

# A Study on the Influence of Service Quality in Customer Satisfaction

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## ABSTRACT

Service Quality in finance sector is the most important criteria and asset for evaluating and satisfying customers and thereby increases the customer loyalty and average retention rate of customers. Among the service quality determinants, reliability, assurance and empathy have always played a pivotal role. Prior research suggests that customer perceptions and expectations are more likely to be different across service sectors. Hence, this paper examines the effect of service quality determinants on the degree of customer satisfaction in Home First Finance Company. By realizing the gap between the perceived and actual service quality, customer satisfaction can be extremely improved.

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## I. INTRODUCTION

Customer satisfaction and service quality are considered as a crucial aspect in business, for the development of a company highly depends on how good they maintain their customer through problems in service and defining measures for service performances and outcomes as well as level of customer satisfaction. Moreover, service quality can be defined by examining the differences between expected service and perceived service. A positive relationship between service quality and customer satisfaction. In this study, multiple regression analysis is implemented to examine the relationships between service quality variables and customer satisfaction. The results show that all the service quality items were good predictors of customer satisfaction.

## OBJECTIVES OF THE STUDY

- To identify degree of importance attached to various dimensions of service quality viz.
- To find the gap between customers' expectations and perceptions of quality of services.
- To determine the perceptions of customers regarding the service quality
- To analyze and compare the service quality perceptions of the customers

## II. REVIEW OF LITERATURE

**Merten Sievers Paul Vandenberg (2007)** Access to both financial and business development services (BDS) can aid the growth of micro and small enterprises. Early efforts to combine or "link" these two types of services proved unsuccessful, however. BDS was supply driven, of poor quality, and often confined to management training. A renewed interest in linking services is driven both by a concern that "credit is not enough" to generate bottom-up poverty reduction and by a new approach to BDS. Business services must be demand driven, managed in a sustainable manner, and diversified beyond management training. For success, linkages must provide benefits to the three key actors involved: enterprises, BDS providers, and micro-finance institutions. Thirty linked programs are analyzed using a six-part typology.

**Rupali jitendra khaire(2011)** This paper is an attempt to critically analyses of statutory policy for empowerment and its impact on entrepreneurship. In this literature review a body of text that aims to review the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to entrepreneurship through secondary sources, and as such, do not report any new or original experimental work. The article helps to under how entrepreneurship has developed into an accepted concept which makes an important part of the economy. The researcher took the review of available literature with various secondary sources like book, periodicals, and websites.

**Nagendra Kumar Jha(2012)** In his study explains, traditionally have been playing a crucial role in the family as well as in the farm, shop, factory and in the society, but their contribution has not been duly acknowledged. The involvement and participation in the process of development is sine-qua-non for the uplift of to boost their status in the society. In the present age of globalization where each and every economy of the

world is giving emphasis on empowerment which is not possible by creating employment opportunities for them but to motivate them to go for creating their own enterprise.

**N.S. Murshid (2016)** The present study adds to extant literature on the association between microfinance participation and intimate partner violence (IPV) by assessing a national sample of men married to microfinance participants. The key objective was to assess whether there was a positive association between wives' microfinance participation and men's perpetration and justification of IPV in urban areas of Bangladesh. This study is based on a population-based secondary data analysis. In this cross-sectional study, data from a national sample of men from the 2007 Bangladesh Demographic and Health Survey were analysed using logistic regression analyses. IPV perpetration was measured using a modified Conflict Tactics Scale and justification of IPV was measured based on 'justification of wife beating' statements with which men agreed or disagreed.

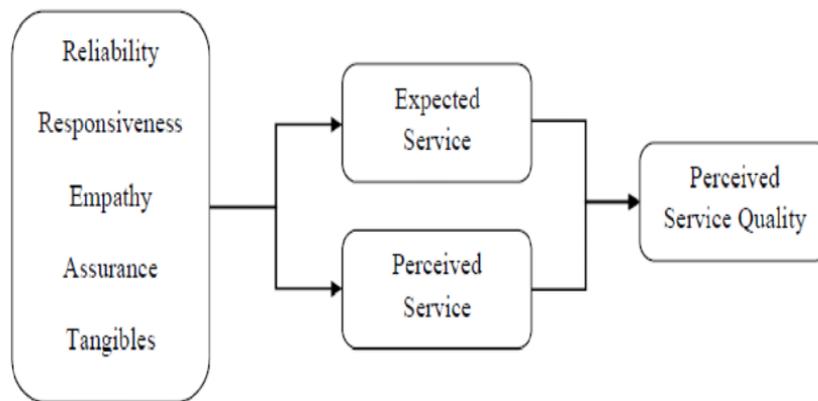
### III. RESEARCH METHODOLOGY

This study is a descriptive one, descriptive research studies are those studies, which are concerned with describing the characteristics of a particular individual, or a group. The main aim behind the study was to understand the customer experience in the various stages. In this study primary data was collected from the customers with help of Questionnaire and interview schedule. The population for this study is 500. Sample size of this study is 200.

**Sampling Method:**

Stratified random sampling is a method of sampling that involves the division of a population into smaller sub-groups known as strata. In stratified random sampling, or stratification, the strata are formed based on members' shared attributes or characteristics such as income or educational attainment.

**Model**



**ANALYSIS AND INTERPRETATION**

**Table of financial service can increase customers' confident and trust in quality service and staffs can provide customers precise personal services.**

**H0** – There is no relations between financial service can increase customers' confident and trust in quality service and staffs can provide customers precise personal services.

**H1** - There is a relation between financial service can increase customers' confident and trust in quality service and staffs can provide customers precise personal services.

|                | Sum of Squares | Df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 14.881         | 4   | 3.720       | 4.865 | .001 |
| Within Groups  | 149.119        | 195 | .765        |       |      |
| Total          | 164.000        | 199 |             |       |      |

From the above table the Calculated table the calculated sum value is .001 which was below the level of 0.05%. Hence the Hypothesis of H0 is truly fit and it is acceptable.

**Table of staffs can understand customers' needs and staffs are helpful to customers**

**H0** – There is no relations between staffs can understand customers' needs and staffs are helpful to customers

**H1** - There is a relation between staffs can understand customers' needs and staffs are helpful to customers

|                | Sum of Squares | Df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 7.556          | 4   | 1.889       | 1.393 | .238 |
| Within Groups  | 264.444        | 195 | 1.356       |       |      |
| Total          | 272.000        | 199 |             |       |      |

From the above table the Calculated table the calculated sum value is .238 which was above the level of 0.05%. Hence the Hypothesis of H1 is truly fit and it is acceptable.

**Table of financial service can increase customers' confident and trust in quality services and confidence in the finance's ability to deliver high quality services.**

**H0** – There is no relations financial service can increase customers' confident and trust in quality services and confidence in the finance's ability to deliver high quality services.

**H1** - There is a relation between financial service can increase customers' confident and trust in quality services and confidence in the finance's ability to deliver high quality services.

|                | Sum of Squares | Df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 11.943         | 4   | 2.986       | 3.829 | .005 |
| Within Groups  | 152.057        | 195 | .780        |       |      |
| Total          | 164.000        | 199 |             |       |      |

From the above table the calculated table the calculated sum value is .005 which was equal the level of 0.05%. Hence the Hypothesis of H1 is truly fit and it is acceptable.

**Table of Finance has customer's best interest at heart and Sufficient staffs are available to provide customers financial services**

**H0** – There is no relations Finance has customer's best interest at heart and Sufficient staffs are available to provide customers financial services

**H1** - There is a relation between Finance has customer's best interest at heart and Sufficient staffs are available to provide customers financial services

|                | Sum of Squares | Df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 7.087          | 4   | 1.772       | 1.827 | .125 |
| Within Groups  | 189.108        | 195 | .970        |       |      |
| Total          | 196.195        | 199 |             |       |      |

From the above table the Calculated table the calculated sum value is .125 which was above the level of 0.05%. Hence the Hypothesis of H1 is truly fit and it is acceptable.

**Table of the finance can provide customers the services as promised and the finance can honor their commitments.**

**H0** – There is no relations the finance can provide customers the services as promised and the finance can honor their commitments.

**H1** - There is a relation between the finance can provide customers the services as promised and the finance can honor their commitments.

|                | Sum of Squares | Df  | Mean Square | F     | Sig. |
|----------------|----------------|-----|-------------|-------|------|
| Between Groups | 10.497         | 3   | 3.499       | 2.678 | .048 |
| Within Groups  | 256.058        | 196 | 1.306       |       |      |
| Total          | 266.555        | 199 |             |       |      |

From the above table the Calculated table the calculated sum value is .048 which was above the level of 0.05%. Hence the Hypothesis of H1 is truly fit and it is acceptable.

#### IV. SUGGESTIONS

Unlike in the past, all banking operation gradually came to be measured in terms of thus ability to generate possibilities of social banking for their meaningful survival & growth. Therefore, there should be a shift in the banks objective from bank growth.

- The banks should follow the modern marketing strategies for not only increasing the number of customers but also increasing the revenue.
- Introducing innovative administration in information and technology which reduce costs, increases volumes and facilities customized products of banks.
- The banks should not only depend on interest income but also to generate non-interest income
- Investment made by banks should be made rationally.
- The establishment expenses, which constitute the largest item of the total expenditure of banks, needs to be monitored regularly.
- The credit- deposit proportion should be maintained properly.

#### V. CONCLUSION

The banks by earning at least a nominal profit, have to serve the economy through extension of advances and safeguard the interest of their investors by providing the expected rate of return on their investment in banks. These forces banks not only to increase their earnings but also to create surplus out of their banking activities. The financing system faces several difficult challenges. Therefore, the banks have to re-orient their strategies in the light of their own strengths and the kind of market in which they are likely to operate.

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