CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

A research design according to Zikmund (2003) is the master plan or a detailed plan specifying the methods and procedures for collecting and analyzing the needed information to structure or solve the problem.

4.2 SOURCES OF DATA

Secondary data for the research was obtained from published reports about retail banking, magazines, newspapers, textbooks and from research journals. And the Primary data was collected through a structured questionnaire from retail banking customers of top 4 banks in Tamilnadu.

4.3 RESEARCH PROCESS

The research process involved the following steps. First, a literature review was undertaken to identify what parameters to consider with respect to customer satisfaction in the banking industry. Second, focus group discussions were held with customers to establish the evaluation criteria and factors were identified in customer satisfaction. Third, a questionnaire was constructed and piloted. Last, a population and sampling procedure was established and methods of data collection and analysis determined.
Four banks were selected for the study. Out of these, two are national banks, namely. State Bank of India (SBI), Indian Overseas Bank (IOB) and two are private sector banks, namely. Housing Finance Corporation (HDFC), and (Industrial Credit and Investment Corporation of India) ICICI Ltd. SBI and IOB were chosen because they have the largest network of branches in Tamilnadu. ICICI and HDFC were the first private banks to introduce intelligent banking in India. These banks have strong retail presence and offer comprehensive range of information to the customer.

A descriptive research was used to gain an insight into consumer’s perceived service quality offered by private banks with respect to five dimensions of SERVQUAL scale. The primary data has been collected using an undisguised structured questionnaire, SERVQUAL by Parasuraman \textit{et al.} (1985), for this research. The respondents were asked to provide belief rating for services offered by banks dealing with retailing, using five-point rating scale ranging from 1 (strongly disagree) to 5 (strongly agree).

\subsection*{4.4 PILOT TEST}

A preliminary study was conducted to test the interview schedule. Responses were evaluated on structuring, wording, difficulty on questions asked as well time necessary to complete the interview schedule with 50 respondents using a convenience sample. After making changes the interview schedule was tested again with fifty more samples. Reliability of the measures was checked by computing Cronbach’s coefficient alpha (Cronbach 1961). A final structured interview schedule was then prepared and it took on an average 45 minutes to complete each respondent.
4.5 SAMPLING DESIGN: SAMPLING POPULATION AND STUDY AREA

A sample size of 861 respondents was used for the study. According to Nunnaly (1978), a sample of 100-300 respondents is sufficient to test measurement scales. The population for the sample was selected from five top cities in Tamilnadu namely Chennai, Coimbatore, Madurai, Trichy and Salem. The cities were chosen based on their retail deposit size in the state.

Research Design: Descriptive: The research design is descriptive since an attempt is made to explain/describe the gap between the perceived and expected services provided by the retail banks.

Sampling method: Non-probability purposive sampling method: This method is followed because the population is very large and not clearly defined.

Sampling Technique: The study was conducted in top five cities in Tamilnadu in terms of retail deposit among the Top four banks in Tamilnadu (two public sector and two private sector), in terms of number of branches present in Tamilnadu, using a structured questionnaire following convenience sampling technique.
4.6 TOOLS USED

To analyse the data, the following tools were used:

- 'Z' Test
- One Way ANOVA
- Two Way ANOVA
- Garrett’s Ranking
- Multiple Regression

4.7 SAMPLE DISTRIBUTION

Table 4.1 Sample Distribution

<table>
<thead>
<tr>
<th>LOCATION/BANK</th>
<th>SBI</th>
<th>IOB</th>
<th>ICICI</th>
<th>HDFC</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>COIMBATORE</td>
<td>45</td>
<td>50</td>
<td>47</td>
<td>45</td>
<td>187</td>
</tr>
<tr>
<td>MADURAI</td>
<td>42</td>
<td>42</td>
<td>40</td>
<td>45</td>
<td>169</td>
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<tr>
<td>TRICHY</td>
<td>40</td>
<td>38</td>
<td>35</td>
<td>37</td>
<td>150</td>
</tr>
<tr>
<td>SALEM</td>
<td>43</td>
<td>40</td>
<td>43</td>
<td>42</td>
<td>168</td>
</tr>
<tr>
<td>CHENNAI</td>
<td>40</td>
<td>50</td>
<td>50</td>
<td>47</td>
<td>187</td>
</tr>
<tr>
<td>TOTAL</td>
<td>210</td>
<td>220</td>
<td>215</td>
<td>216</td>
<td>861</td>
</tr>
</tbody>
</table>

Data were primarily analysed using SPSS 11.0. Descriptive statistics such as means and standard deviation were obtained for the interval-scaled independent and dependent variables.