

SERVICE QUALITY ANALYSIS IN COOPERATIVE BANKS

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ABSTRACT

Co-operative banks in urban areas has increased phenomenally in recent years due to the sharp rise in the number of popular Cooperative banks. The cooperation segment includes the retail banking, mutual savings and credit associations, construction companies and co-operatives, as well as commercial banking services provided by manual organizations. The study will provide empirical evidence as regards to factors that leads to Service Quality with banking services as well as possible strategies that can be adopted to address this problem and the findings would pave the way on re-setting the policies and plans of the selected banks in order to keep pace with the growing competitive environment so as to meet the community satisfaction. The Present Research study is aimed at studying the Service Quality at Co-operative banks in Meerut District, Uttar Pradesh.

Key Words- Co-operative banks, Service Quality, Tangibility.

1.1 INTRODUCTION

The Co-operative credit machinery is produced mainly for development of agricultural occupation in India. The Co-operative credit was provided arrangement with the purpose of making farmers free of the clams of moneylenders and reducing the burden of loans that continued generation to generation. The Co-operative credit always gives first priority to agricultural sector. Today, the Co-operative banks are working of realising the socialistic structure of the society. Co-operative banks in urban areas has increased phenomenally in recent years due to the sharp rise in the number of popular Cooperative banks. The cooperation segment includes the retail banking, mutual savings and credit associations, construction companies and co-operatives, as well as commercial banking services provided by manual organizations.

1.1.1 Structure of Co-Operative Banks in India-Some Co-operative banks are scheduled banks, while others are non-scheduled banks. For instance, State Co-operative banks and some Urban Co-operative banks are scheduled banks but other Co-operative banks are non-scheduled banks. Scheduled banks are those banks which have been included in the second schedule of the Reserve bank of India act of 1934.

1.1.2 District Central Co-Operative Banks in Meerut Division-There are three Districts Central Co-operative Bank in Meerut Division consist of Meerut District Central Co-operative Bank, Bulandshahr District Central Co-operative Bank and Ghaziabad District Central Co-operative Bank.

1.2 STATEMENT OF THE PROBLEM

The co-operative banks are backbone of the country's development. Financial services sector has become so competitive in recent times due largely to the liberalization of the co-operative banks in Meerut District. Also as

a result of the changing technologies, Pressure to achieve the Objectives, need to Improve Profitability, need to control Operations Costs and need to improve on Customer Service in the Co-operative Banks. The Present Research study is aimed at studying the Service Quality at Co-operative banks in Meerut District, Uttar Pradesh.

1.3 OBJECTIVES OF THE STUDY

- To study the concept of service quality dimensions.
- To study the tangibility determinant of Service Quality in bank customers of selected co-operative banks.
- To draw the conclusion and make recommendations for increasing the satisfaction level of customers of selected banks.

1.4 SIGNIFICANCE OF THE STUDY

This study is proposed with the purpose of identifying the areas where cooperative banks have not done enough in order to meet the community expectations. The study will provide empirical evidence as regards to factors that leads to Service Quality with banking services as well as possible strategies that can be adopted to address this problem and the findings would pave the way on re-setting the policies and plans of the selected banks in order to keep pace with the growing competitive environment so as to meet the community satisfaction.

1.5 SCOPE OF THE STUDY

Conceptually research gives an insight on perceived service quality based on the selected variables that determine the determinants of customer satisfaction on Service quality of selected Cooperative banks in Meerut District. Methodologically conclusive research design will be used, which is most suitable for the research. Geographically study will be conducted in selected Co-operative Banks located in Meerut. Hence, the scope of this study is limited to the Co-operative banks based on Service Quality in Meerut district.

1.6 LIMITATIONS OF THE STUDY

- The study is restricted only to Selected Cooperative Banks in Meerut District, Uttar Pradesh State.
- Only one determinant of Service Quality i.e. Tangibility is taken for study.
- Statistical tools used for analysis are not free from all the limitations.

1.7 REVIEW OF LITERATURE

1.7.1 Conceptual Review

Service Quality-The gap between customers' expectation and real performance of a service is termed as service quality. Parasuraman et. al., (1988) developed the SERVQUAL model as mentioning five dimensions such as tangibility, responsiveness, reliability, assurance, and empathy. In 1992, Cronin and Taylor proposed the alternative method, referred to as SERVPERF. They argued that, to assess service quality, perception of customers regarding the performance of service provides better results than using SERVQUAL. Along with other researchers in 1994, Parasuraman et al. also mentioned that measurement method using SERVPERF is better than using SERVQUAL, though SERVQUAL can provide better diagnostic results of service quality. The dimensions of service quality for mass service as well as banking service will be dominant.

The SERVQUAL Approach-The SERVQUAL approach has been applied in service and retailing organizations (Parasuraman, 1991). A more reasonable approach to SERVQUAL is to develop or design action plans that will lead to the improvement of service quality. SERVQUAL provides a technology for measuring and managing service quality (SQ). Since 1985, when the technology was first published, its innovators Parasuraman, Zeithaml and Berry, have further developed, promulgated and promoted the technology through a series of publications. It includes Tangibility, Reliability, Responsiveness, Assurance, and Empathy.

1.7.2 Empirical Review

Singh (2019), measured that the e-service quality of internet banking and the relationship with customer satisfaction in India. This study aims to explore the critical factors of e-service quality of internet banking in India and to measure the customers' satisfaction of internet banking on the identified e-service quality dimensions.

Poornima (2019), revealed that the Indian banking sector has emerged as one of the strongest drivers of India's economic growth. Service Satisfaction of the customers is an invaluable asset for Banking Institutions providing unmatched competitive edge.

Kavitha (2016) have studied that satisfaction level of the services of cooperative banks location to Ranipet service co-operative banks. This article showed a positive opinion toward the service of the bank and the attitude of employees for rendering services.

Kakouris (2016) proposed that this empirical study examines the service quality perceptions of customers of the leading bank in the Serbian market. SERVQUAL instrument exhibited several disadvantages in comparison to customer satisfaction surveys, the recommendation is not to abandon SERVQUAL measurements but to remove limitations and adapt it to better correspond to each case.

Gupta (2013), focused on the customers' motivations behind engaging themselves in a relationship and the factors, which influence them in this regard. SERVQUAL scale was used to determine different dimensions of service quality.

Basavaraj (2013) investigated that preference and satisfaction level customer toward loans, deposit schemes, insurance and value added service rendered, by and public banks in private banks in shivamogga district.

Sinha et al, (2013) in the article Customer Service in Banking-Long way to go in resolving Inadequacies, Dr KC Chakrabarty, former deputy governor of Reserve bank of India is quoted as saying that the 'banks in India are still putting their interest ahead of the customers.

1.8 RESEARCH METHODOLOGY

The study took up a combination of qualitative and quantitative research techniques in order to develop groundwork using statistical evidence. The qualitative research design helps to provide insight into the problem with the understanding of the underlying reasons. On the other hand, a quantitative research design was also followed for numerical measurements and statistical analysis, as it focuses on measurements and observations.

1.8.1 Sources of Data -Data needed for the research was collected from both the sources of data primary as well as secondary. Primary data was collected through systematically designed and interviewer administered questionnaire.

1.8.2 Population of the Study - The study population for this study was selected from the five selected Co-operative bank customers in Meerut district, Uttar Pradesh. The sample of 385 customers of Co-operative banks was taken for this research. The stratified sampling technique used to find the sample of customers from selected co-operative banks in Meerut district, Uttar Pradesh.

1.9 DATA ANALYSIS

1.9.1 Demographic Analysis

1.9.1.1 Age of the Respondents

Table No.-1: Age of the Respondents

Age	Frequency	Percentage	Cumulative Percentage
20-30	137	35.6%	35.6%
30-40	128	33.2%	68.8%
40-50	52	13.5%	82.3%
50-60	68	17.7%	100.0%
Total	385	100.0%	

Source: Primary Data

Calculation of Mean & Standard Deviation

N	385
Valid Missing	0
Mean	2.13
Std. Dev.	1.09
Minimum	20-30
Maximum	50-60

Interpretation -From the above table no-1, it is concluded that maximum respondents 137 i.e. 35.6% belongs to 20-30 age group and minimum respondents 52 i.e. 13.5% belongs to 40-50 age group in Meerut district, Uttar Pradesh. There is the value of standard deviation is less than mean it means statistical data set are close to mean.

1.9.1.2 Gender of the Respondents

Table No.-2: Gender of the Respondents

Gender	Frequency	Percentage	Cumulative Percentage
Valid Male	248	64.4%	64.4%
Female	137	35.6%	100.0%
Total	385	100.0%	

Source: Primary Data

Calculation of Mean & Standard Deviation

N	385
Valid Missing	0
Mean	1.36
Std. Dev.	0.48
Minimum	Male
Maximum	Female

Interpretation -From the above table no.-2, it is concluded that out of total 385 respondents, 248 i.e. 64.4% respondents were male and remaining 137 i.e. 35.6% respondents were female. There is the value of standard deviation is less than mean it means statistical data set are close to mean.

1.9.1.3 Educational Qualification of the Respondents

Table No.-3: Educational Qualification of the Respondents

Educational Qualification		Frequency	Percentage	Cumulative Percentage
	Below SSC	10	2.6%	2.6%
	SSC	14	3.6%	6.2%
	HSC	88	22.9%	29.1%
	Graduate	143	37.1%	66.2%
	Post Graduate	130	33.8%	100.0%
Total		385	100.0%	

Source: Primary Data

Calculation of Mean & Standard Deviation

N	385
Valid Missing	0
Mean	3.96
Std. Dev.	0.97
Minimum	Below SSC
Maximum	Post Graduate

Interpretation -From the above table no.-3, it concluded that 10 respondents (2.6%) were below SSC, 14 respondents (3.6%) were SSC, 88 respondents (22.9%) were HSC, 143 respondents (37.1%) were graduate and 130 respondents (33.8%) were post graduate. There is the value of standard deviation is less than mean it means statistical data set are close to mean.

1.9.1.4 Residential Area of the Respondents

Table No.-4: Residential Area of the Respondents

Residential Area		Frequency	Percentage	Cumulative Percentage
Valid	Urban	53	13.8%	13.8%
	Semi Urban	136	35.3%	49.1%
	Rural	196	50.9%	100.0%
Total		385	100.0%	

Source: Primary Data

Calculation of Mean & Standard Deviation

N	385
Valid Missing	0
Mean	2,37
Std. Dev.	0.71
Minimum	Urban
Maximum	Rural

Interpretation -From the above table no.-4 shows that maximum 196 (50.9%) respondents were from rural area, 136 (35.3%) respondents were from the semi urban area and 53 (13.8%) were from the urban area. So it is clear from the above data that maximum respondents belong to rural area. There is the value of standard deviation is less than mean it means statistical data set are close to mean.

1.9.1.5 Marital Status of the Respondents

Table No.-5: Marital Status of the Respondents

Marital Status	Frequency	Percentage	Cumulative Percentage
Married	188	48.8%	48.8%
Unmarried	197	51.2%	100.0%
Total	385	100.0%	

Source: Primary Data

Calculation of Mean & Standard Deviation

N	385
Valid Missing	0
Mean	1.51
Std. Dev.	0.50
Minimum	Married
Maximum	Unmarried

Interpretation -Above table no.-5 shows that out of total 385 respondents, 188 i.e. 48.8% were married while 197 i.e. 51.2% were unmarried. So it clear from the above table those maximum respondents were unmarried. There is the value of standard deviation is less than mean it means statistical data set are close to mean.

1.9.2 Service Quality Dimensions (Tangibility Dimensions)

1.9.2.1 Tangibility Dimension-1

Table No.-6: Co-operative Bank has up-to-date equipment and technology

Score Level		Frequency	Percentage	Cumulative Percentage
	Strongly Disagree	12	3.1%	3.1%
	Disagree	66	17.1%	20.3%
	Neutral	65	16.9%	37.1%
	Agree	116	30.1%	67.3%
	Strongly Agree	126	32.7%	100.0%
Total		385	100.0%	

Source: Primary Data

Interpretation -Above table no.-6 shows that 12 respondents i.e. 3.1% were strongly disagree, 66 respondents i.e. 17.1% were disagree, 65 respondents i.e. 16.9% were neutral, 116 respondents i.e. 30.1% were agree and 126 respondents 32.7% were strongly agree. So it is clear from the above data that maximum respondents were strongly agree.

1.9.2.2 Tangibility Dimension-2

Table No.-7 Co-operative Banks physical facilities are visually appealing

Score Level		Frequency	Percentage	Cumulative Percentage
	Strongly Disagree		4.7%	4.7%
	Disagree		16.1%	20.8%
	Neutral		19.7%	40.5%
	Agree		29.6%	70.1%
	Strongly Agree		29.9%	100.0%
Total			100.0%	

Source: Primary Data

Interpretation -From the above table no.-7,it is concluded that 18 respondents i.e. 4.7% were strongly disagree, 62 respondents i.e. 16.1% were disagree, 76 respondents i.e. 19.7% were neutral, 114 respondents i.e. 29.6% were agree and 115 respondents 29.9% were strongly agree. So it is clear from the above table that maximum respondents were strongly agree.

1.9.2.3 Tangibility-3

Table No.-8 Co-operative Banks employees are well dressed and neat.

Score Level		Frequency	Percentage	Cumulative Percentage
	Strongly Disagree	17	4.4%	4.4%
	Disagree	62	16.1%	20.5%
	Neutral	91	23.6%	44.2%
	Agree	113	29.4%	73.5%
	Strongly Agree	102	26.5%	100.0%
Total		385	100.0%	

Source: Primary Data

Interpretation -Above table no.-8 shows that 17 respondents i.e. 4.4% were strongly disagree, 62 respondents i.e. 16.1% were disagree, 91 respondents i.e. 23.6% were neutral, 113 respondents i.e. 29.4% were agree and 102 respondents 26.5% were strongly agree. So it is clear from the above data that maximum respondents were agree.

1.9.2.4 Tangibility-4

Table No.-9: The physical facilities and technology of Co-operative Bank goes with the type of service provided.

Score Level		Frequency	Percentage	Cumulative Percentage
	Strongly Disagree		4.7%	4.7%
	Disagree		15.6%	20.3%
	Neutral		23.1%	43.4%
	Agree		30.1%	73.5%
	Strongly Agree		26.5%	100.0%
Total			100.0%	

Source: Primary Data

Interpretation -From the above table no. 9,it is concluded that 18 respondents i.e. 4.7% were strongly disagree, 60 respondents i.e. 15.6% were disagree, 89 respondents i.e. 23.1% were neutral, 116 respondents i.e. 30.1% were agree and 102 respondents 26.5% were strongly agree. So it is clear from the above table that maximum respondents were agree.

Table No.-10: Calculation of Mean & Standard deviation of all Tangibility Dimensions (Summary Table)

	Tangibility-1	Tangibility-2	Tangibility-3	Tangibility-4
N	385	385	385	385

Valid Missing	0	0	0	0
Mean	3.72	3.64	3.57	3.58
Std. Dev.	1.18	1.20	1.17	1.17
Minimum	Strongly Disagree	ongly Disagree	ongly Disagree	Strongly Disagree
Maximum	Strongly Agree	trongly Agree	Strongly Agree	Strongly Agree

Source: Primary Data

Interpretation -Above table no.10 shows mean and standard deviation of all tangibility dimensions. It is clear from the above table that the value of all standard deviation is less than all mean, it means statistical data set are close to mean.

1.10 CONCLUSION AND SUGGSTION-It is concluded from the analysis that the majority of the bank's clientele is in the 20–30 age range, the demographic data of the participants suggests that the bank has the ability to retain its customers for an extended period of time. In general, the feedback on the service quality characteristics used to measure the effectiveness of the financial services supplied by cooperative banks suggests that the bank's services are of a comparatively high standard.

To ensure customer retention, cooperative banks should make efforts to enhance every aspect of service quality, surpassing customer expectations. This will offer an assurance of customer retention. A majority of respondents expressed a positive view of banks, but there are certain aspects that service providers should improve upon.

Cooperative banks can improve their service performance by collecting input from potential customers on their satisfaction levels with several dimensions of service quality in banking services. This feedback helps identify areas that need development. This feedback also emphasizes overlooked regions, encouraging recommendations to enhance those particular areas.

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