

# **Customers' Demographic Profile and its Association with Service Responsiveness Perception: A Study of State Bank of India**

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## **Abstract**

*Quality is the prime concern of customers' today. Banking industry has undergone rapid reforms in last decade due to advent of technology. In order to satisfy and retain demanding customers the banks must sharpen their marketing and research skills. The banking firms must respond to the change taking place in the business environment by innovating the strategies. Development of innovative marketing strategies requires appropriate understating of factors that can influence the perception of customers about the quality of service. The demographical factors of customers cannot be ignored for this purpose. This study examines, in particular, the demographic characteristics of customer and their association with perception of service responsiveness. In this study, various hypotheses have been framed and tested to discover the key areas of customer satisfaction and dissatisfaction.*

**Keywords:** *Service Quality, Service Responsiveness, Perception, Customer Satisfaction, Innovative Strategies.*

**Introduction:** The role of 'People' is central in marketing management and marketing of banking services. Banking, being a high involvement and high contact service- the willingness of employees to help the customers and their promptness to provide services matters a lot. The responsiveness of the employees shapes the perception of customers about the service quality. The customers may need to communicate with the bank on various issues and via various modes like emails, on site, on phone and even personally. If the bank is slow in responding the customers perceive the service inferior.

Service Quality is the only way of retaining the customers and responsiveness is very important dimension of it. Banking is among a very few services that have varied customer demography. It may be possible that the customers of different demographic profiles perceive the service differently. In this study an attempt has been made to explore whether the demographical characteristics of customers such as gender, qualification, occupation and income influence the perception of service responsiveness. In this study it would be interesting to analyze it for nationalized banks, as these banks are facing strong competition from private and foreign banks. A major chunk of the market share of Nationalized banks is snatched away by private and foreign banks after liberalization and deregulation in the year 1991, Since then the nationalized banks have come a long way but still facing challenges on many fronts to provide quality services.

**Objective:** The objective of this research is to study the effect of gender, qualification, occupation, income and their interactions on responsiveness perception of service quality of State Bank of India.

## **Review of Literature:**

Big amount of literature is available on banking, service quality and service quality perception. A few pertinent among them have been presented below.

Christian Grönroos (1984) Proposes to develop a service quality model, based on test of a sample of business executives, which describes how customers perceive the quality of services. Looks at its marketing implications, in which functional quality is seen to be a very important dimension of a perceived service. Concluded that quality dimensions are interrelated and that the importance of image should be recognised. Gordon H.G. McDougall(1995) examined two major issues of concern to service marketers; the dimensions that comprise service quality and the approach to service quality measurement. Marla Royne Stafford (1996) stated that service quality continues to be a significant issue in the banking industry and identified distinct elements of bank service quality and ascertains which of those elements are most important to different demographic groups. Josée Bloemer et al (1998) investigated how image, perceived service quality and satisfaction determine loyalty in a retail bank setting at the global construct level, as well as the level of construct dimensions. They concluded that at the global level the results of a large-scale empirical study reveal that image is indirectly related to bank loyalty via perceived quality. Also concluded that service quality is both directly and indirectly related to bank loyalty via satisfaction and at the level of the dimensions underlying aforementioned constructs, it becomes clear that reliability (a quality dimension) and position in the market (an image dimension) are relatively important drivers of retail bank loyalty. Schneider (1998) stated that a set of foundation issues that support employee work and service quality is conceptualized as a necessary but not sufficient cause of a climate for service, which in turn is proposed to be reflected in customer experiences. They indicated that the model in which the foundation issues yielded a climate for service, and climate for service in turn led to customer perceptions of service quality, fit the data well. However, subsequent cross-lagged analyses revealed the presence of a reciprocal effect for climate and customer perceptions. Implications of these results for theory and research are offered. Walfried M. Lassar(2000) examined the effects of service quality on customer satisfaction from two distinct methodological perspectives. They also explored the theoretical and practical insights of the findings, including potential strengths and limitations of current service quality models with regard to their ability to define and explain the quality/satisfaction relationship. Anthony (2000) Bank and credit union customers were surveyed to determine bank and credit union service quality performance. He indicated in his study that credit unions rate significantly higher than banks on 11 of the 14 service quality questions: access; courtesy; communication; credibility; security; empathy; tangibles; basic service; fairness; fixing mistakes; and guarantees. The findings also indicated that neither banks nor credit unions do a good job of surveying customer needs or retaining customers. Nimit Chowdhary and Monika Prakash, (2007) investigated whether generalization in importance of service quality dimensions is possible and stated that service providers are often not sure of the amount of tangibilisation necessary and the right mix of other service quality dimensions – reliability, assurance, empathy, responsiveness, and the role of price-added by researcher. Minjoon Jun Shaohan (2001) focused on the issues associated with Internet banking service quality and identified a total of 17 dimensions of Internet banking service quality, which can be classified into three broad categories – customer service quality, banking service product quality, and online systems quality. The derived dimensions include: for customer service quality, ten dimensions such as reliability, responsiveness, competence, courtesy, credibility, access, communication, understanding the customer, collaboration, and continuous improvement.

Charlenemong 2000) opined that the areas, which need to be addressed in service quality research, is the nature of consumer expectations across the range of intangibility. He uses a controlled, repeated measures design where subjects were each asked to evaluate three services, varying in their degree of intangibility, over a ten week period. This made it possible to look at service quality expectations without risking the problem that demographics would account for most of the differences in the data and discussed the managerial implications of this simplified classification scheme for services are discussed. Osman M. Karatepe (2011) investigated customer satisfaction as a mediator of the effects of service environment, interaction quality empathy, and reliability on loyalty. The present study also aims to examine gender as a moderator in the relationship between the aforementioned service quality dimensions and customer satisfaction. Data were gathered from the customers of retail banks in Northern Cyprus. He also indicated that gender moderates the effects of empathy and reliability on customer satisfaction. Implications of the results are discussed, and avenues for future research are offered.

**Data Analysis, Findings and Interpretation:** The objective of the study is "To study the effect of gender, qualification, occupation and income and their interactions on responsiveness perception of service quality of State Bank of India". The results are given in the following table.

**Table No. 1**

<b>Dependent Variable: Responsiveness Perception</b>					
<b>Source</b>	<b>Type III Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>GENDER</b>	303.398	1	303.398	13.047	.000
<b>QUALIF</b>	1240.063	2	620.031	26.663	.000
<b>OCCU</b>	58.450	1	58.450	2.513	.114
<b>INCOME</b>	91.126	2	45.563	1.959	.143
<b>GENDER * QUALIF</b>	9.738	2	4.869	.209	.811
<b>GENDER * OCCU</b>	12.774	1	12.774	.549	.459

<b>QUALIF * OCCU</b>	101.967	2	50.984	2.192	.113
<b>GENDER * QUALIF * OCCU</b>	102.370	2	51.185	2.201	.112
<b>GENDER * INCOME</b>	59.479	2	29.740	1.279	.280
<b>QUALIF * INCOME</b>	237.377	4	59.344	2.552	.039
<b>GENDER * QUALIF * INCOME</b>	69.192	3	23.064	.992	.397
<b>OCCU * INCOME</b>	80.892	2	40.446	1.739	.177
<b>GENDER * OCCU * INCOME</b>	100.134	2	50.067	2.153	.118
<b>QUALIF * OCCU * INCOME</b>	166.341	3	55.447	2.384	.069
<b>GENDER * QUALIF * OCCU * INCOME</b>	113.097	2	56.548	2.432	.090
<b>Error</b>	6929.884	298	23.255		

From the table no.1, this can be observed that the “F” value for gender is 13.04, which is significant at .01 level, with degree of freedom 1/298, It means that there is no significant difference between male and female customers with respect to responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of gender on responsiveness perception of service quality of State Bank of India” is rejected. Further, the mean score for male customers is 98.13, which is significantly higher than that of female customers that is 96.90. Therefore, it may be concluded that male customers are significantly higher than female customers with respect to responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that the “F” value for qualification is 26.66, which is significant at .01 levels with degree of freedom 2/298. It means that there is no significant difference between undergraduates, graduate and postgraduate customers with respect to responsiveness perception of service quality of State Bank of India. In the light of this, the null

hypothesis namely “There will be no significant effect of qualification on responsiveness perception of service quality of State Bank of India” is rejected.

**Table No. 2**

<b>Multiple Comparisons</b>						
<b>Dependent Variable: Responsiveness Perception</b>						
		<b>Mean Difference (I-J)</b>	<b>Std. Error</b>	<b>Sig.</b>	<b>95% Confidence Interval</b>	
<b>(I)</b>	<b>(J)</b>				<b>Lower Bound</b>	<b>Upper Bound</b>
<b>UG</b>	<b>Graduate</b>	-2.0171(**)	.6975	.011	-3.6519	-.3822
	<b>PG</b>	-4.9869(*)	.6879	.000	-6.5992	-3.3746
<p>** The mean difference is significant at the .05 level.</p> <p>* The mean difference is significant at the .01 level.</p>						

From the table no.2, this can be observed that there is significant difference between undergraduate and postgraduate customers and graduate and undergraduate customers with respect to responsiveness perception of service quality of State Bank of India.

Further, the mean score for postgraduate customers is 13.96, which is significantly higher than that of graduate customers that is 10.99 and undergraduate customers that is 8.97. Therefore, it may be concluded that postgraduate customers are significantly higher than undergraduate customers and graduate customers are significantly higher than undergraduate customers with respect to responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that the “F” value for occupation is 2.513, which not significant. It means that there is no significant difference between service class customers and business class customers with respect to responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of occupation on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that occupation did not produce significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that the “F” value for income is 1.959, which is not significant. It means that there is no significant difference between lower income group, middle-income group and higher income group customers with respect to responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that income did not produce significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction between gender and qualification is .209, which is not significant; it means that there is no significant effect of interaction between gender and qualification on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction between gender and qualification on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that gender and qualification are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produce no significant effect on reliability perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction between gender and occupation is .549, which is not significant; it means that there is no significant effect of interaction between gender and occupation on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction between gender and occupation on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that gender and occupation are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produce no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction between qualification and occupation is 2.192, which is not significant; it means that there is no significant effect of interaction between qualification and occupation on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction between qualification and occupation on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that qualification and occupation are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produced no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction between gender and income is 1.279, which is not significant; it means that there is no significant effect of interaction between gender and income on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction between gender and income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that gender and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produced no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction between qualification and income is 2.552, which is significant at .05 levels, with degree of freedom 4/298, it means that there is no significant effect of interaction between qualification and income on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction between qualification and income on responsiveness perception of service quality of State Bank of India” is rejected.

Therefore, it may be concluded that qualification and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produce no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction between occupation and income is 1.739, which is not significant; it means that there is no significant effect of interaction between occupation and income on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction between occupation and income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that occupation and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produce no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction among gender, qualification and occupation 2.201, which is not significant, it means that there is no significant effect of interaction among gender, qualification and occupation on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction among gender, qualification and occupation on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that gender, qualification and occupation are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produced no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction among gender, qualification and income is .992, which is not significant; it means that there is no significant effect of interaction among gender, qualification and income on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction among gender, qualification and income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that gender, qualification and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produced no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction among gender, occupation and income 2.153, which is not significant, it means that there is no significant effect of interaction among gender, occupation and income on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no

significant effect of interaction among gender, occupation and income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that gender, occupation and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produced no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1, this can be observed that “F” value for interaction among qualification, occupation and income 2.384, which is not significant, it means that there is no significant effect of interaction among qualification, occupation and income on responsiveness perception of service quality of State Bank of India. In the light of this, the null hypothesis namely “There will be no significant effect of interaction among qualification, occupation and income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore, it may be concluded that qualification, occupation and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produced no significant effect on responsiveness perception of service quality of State Bank of India.

From the table no.1 this can be observed that “F” value for interaction among gender, qualification, occupation and income 2.432, which is not significant, it means that there is no significant effect of interaction among gender, qualification, occupation and income on responsiveness perception of service quality of State Bank of India. In the light of this the null hypothesis namely “There will be no significant effect of interaction among gender, qualification, occupation and income on responsiveness perception of service quality of State Bank of India” is not rejected. Therefore it may be concluded that gender, qualification, occupation and income are independent of each other with respect to responsiveness perception of service quality of State Bank of India and their interaction produce no significant effect on responsiveness perception of service quality of State Bank of India.

**Conclusions and Suggestions:** On the basis of the findings the researchers have found some key areas of customer dissatisfaction. Given the findings the following has been concluded and suggested. Statistically significant differences relating to demographical characteristics such as gender and qualification are found regarding the service responsive perception. It is found that male and female significant vary in their perception of responsiveness. It is also found that Post Graduate, Graduate and Undergraduate customers are significantly different in their responsiveness perception. Post Graduate customers perceive the responsiveness better than the graduate customers and graduate perceive the same batter than undergraduate customers. It can be concluded that less qualified customers need to be dealt in a way that they feel the responsiveness. It is the high time for the bank to provide solutions customized according to demography. The employees should undergo sound training programmes time to time to develop the sense of responsiveness in their behavior. The bank should keep the employees happy and satisfied, as the employees are central to the quality of service. The bank should strengthen its Management Information System by essentially including market surveys, competitor surveys, customer meets, customers complaint, comment and inquiry capture, service reviews etc. An internal system can be established to quickly respond to the email, on call and on site requests of the customers. The customers must have feel that service providers are responsive to their requests.

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