Chapter VI

SUMMARY OF FINDINGS AND CONCLUSIONS

This last chapter will present an overview of the study’s structure by setting out the most important points of the earlier chapters. The study will attempt to summarize the contribution to knowledge that this study has made to the field of knowledge and how that knowledge has stimulated subject matter that could promote further research in the field.

6.1 Summary of the Study Structure

The aim of this study was to advance academic knowledge in an area that has had limited empirical study on customer expectations versus customer perceptions of service quality in the delivery of financial services in nationalised commercial banks and giving additional support to group discrimination on the basis of satisfaction levels.

In this study, the experimental design adopted for quantitative data collection using field based questionnaires is the cross-sectional survey design. The systematic random sampling technique is considered to select customers from the sample bankers in the geographical location confined to this study.

The research sample was restrained to three banks and its branches totaling 87 (Canara bank-36, Indian overseas bank-28, and Indian bank-23) spread across seven different taluks and Madurai city in Madurai district,
Tamilnadu state, India. These sample banks were chosen on the basis of their status as nationalised commercial banks with more number of branches and their geographical location. Twenty percent of the sample bank branches (\textit{with regard to city and taluk areas in Madurai district}) were systematically selected and taken into consideration for the purpose of achieving research objectives, which accounted for a total of 18 sample bank branches in the district of Madurai.

In each of these selected bank branches, certain numbers of questionnaires were distributed to one in every five customer in the lobby of the bank, on a given day. Providing the sample questionnaire to every fifth customer at bank premises will provide a randomly selected sample for the customer portion of the study.

The revised SERVQUAL instrument developed by Parasuraman, \textit{et al.} (1991b) was used to evaluate expectations and perceptions of service quality. The five dimensions of SERVQUAL examined are tangibles, reliability, responsiveness, assurance, and empathy. In addition, Zeithaml, Berry and Parasuraman (1996) instrument developed for assessing customer behavioural and attitudinal intentions was utilized. The framework incorporates 13-items across five-dimensions: loyalty, switch, pay more, external response, and internal responses. Both these instruments were scaled at a 7-point likert scale with 1 indicating strongly disagree and 7 indicating strongly agree. These instruments were translated with the assistance and expertise of a linguist and a
reviewer. The survey instrument thus translated to Tamil version was tested for its convergent validation and internal consistency with that of source language, i.e., survey instrument in English version.

The customer survey instruments were distributed on a systematic random basis to the bank customer by the researcher, and the data thus collected was used for tabulation and analysis.

The data collected on expectation, perception and behavioural intention was subjected to reliability analysis, which provided an excellent overall Cronbach’s Alpha coefficient indicating the very good scaling of the instruments.

The statistical techniques used in analyzing the data were a function of the objective of the research. Thereby, Pearson correlation for estimating the relationship among variables, multiple regression analysis to test the statistical significance of the individual parameters and the overall model, univariate and multivariate analysis of variance for the purpose of evaluating delineation of variables, and discriminant analysis for determining the proportion and classification of customers with different levels of satisfaction on the basis of perception. Whenever, the obtained $F$ tests were found to be statistically significant, the Scheffé S post hoc tests were applied to find the paired mean differences. Furthermore, percentage analysis was carried out to facilitate the
identification and ranking of factors that influence the bank selection process, and the frequency of transaction on customer satisfaction.

6.2 Findings of the Study

1. The total numbers of respondents were 1428, of which 378 (26.5%) respondents were of Indian bank, 580 (40.6%) respondents were of Canara bank, and 470 (32.9%) respondents belong to Indian overseas bank.

2. The numbers of respondents in the age group of fewer than twenty years (< 20 years) were 243, and in the age groups of 20 to 40 years, 40 to 60 years, and 60 to 80 years were 850, 309 and 26 respondents respectively.

3. The data on gender exemplifies those 618 male respondents and 810 female respondents that accounts for 43.3% and 56.7% respectively.

4. The findings of the study reveal that 46.5% of respondents earn a monthly income of less than Rs. 5000. Next to it, the number of respondents was more in the monthly income category of more than Rs. 15000 with 26.9% of respondents. The respondents in the monthly income category of Rs. 5001 to 10000 and Rs. 10001 to Rs. 15000 were 18.3 and 8.3% respectively.

5. The result shows that 24.5%, 18.5% and 24.6% of the respondents were post graduates, bachelor degree and diploma holders. Further, it shows
that rest of the 30.7% of the respondents was educated at school of various levels and 1.7% was of professional qualifications.

6. The finding of the study reveal the existence of significant differences among bankers on overall average expectation of the respondents, and it is obvious that the Indian bank customers are having significantly less expectation compared to that of Indian overseas bank.

7. The finding of the study also shows the existence of significant differences among bankers on overall average perception of the respondents, and it is evident that the overall average perceptions of the Indian overseas bank customers is significantly high compared to that of Indian bank and Canara bank customers.

8. The results of the study reveal no significant differences among bankers on weighted average perceived service quality and customer satisfaction of the respondents.

9. The findings of the study infers that all five dimensions of service quality have a highly significant association with overall weighted average perceived service quality and customer satisfaction. Per se, all the twenty-two service quality perception constructs also have a highly significant association with overall weighted average perceived service quality and customer satisfaction.
10. The outcome of the study establishes that predominance of service quality constructs subsists in predicting significantly the level of perceived service quality and customer satisfaction. The regression equation that derives predicted values for perceived service quality and customer satisfaction is as follows:

Perceived service quality = \(-32.236 + 1.439 \text{ (CP14)} + 0.893 \text{ (CP22)} + 1.133 \text{ (CP11)} -1.614 \text{ (CP9)} + 1.132 \text{ (CP21)} - 0.829 \text{ (CP20)} + 0.748 \text{ (CP16)} + 0.884 \text{ (CP3)} - 0.831 \text{ (CP4)} + 0.940 \text{ (CP13)}\)

Customer satisfaction = \(-1.170 + 0.092 \text{ (CP20)} + 0.063 \text{ (CP13)} + 0.063 \text{ (CP19)} - 0.052 \text{ (CP2)} + 0.052 \text{ (CP15)} - 0.043 \text{ (CP9)} + 0.041 \text{ (CP22)}\)

11. The study exhibits the existence of significant differences on expectation and perception among customers with different levels of satisfaction. Furthermore, it make obvious that the expectations of satisfied customers is significantly less as compared to dissatisfied and neutral customers. Per se, the perception of the customers dissatisfied with services is comparatively less than that of the neutral and satisfied customers.

12. The study indicates that significant differences exist among customers with different of levels satisfaction for the average expectation on different service quality dimensions.
13. It also displays that the average expectation on tangibles, reliability and responsiveness dimensions of service quality is significantly high for the customers who are dissatisfied, as compared to customers satisfied with banking services. While, no significant differences on overall average expectation with regard service quality dimensions assurance and empathy were found.

14. The study indicates that significant differences exist among customers with different levels of satisfaction for the average perception on different service quality dimensions. And, it exhibits that the average perception on all the dimensions of service quality is significantly high for the customers satisfied with banking services, as compared to customers who are dissatisfied.

15. The discriminant analysis provides a means to predict membership into three groups based on the dependent variable categories (dissatisfied, neutral and satisfied) and creating the discriminant equation with inclusion 13 of 22 independent variables (customer perception statements). The discriminant equation was as follows:

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D = -3.031 - 0.031\ (CP1) - 0.096\ (CP2) - 0.077\ (CP4) + 0.137\ (CP8) - 0.140\ (CP9) - 0.078\ (CP10) + 0.202\ (CP13) + 0.139\ (CP15) - 0.021\ (CP18) + 0.205\ (CP19) + 0.260\ (CP20) - 0.033\ (CP21) + 0.138\ (CP22)
\]
16. The findings on the priority of bank selection process by the respondents exhibits that service charge’s was selected as the number one reason for selecting a bank by the respondents. Following closely in second rank was location, and service quality was the third most frequently ranked reason for selecting the bank. Recommendation from friend was ranked fourth, and the last rank was given to advertising for choosing the bank by respondent.

17. The bank lobby had the highest percentage of use by respondents, whereas automated teller machine (ATM) was selected second by the respondents. Then in the order of preference for use of banking services by the respondents are phone banking, internet banking and mobile banking.

18. The study reflects no significant variation on the frequency of transaction among customers with different levels of satisfaction subsists.

19. The study infers that customers perceived service quality is influenced by educational qualification; per se customer satisfaction is influenced by age group and gender variation.

20. The results of the study reveals that the dimensions of service quality are having significantly positive correlation with the elements of behavioural and attitudinal intentions, furthermore the perceived service quality and customer satisfaction are having high positive correlation
with “loyalty”, “pay more” and “internal response”, and a high negative correlation with “switch” and “external response”.

21. The findings of the study establish the presence of significant difference on loyalty, switch, pay more and external response among customers with different levels of satisfaction

6.3 Suggestions of the Study

The non-availability of standardized scale for measuring service quality and customer satisfaction among nationalised commercial banks in India necessitates for an instrument that caters to it. Based on the results of this empirical study, the investigator suggested two regression equations to facilitate the prediction of perceived service quality and satisfaction levels of the customers from the service quality perception constructs adapted from the perception statements of Parasuraman et al.’s modified SERVQUAL instrument.

The research findings also provide an equation for discriminating the customers with different levels of satisfaction from the service quality perception constructs adapted from the modified SERVQUAL instrument.

The results of the study infer that there is a need to improve the tangibility, reliability and responsiveness dimensions of service quality by the bankers, so as to satisfy the customers on the banking services provided by the bankers.
6.4 Conclusions

This research work builds on existing literature that provides an understanding of service quality, customer satisfaction, and behavioural intention measurements. The present investigation stirs forward towards understanding the importance of perceived service quality on customer satisfaction and thereto on behavioural intentions. The following conclusions were drawn based on the findings of the study.

The customer’s perception levels are relatively less for those customers with less expectation, and high for those customers with high expectations.

All the dimensions of service quality and its constructs are linked to overall weighted average perceived service quality, customer satisfaction and loyalty.

The perceived service quality and satisfaction levels of the customers can be predicted from service quality perception constructs. Moreover, group discrimination on the basis of service quality constructs contributes to the classification of customers as dissatisfied and satisfied.

It is concluded that irrespective of age differences, male respondents of low income group and of less educational qualification would prefer service charges as their basis for the process of a bank selection.

The frequency of transaction of the respondents may not have significant influence on level of satisfaction of the customers on banking
services, which necessitates for each and every service encounter to be used as an opportunity to improve or sustain the satisfaction level of customers on the banking services.

The variation in demographic characteristics namely: age, gender and educational qualification may have considerable influence on perceived service quality and satisfaction levels of the customer.

The better perception of service quality and satisfaction results in “loyalty” and “pay more”, whereas dissatisfaction ends up with switching to competitors and complaining by customers.

### 6.5 Scope for Future Research

The scope for future research are as follows:

- One of the most prominent suggestions would focus on expanding the geographical reach of this study by selecting banks from other districts in the state of Tamilnadu.

- A similar type of study can be undertaken for assessing the perception, satisfaction and loyalty of the customers on the services of private sector banks and other public sector banks in the same geographic area and in the other locality also.

- Studies can be attempted to compare the SERVQUAL instrument with that of SERVPERF in the assessment of service quality among customers of various banks.
Future research studies may be extended for the assessment of banker’s perception of customer’s expectation, and employee’s perceived service climate on the differences in perceived service quality, satisfaction and loyalty of the customers.