

A Study of Customer Perception About the Services Quality of State Bank of India

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ABSTRACT- During last few years the banking service have been grown exponentially. Number of banks have been increased and the customer expectation have increased too. Researchers found a scope to study the service quality perception of the customers in State Bank of India. Researchers have conducted a survey of 480 customers to find out their opinion for service quality in SBI. The researchers have developed a questionnaire with 25 statement to measures different quality aspects of services. The findings suggested that customers are satisfied with SBI services.

Keywords- Banking, Service quality, State Bank of India.

1. INTRODUCTION

No economy can grow without a bank. The modern world cannot be imagined without banks. From depositing the saving in the banks and getting loans from them, every individual is dependent upon the banks. Banks have not existed before the 16th century but banking does. People get loans from money lenders; they pay money and get their monetary needs filled. In the early banking system, most of the disputes were settled under the kings' regime. Documentation was less so the fairness of the transaction was dependent upon parties involved in it. In the Indian context, money lenders were common too. In the vedic period, usury (moneylending) is termed as 'kusidin'. It was considered unethical money lending. In Indian historical literature, Sutras and Jatakas, money lending have been discussed. In 'Manusmriti' the usury was considered legal and earning interest on lending has been considered a means of wealth creation. Kautilya also texted about banking and money lending[9,10]. He was a pioneer thinker of political science and statecraft. According to Kautilyas' literature in 321-185 BC when the Mauryan regime was at its peak, there were three different forms of loan:

- R Napatra,
- R Napanna,
- R Nalekhaya

Modern bills of exchange have also prevailed in the Mauryan era. Literature of that era discusses 'adesha'. 'Adesha' was an order on a banker directing him to pay the sum on the note to a third person. The use of different instruments similar to modern banking was common in that era.

In the Mughal period, banking continued in a different structure. The Mughal regime was based on Islamic rules. It was known as sharia. The term sharia refers to a set of Islamic religious laws that govern aspects of day-to-day life for Muslims in addition to religious rituals. It does not allow any type of interest on loans as

illegal. Aneesh A, A. K., & Parameshwara,[3,5] tried to find the applicability of a similar banking system in India. In the Mughal era, loan documents were known as 'Dastawez'. There were 2 types of such banking documents:

- dastawez-e-indultalab, which was payable on demand, and
- dastawez-e-miadi, which was payable after a particular period

Britishers came after the Mughal regime, they brought modern banking with them. Britishers were not the rulers in India, they came to India as traders. They influenced the ruling governments and occupied the place and authority which was equal to King, Peshwa, Nizam, Nawab, or Sultan. As their objective was to earn profit and get it back to England, they hardly contributed to the development of banking. This time unfair banking prevailed. Zamindar, Seth, Shaookar, and Soodkhor exploited the loan-taking individuals. In several historical works of literature, it has been mentioned that the interest on a loan becomes many times the principal amount. A person in debt never overcomes it and the offspring too have to pay the debt.

After the 1987 revolts, the role of the British trades was limited in governance in India. The rights of the British East Indian Company were given to the monarchy of Britain. The 'Queen's rule' was a boon for Indian administrative reforms. Several formal setups came into existence. Several social and economic reforms came into existence [7, 8]. Talking about social reform the abolition of child marriage, SATI, Thug, etc. came into existence. But concerning the scope of the present study, the researcher would like to focus on the administrative changes in society. Foundation of administrative services, and reforms in the educational system, were done. Banking remained no exception.

Banking in India started in 1720 Bank of India has been established. In 1770 Bank of Hindustan has been established. It has been subject to operation till 1832. During this time almost 600 small banks operated to contribute to the Indian economy. They called themselves Imperial Bank of India. The collective eventually came to be known as State Bank of India.

After Independence the banking in India has changed and faced many transformations. Digitalization of banks, regulatory changes by RBI, policy changes in banking by government has brought us the fair and reliable banking structure in front of us. The objective of formal banks was to make in available to all and monetary transaction should become fair. Today we see that small farmers did not get loan and often commit suicide in debt, on the other hand business person flee after making 1000 crore ₹ banking fraud. This raises the debate to study the service quality and financial performance of banks. Researcher has tried to understand the development of banking system in India. Study about all the banks

is not possible so the researcher has selected to study the service quality of State Bank of India.

A. Service quality in Banks

Quality is the way to accomplish customer fulfilment. Quality is a unique state related to items, services, individuals, and conditions that meet or surpass assumptions. Quality is likewise quickly embracing the nature or level of effect an association has on its partners, climate, and society. The SERVQUAL instrument created by Parasuraman (1991) has demonstrated famous, being utilized in many investigations of service quality. This is on the grounds that it has a conventional application and is a commonsense way to deal with any area [10]. Various specialists have applied the SERVQUAL model to gauge service quality in the accommodation business with changed builds to suit explicit cordiality circumstances.

Parasuraman (1985) fostered the whole model and the resulting SERVQUAL instrument intended to distinguish and gauge the holes between customers' assumptions and views of the service got. Service quality according to the customer's point of view relies upon the course and level of contrast between the normal service and the apparent service. Along these lines by contrasting customers' normal service and customers' apparent service, lodgings, for instance, can decide if its service standard is proper. The researcher has tried to understand the service quality at SBI [4, 5]. The research problem can be defined as 'A STUDY OF CUSTOMER PERCEPTION ABOUT THE SERVICES QUALITY OF STATE BANK OF INDIA'

2. LITERATURE REVIEW

Literature review is an important part of any study [1, 3, 7] The researchers have made study of existing literature related with the research problems. Chen, W. K., et al (2021), in their review endeavored to investigate the determinants for improving socio-political maintainability in monetary service firms. Through taking on the fluffy Delphi strategy (FDM), playing out a comprehensive writing survey, and directing semi-organized interviews with the leaders of the service firms, nine vital obstructions for socio-political supportability were first distinguished in this review. Then, the impact connections of the key obstructions were evaluated by 15 specialists. During the evaluation interaction, the interrelationships and their reliance powers among key obstructions were investigated utilizing the interpretive underlying displaying (ISM) approach and cross-influence framework duplication applied to grouping (MICMAC) techniques. The appraisal results show that among the concentrated on boundaries, "reserved contemplations", "unsteady political environment", and "absence of political lucidness" are the conclusive obstructions that influence the socio-political maintainability in the store network of monetary service firms. The information in understanding and diminishing these definitive boundaries can offer support area experts, particularly those with restricted assets, the upgraded capacity to lead better preparation and planning of successful and nonstop improvement programs, in order to prevail upon new buyers and hold existing clients by offering practical services.

Gazi, A. I., et al. [4] in their review to break down the monetary execution of changed over business bank from non-banking monetary foundation through a contextual analysis of Bangladesh Trade Bank Restricted as test association. It is seen that the bank can accomplish a steady development rate in all out stores, all out credits and advances, and total compensation after charge during the time of 2015-2019. Scientists likewise determined a few proportion examination and saw that the monetary place of Bangladesh Business Bank Restricted was not areas of strength for so bank's ROA, ROE, NIM and different proportions were beneath standard. Scientists utilized optional information that were inspected by utilizing illustrative factual instruments and board information relapse model. Result shows that Bangladesh Trade Bank has palatable working effectiveness, resources the board proficiency, and gives advances to customers.

Dudhe, C. [2] in his paper recommends the estimation and

assessment of chosen factors considered for the review. This paper endeavors to examine five significant public, private and unfamiliar banks. The motivation behind composing the paper is to figure out what estimates banks can take to decrease NPAs. Benefits decline when NPA increments, involving the Manova model and board relapse in this paper. The examination is performed utilizing the R programming. In this paper, the creator has utilized two strategies, random impacts and fixed impacts [1,8] . The ongoing review portrays the different monetary information utilized in this article. In the event that the distinct impact and random effect obstruction executed by the Houseman test were to be appropriately chosen, it was reasoned that there was a massive impact on stores, propels, interest, other pay, complete NPAs, net NPAs, all out resources.

Singh, P., and Mahajan, M. R. [11, 4] in their review have characterized customer fulfillment with e-banking and the impression of workers utilizing e-banking in the general population and confidential areas (comparable to SBI and HDFC banks). The technique of the review is both essential and optional. The review exhibited the view of customer quality of service and representative fulfillment in web banking services. As the functioning style is broke down as a correlation between the general population and confidential areas in this exploration concerning SBI and HDFC banks. In the light of present studies, the researchers have found it suitable to study the service quality in SBI.

3. RESEARCH METHODOLOGY

A. Objectives

To study the service quality of State Bank of India as representative of Banks in India.

B. Hypothesis

Ho- There is no significant satisfaction of customers about the service quality of State Bank of India Sub Hypothesis:

- There is no significant difference in the opinion of the customers of State Bank of India about the modernization of services
- There is no significant difference in the opinion of the customers of State Bank of India about the Empathy of Staff
- There is no significant difference in the opinion of the customers of State Bank of India for the trust on banking services
- There is no significant difference in the opinion of the customers of State Bank of India about the satisfaction for the services
- There is no significant difference in the opinion of the customers of State Bank OF INDIA ABOUT THE CONVENIENCE

C. Population

The researcher has considered the customers of State Bank of India as population.

D. Sampling

The researcher has tried to collect the response of 500 respondents. Out of 500, 480 responses were valid. The researcher has conducted three step survey.

First Step: 108/120 (Valid/Circulated)

25 Items were used to test the reliability with the help of Cronbach's Alpha. KMO score achieved below 0.600 so, sample size increased.

Second Step: 189/200 (Valid/Circulated)

25 items have been retained and tool extracted 5 factors.

Third Step: 480/500 (Valid/Circulated)

Data collected for final testing of Hypothesis

Development of Tool

Research tool will be a questionnaire. The questionnaire is a 05-point scale to measure customers' opinion about the issues related with Service quality of SBI.

E. Reliability Analysis

Cronbach's Alpha value 0.625 is good for a tool. A value above 0.600 is considered a good tool further removing any item was not improving Cronbach's Alpha value much so no item was deleted on the basis of Cronbach's Alpha.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.625	25

Scale if item deleted table 2 shows that there is not item which improves the Cronbach's alpha of the tool if it is removed. So, all 25 items are selected for the study.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.734
Bartlett's Test of Sphericity	Approx. Chi-Square	4952.018
	df	300
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) Test is a measure of how well-suited data is for factor analysis. Different scholars of statistics have different views for accepting KMO value. In practice value between 0.80 to 1.00 is excellent. A value between 0.60 to 0.80 is middling. Value of research data is 0.734 (above 0.70) which can be considered acceptable for sampling adequacy. The sig. value for Bartlett's Test of Sphericity is 0.000. For factor analysis to be recommended suitable, the Bartlett's Test of Sphericity must be less than 0.05. So, the current data is adequate for factor analysis.

F. Principal Component Finding

- There is no significant difference in the opinion of the customers of State Bank of India about the Empathy of Staff Wilcoxon test suggested that there is significance difference in the opinion of the customers of SBI for the Empathy of Staff. Further, the test statistics shows that observed mean is higher than the

The 25 key items have been extracting 05 components after principal component analysis with Oblimin rotation.

G. Variables in the Study

The research tool has extracted 05 variables in the study. The researcher has named the variables as follows:

- Modernization of services
- Empathy of Staff
- Trust on banking services
- Satisfaction for the services
- Convenience

4. ANALYSIS AND FINDINGS

Include Ho- There is no significant satisfaction of customers about the service quality of State Bank of India

A. Sub Hypothesis

- There is no significant difference in the opinion of the customers of State Bank of India about the modernization of services. Wilcoxon test suggested that there is significance difference in the opinion of the customers of SBI for the modernization of services. Further, the test statistics shows (Table 1) that observed mean is higher than the hypothesised mean so it could be said that there is a significant difference in the opinion of the customers of State Bank of India about the modernization of services and people believe that SBI services have been updated with modern standards.

Hypothesis Test Summary

Null Hypothesis	Test	Sig.	Decision
1 The median of Modernization_of_services equals 2.500.	One-Sample Wilcoxon Signed Rank Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

Figure 1: Hypothesis Test Summary

hypothesised mean so it could be said that there is a significant difference in the opinion of the customers of State Bank of India about the empathy of the staff and people believe that SBI staff have empathy for their customers.

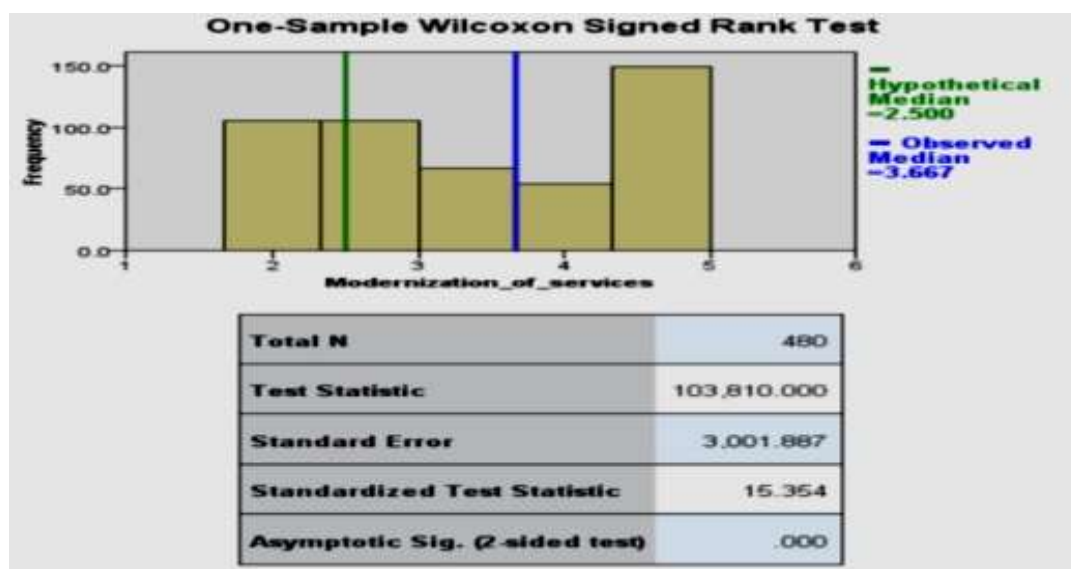


Figure 2: One-Sample Wilcoxon Signed Rank Test

- There is no significant difference in the opinion of the customers of State Bank of India for the trust on banking services
- Wilcoxon test suggested that there is significance difference in the opinion of the customers of SBI for the trust upon the SBI banking services. Further, the test statistics shows that observed mean is higher than the hypothesised mean so it could be said

- that there is a significant difference in the opinion of the customers of State Bank of India about the trust on banking services and people believe in services SBI.
- There is no significant difference in the opinion of the customers of State Bank of India about the satisfaction for the services

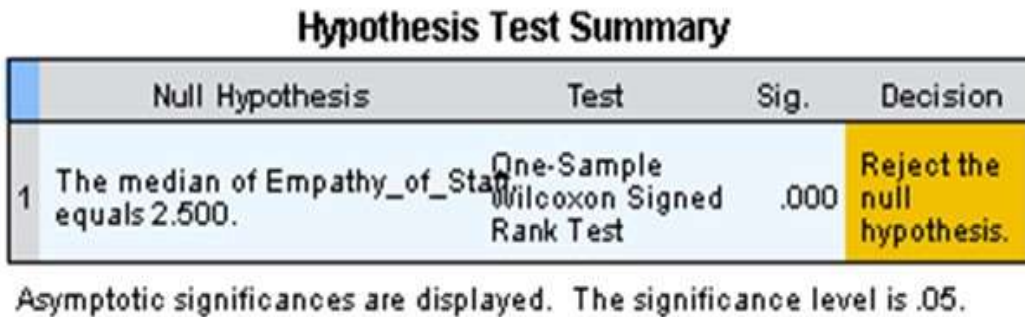


Figure 3: Hypothesis Test Summary

- Wilcoxon test suggested that there is significance difference in the opinion of the customers of SBI for the satisfaction for the services. Further, the test statistics shows that observed mean is higher than the hypothesised mean so it could be said that there

- is a significant difference in the opinion for the customers for satisfaction for the services of State Bank of India. Customers of SBI are satisfied with SBI.

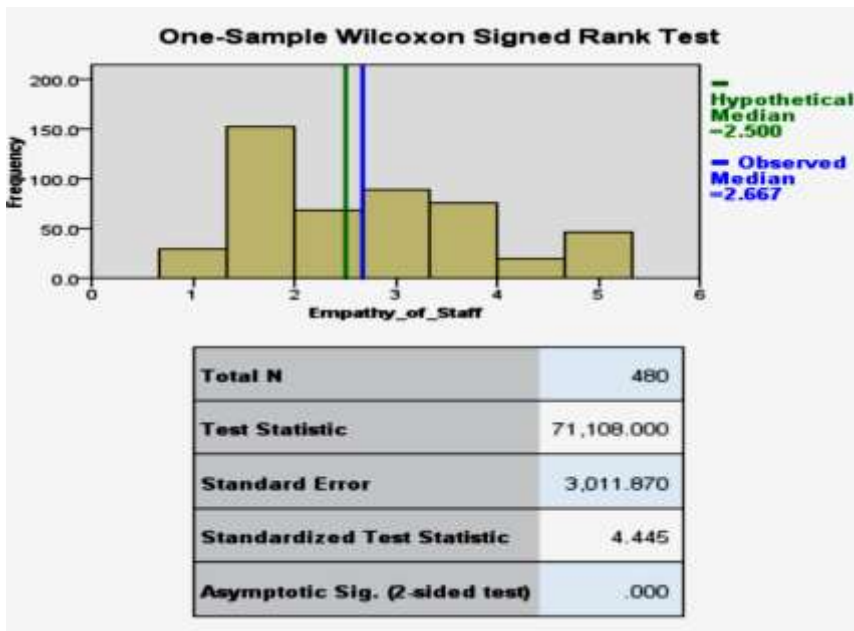


Figure 4: One-Sample Wilcoxon Signed Rank Test

- There is no significant difference in the opinion of the customers of State Bank of India about the convenience

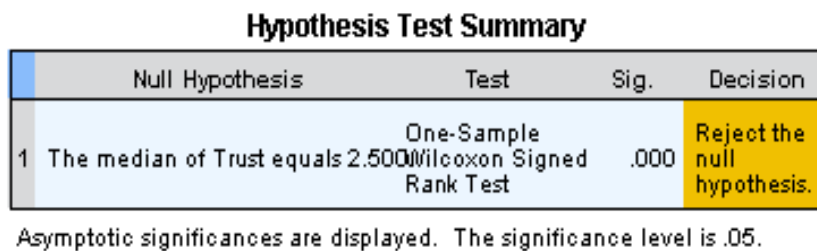


Figure 5: Hypothesis Test Summary

- Wilcoxon test suggested that there is significance difference in the opinion of the customers of SBI for the convenience for the services. Further, the test statistics shows that observed mean is

- higher than the hypothesised mean so it could be said that there is a significant difference in the opinion for the customers for convenience for the services of State Bank of India.

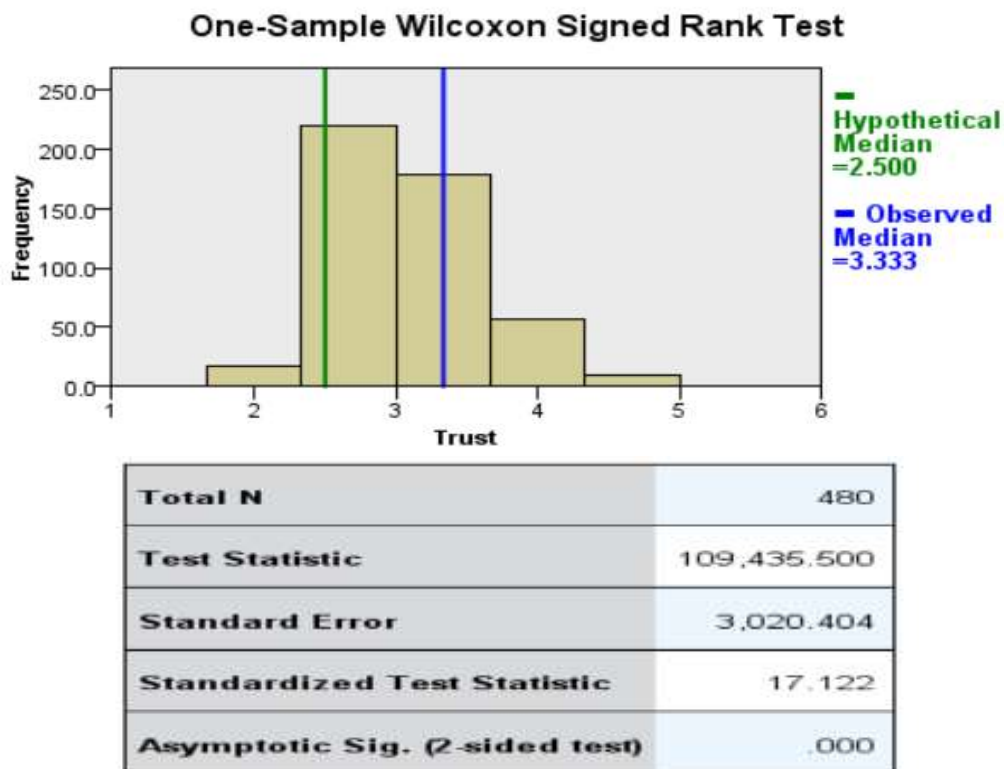


Figure 6: One-Sample wilcoxon Signed Rank Test

- Customers of SBI feel convenience in using SBI services.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The median of Satisfaction equals 2.500.	One-Sample Wilcoxon Signed Rank Test	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

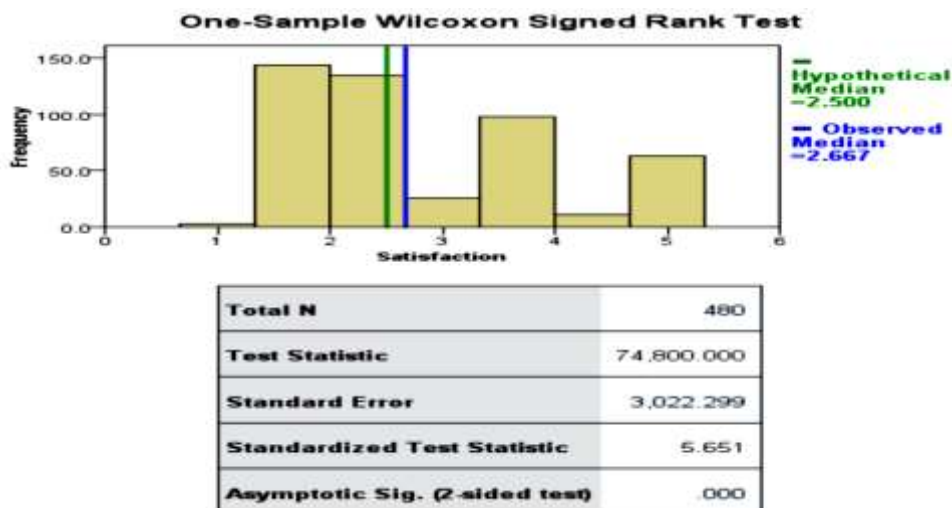


Figure 8: One-Sample wilcoxon Signed Rank Test

- It can be further said that There is a significant satisfaction of customers about the service quality of State Bank of India and

mostly customers are satisfied.

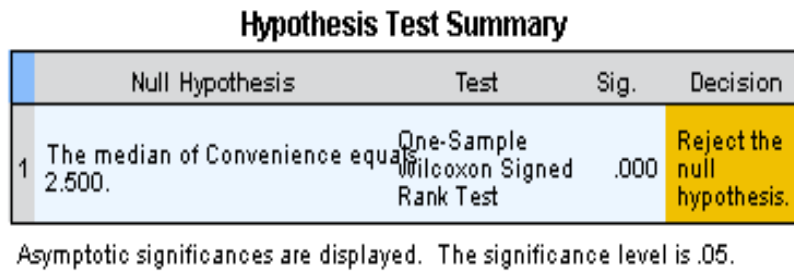


Figure 9: Hypothesis Test Summary

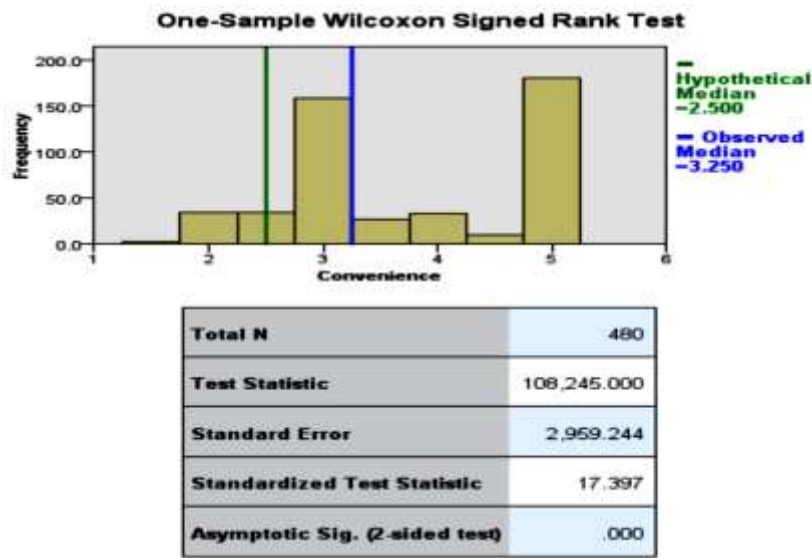


Figure 10: One-Sample wilcoxon Signed Rank Test

5. CONCLUSION

In three months ending March 2021, the State Bank of India posted Rs 6,451 crore net profit, its highest quarterly profit. For the full financial year, its Rs 20,410 crore profit has also been a record high. India’s largest lender has proposed a dividend (Rs 4 per share) after a gap of three years. For more than 200 years, State Bank of India (SBI) has been the country’s largest public sector bank, and its financial foundation. As many of the bank’s customers grew their wealth in recent years, the bank saw that people had new financial freedom and sought new opportunities. It also knew that this growth could empower India’s future as a global financial force. SBI has to improve the performance of assets. The research has shown that the customers are satisfied with SBI services. Still that satisfaction does not reflect upon the financial performances. As a bank SBI not only deal with individual customers. SBI also finances to business and corporates. Increasing NPA and banking frauds are limiting the growth of the bank. Further the comparison of SBI with private sector banks cannot be justified. If the government wants to see the bank profitable it has to change the expectations from banks. Non-banking activities have to be reduced at SBI. A private sector bank levy charges if the minimum balance requirements are not met. On the other hands the SBI have to maintain zero balance accounts too. In Jan Dhan Yojana several non-profit accounts have been opened as it was the objective of government to increase financial inclusion. These accounts have hardly 10,000 ₹ in it through out years or probably less. So, to increase the financial success like the customers’ faith SBI have to focus on profitable banking, that is only possible from government intervention. The present research is a contribution for the better understanding of SBI. The

researchers have firm believe that the paper has achieved its objectives.

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