

A Study On The Assessment Of Bank Service Delivery, Customer Satisfaction And Customer Loyalty Of Private Banks In Calicut

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Abstract:

Service delivery is a major issue that is very difficult to explain through the distinction between goods. Banks' output depends on how effective banks with better customer service and customer loyalty react to market changes. Therefore, the present research evaluates the service delivery, satisfaction towards the customer, and customer loyalty of private banks in Calicut. The objective of this study is to define the association between bank service provision and banks' customer satisfaction in Calicut. The secondary aim is to determine the impact of bank service delivery on banks' customer satisfaction in Calicut. The research is concise since it examines the present situation as it exists. Study findings indicated that the variables are positive and statistically significant.

Keywords: *Service delivery, customer satisfaction, customer loyalty.*

Introduction:

Service industries serve as the key driver of India's speeding up economic growth. More than 54.40 per cent of GDP is generated in India from the service sector. Because of the new technologies, economic uncertainty, fierce competition, demanding customers and changing climate, the banking sector in India has seen tremendous changes. The banking sector is well regulated, which paves the way for the industry to benefit adequately from foreign direct investment. This, in turn, seeks the customer to demand products and services of world-class. Therefore, the service provider must have creative approaches to deliver better customer services, which will help meet customer expectations. By offering exclusive offerings, service providers may differentiate themselves from their competitors. A highly competitive environment, educated consumers, rising living standards forced the service provider to review its service strategy (Ananth et al., 2010). To succeed in the competitive market, service providers must distinguish themselves by supplying the customers with high-quality services. Building and maintaining a strong customer relationship (Bergeron 2002) is important for success in the competitive environment. Banks have increasingly channeled more resources to attract existing clients rather than acquiring new customers. Acquiring new consumers would cost a lot more than keeping them. The ultimate weapon is in the customer's hands; providing quality service is the only way to retain customers, to maintain trust and loyalty. Accelerating Service Quality increases customer satisfaction that affects customer loyalty (Gallarza et al., n.d; Ganesh, 2011; Arnold & Reynolds, 2000; Voss et al., 2004). The present study thus focuses on evaluating the relationship between delivery of the private bank service, the satisfaction towards the private bank customer and loyalty to the private bank customer in Calicut.

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Statement of the Problem

For banks to succeed in a competitive world, providing high-quality Service Quality (SQ) and retaining loyalty to the customer in the banking sector is critically essential. Improving good service quality increases customer loyalty and helps banks achieve significant revenue opportunities over a long period. Coming to the banking industry, the standard of service is a major problem that is quite difficult to explain through the distinction between the goods. Banks' output depends on how effective banks with better customer service and customer loyalty react to market changes. Therefore, the present research tests the delivery of the private bank service, the satisfaction towards the private bank customer and loyalty to the private bank customer in Calicut.

Objectives of the study

The research study objective is to define the association between bank service provision and satisfaction of the bank customer in Calicut. A secondary goal is to assess the effect of bank service delivery on banks' customer satisfaction in Calicut.

Review of Literature

Service Delivery Quality

Service delivery is about supplying the service provider with quality services. SQ is the product of comparison between perceived and expected outcomes. Service quality is assessed with the core service,

how the service process was produced, and effectively achieved service delivery (Zeithanil and Parasuraman, 2004). Based on previous experience, customers judge the provision of services by (Khurana, 2013; Bitner & Hubbert, 1994). In this study, the researcher uses the Parasuraman et al. (1988) equations to calculate the SQ delivery. Taken into account, three dimensions include efficiency, sensitivity and empathy. Also stated the same variables in the study of Adeoye (2012) and Mohammad (2011).

- Reliability is used to evaluate service providers' capacity to provide contracted service consistently and reliably.
- Responsiveness is used to measure the service provider's willingness to support the client in accessing timely services;
- Empathy shows how well service providers look after consumers and how deeply they consider the needs of customers.

Customer satisfaction (CS)

Customer satisfaction relates totally to the attitude of the customer towards the service experience. The market has seen enormous shifts from manufacturing to the consumer market in the present day. The customer is the king and plays a significant role in adding value to the market (Trivedi, 2015). Currently, the industry is keen to specifically know the customer's needs and expectations, affecting CS. Therefore, it is important to understand the customer satisfaction that helps the service provider find places where the service delivery needs to be improved. CS rates in the industry differ from one customer to another. Because the essence of their desires, output goals, vision and images often differ. CS is the best way of achieving market success. Customer satisfaction has the power to ruin customer loyalty and repurchasing decisions (Williams et al., 2015). If the loss of the consumer was found to be around 5 per cent improvement in sales, (Reichheld & Sasser, 1990) reached 25-95 per cent.

Customer satisfaction is usually used to measure the attitude of consumers towards the company. Customer satisfaction is characterized as the behaviour observed before and after the

use of the service by the customer. In addition, it is the decision to repurchase the product quality or SQ cycle and the customer. CS and quality of service delivery are related to each other. Bitner & Hubbert (1994) should be pleased with more of the service quality than higher. Considering the views of other writers, it is important to assess the customer satisfaction of banks' service delivery in Calicut.

Customer Loyalty

Customer loyalty refers to the customer's state of mind and emotional disposition towards specific services; fair judgment based on previous use of service experience and service provider relationships (Koros, 2011). Customer loyalty is to show a strong commitment in the future to rebuy the service. It triggers repeated purchases of the same brand or same brand set (Yi, 1999). For a long time, customer loyalty has been to allow a constant reliance on services. The degree of loyalty is measured by using how long the individual customers use the banks, the duration of use of the service provider and the degree of consistency of use of the services (Yi, Jeon 2003; Fornell et al., 1996). Satisfaction is one of the Bloemer et al. (1998) Loyalty histories. This combines the quality of service and confidence. Service loyalty is to have a positive attitude and conduct towards the service provider and prevent them from switching to Fornell et al. (1996).

Relationship between service delivery and customer satisfaction and customer loyalty

Boonlertvanich (2019) stated in the study that CS, trust and loyalty followed the relationship between SQ and retail banking services. In the present age, banks give customers high-quality services. This study aimed to evaluate the association among the variables. The research assessed the service quality according to general marketing and consumer behaviour, using a hierarchical model. The trial was carried out in Thailand. The research resulted in a direct and indirect effect of service delivery on satisfaction, trust accompanied by attitude and behavioural loyalty. In addition, the quality of service has a weak impact on customer loyalty because the customer retains the principal bank position.

Furthermore, it has the power to influence behavioural loyalty towards wealthy consumers. Attitude loyalty, however, to be high at frequent customers. Wealth status has a significant impact on the standard of service and loyalty to the customer.

Yilmaz et al. (2018) described how the dimensions of SERVQUAL service influenced student banking. The study was keen to identify the connection between service provider perception and overall bank satisfaction. The research was undertaken at the University of Eskisehir Osmangazi. SEM received the finding that banks' efficiency, appearance, and accessibility play a key role in accelerating banks' student satisfaction.

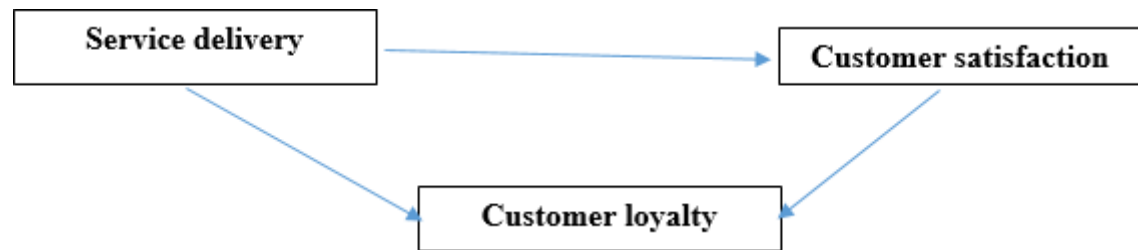
Rajalakshmi (2016) reported that service provider excellence was measured using the quality of service delivery. Quality in customer service is crucial to differentiate it from its rivals. It's called the strategic tool. The study focused on defining the quality attributes of service delivery, evaluating the attributes, and measuring the performance of private banks followed by public and foreign banks. The analysis was carried out in Chennai. The researcher chose the most suitable dimensions for the analysis based on the SERVQUAL measurements. It combines reliability, sensitivity, empathy, consistency, and tangibility. To assess the analysis, an account is taken of both descriptive design and analytical design. The consequence of statistical methods was that empathy and sensitivity played a key role in the consistency of SQ over tangibility accompanied by security and reliability. Mean scores suggested that all three variables lag are sensitive to customer demands.

Saurina & Coenders (2002) reported how the SQ dimension influences Spain's bank customer's satisfaction. The researchers used the Parasuraman aspect, unique to the banking sector, to test the analysis. Considering the measurements, the conduct of officials has the

greatest control over efficiency and overall satisfaction. With the aid of comparisons, it clarifies that Spain's bank customers are highly satisfied with the overall SQ and it has a strong and close relation between the variables. Addai et al. (2015) suggested that service delivery and customer satisfaction in Ghana have a major impact. The study included transparency, reliability and usability as attributes of electronic banking. Based on the opinion of 150 customers, the analysis found a strong positive association between the characteristics of customer satisfaction and service delivery.

Sakhaei Afshavi and Esmaih (2014) reflected an important impact on CS through the SQ. The study's goal was to consider the customer satisfaction effects of service delivery attributes in Iran. In this report, the authors considered the delivery dimensions reliability followed by performance, responsiveness, fulfilment, protection or privacy and website design. The highest attribute of the six dimensions is reliability, while the least attribute is customer design. Many of the attributes have a strong positive association with customer satisfaction. Lau, Cheung, Lam and Chu (2013) described how the relationship between service delivery occurs in Hong Kong, followed by CS and CL. The research has looked at 119 Hong Kong retail banks taking into account five dimensions to determine the respondents' views. It's measurable inclusion accompanied by accountability, reliability, security and empathy. The analysis showed the variables had a major impact on customer satisfaction. Certain variables have the highest customer satisfaction effect, while empathy has the least importance.

Conceptual Framework



The researcher considered the variables in this analysis, such as the delivery of the bank service, the satisfaction of the bank customer and loyalty to the bank customer. The research uses service delivery as dependent variables, as independent variables, the satisfaction of the bank customer and loyalty to the bank customer.

Research Methodology

The analysis is quantitative since the researcher uses an online survey to perform the survey. The research sees the population as borrowers of private banks, and the sample is calculated based on a sampling of non- probability. The researcher picks out the customers of Axis and ICICI banks in Calicut using a simple random sampling procedure. The researcher hands the questionnaire out to 170 respondents. Of the 170, 145 respondents gave the researcher a filled-out questionnaire. The researcher thus sets the sample size to be 145. The researcher frames the questionnaire to measure SQ, the satisfaction of the bank customer and loyalty to the bank customer to know the service delivery view. All variables were evaluated using a scale of five-point Likert. The key aim of using a five-point Likert scale is to decrease respondents' level of frustration and to increase the response rate and quality.

Analysis and Interpretation

In this section, the researcher uses frequency analysis to determine the demographic attributes.

Demographic attributes to qualifying for age, gender, and education.

Table 1. Socio Economic Profile of the Respondents

Particulars		Frequency	Percent
Age	Below 25 years	36	24.8
	25 to 35 years	38	26.2
	35 to 45 years	33	22.8
	Above 45 years	38	26.2
Gender	Male	60	41.4
	Female	85	58.6
Education	Below graduate	45	31.0
	UG	47	32.4
	PG	53	36.6

Source: Primary Data

From the table 1, it is observed that 36 respondents, 24.8 per cent of respondents belong to less than 25 years, followed by 26.2 per cent of respondents are aged from 25 to 35 years, 22.8 per cent of respondents are aged from 35 to 45 years, and 26.2 per cent of respondents are aged more than 45 years. 41.4 per cent of those who come to gender are male while 58.6 per cent are female and education qualification, 31 per cent undergraduate holding, 32.4 per cent undergraduate holding and 36.6 per cent postgraduate holding.

Correlations

Correlation is applied to investigate the relation between dependent and independent variables. The bivariate correlation applies in this analysis to define the association between variables.

Table 2. Results of correlation between customer satisfaction, customer loyalty and service delivery

Particulars	Customer satisfaction	Customer loyalty	Service delivery
Customer satisfaction	1	.028 (.000)	.054 (.000)
Customer loyalty		1	.131 (.000)
Service delivery			1

The correlation test determines the association between service delivery, the satisfaction of the bank customer and loyalty to the bank customer. Satisfaction of the bank customer and loyalty to the bank customer is considered predictive variables and independent variables in service delivery.

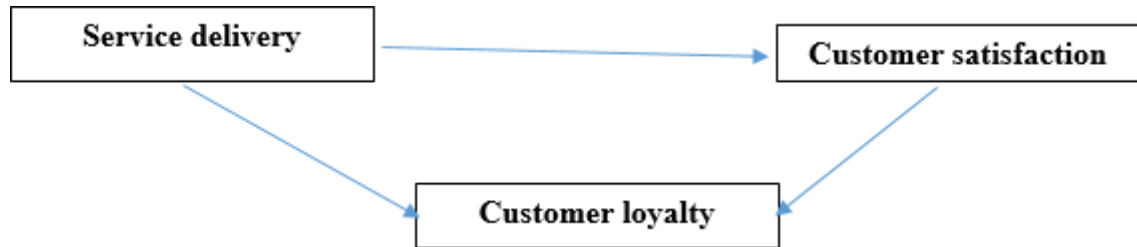
The table above shows the coefficient of association is calculated for customer satisfaction and service provision. However, the correlation value is 0.054, and the significance value is less than 5 per cent. Thus, it is inferred that the satisfaction of the bank customer is positively associated with the delivery of the service provided by the bank.

The coefficient of association appraised for customer loyalty and service delivery. The value of the coefficient of correlation is 0.131, and the p-value is 0.000 ($p < 5\%$). Hence, it is found that loyalty to the customer is significantly related to the delivery of the service provided by the bank. Besides, the strength of the variable is positive.

The coefficient of correlation determined the satisfaction and loyalty to the customer. The correlation coefficient value is 0.028, and the meaning is 0.000, less than the significance point. Therefore, it is noted that the customer's satisfaction has a strong and close association with the loyalty to the customer.

Regression

Regression was used to assess how the independent variable (satisfaction of the bank customer and loyalty to the bank customer) influenced the dependent variable (delivery of bank service).



The correlation analysis is used to analyze the association between the dependent and independent variables. In addition, independent attributes are service providers, and based attributes are the satisfaction of the bank customer and loyalty to the bank customer. The researcher used multiple linear regression is to determine the impact of the delivery of bank service on the satisfaction of the bank customer and loyalty to the bank customer assessment in this study. However, the determination coefficient and it is statistically significant were found to be 27.73 per cent. Dimensions of service delivery affect consumer satisfaction and customer loyalty of 27.73 per cent.

Service delivery (Beta=0.222, p=0.000) was the greatest influence on customer satisfaction from the linear regression analysis. Service delivery was found to have the greatest impact on loyalty to the bank customer (Beta = 0.190, p=0.000). Satisfaction of the bank customer powers the provision of banks' services in Calicut from the study.

Findings

It clarifies that the largest number of respondents were between the 25-35 age group and over 45 years. The largest number of respondents is female, and as postgraduates, the respondent has the education qualification. The correlation study clarifies that quality of the bank service, satisfaction of the bank customer and loyalty to the bank customer were strongly correlated with the positive. The regression analysis shows the service delivery (Beta=0.222, p=0.000) has the highest impact on satisfaction. Besides, the service delivery is highly influenced the customer loyalty (Beta = 0.190, p=0.000). Hence the satisfaction to the customer powers the delivery of banks' services in Calicut from the study.

Conclusion

This study aims to assess the association among the satisfaction of the customers, delivery of services, and customer loyalty. Inclusion of reliability, sensitivity and empathy in service delivery. The study found that the attributes were seen as significant dimensions in shaping service delivery to banks. However, the analysis that the service provider provides a lot of services that please them, which in effect suggests that the others do the same. When service quality improves, it speeds up customer loyalty. Customer satisfaction ultimately increases customer loyalty towards the bank.

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