltd Publishers.

7. Donald R Cooper and Pamela S Schindler, (2009), Business Research Methods, New Delhi: Tata McGraw Hill Education Private Ltd.