

Influence of Demography on Service Empathy Perception- A Study of State Bank of India

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Abstract

For the development of effective banking service programmes, proper understanding of customers needs is very necessary. Banking being a high contact service requires more employees-customers interactions. These interactions become the determinants of perceived service quality. The customers may need personal attention, more convenient operating hours and sometimes their best interests in the hearts of bank service providers. The bank customers may have specific needs varying according to their demography. This paper is an attempt to explore whether the customers of big nationalized banks need customized solutions for their demography specific needs for service empathy perception.. State Bank of India is chosen for this study as this bank has a large customer base with varied demographic profiles.

Keywords: *Banking Service Programmes, Perceived Service Quality, and Demographic Profiles, Service Empathy Perception.*

Introduction: Service Quality Management is Achilles' heel for service firms and banking firms are no exception to the fact. The customers create their perception of service quality based on their experiences with it. Therefore, the banks are striving for quality performance. As the Nationalized Banks are facing intense competition from other well-equipped banks, the game for winning the customers is afoot. Banking customers' requirement of empathy from the service providers may vary according to their demographics. For instance, female customers may want bank working hour to be more convenient to them, senior citizens may need more personal attention, and less qualified customers may also need some additional help. As the banking service is co produced with the customers, the bank employees' empathized behavior with the customers leads to good service quality perception by them, and directly affects the technical and functional quality of bank service. Hence this is very important for banking firms to consider point of view.

This study explores the service empathy perception of customers of State Bank of India based on their demography. The demographical variables taken in to account are gender, qualification, occupation and income.

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

Review of Literature:

Uolevi Lehtinen and Jarmo R. Lehtinen (1991) determined two approaches to the analysis of service quality and its dimensions. In the first approach three quality dimensions are used; physical quality, interactive quality and corporate quality. The other approach is to utilize two dimensions; process quality and output quality. In order to illustrate the existence and explicitness of the dimensions, two empirical studies of restaurants were carried out. Robert Johnston (1995) investigated whether there are some service quality determinants that are predominantly satisfiers and others are dissatisfiers (in a major UK Bank). The study's main findings are that the predominantly determinants are attentiveness, responsiveness, availability and functionality. Lack of responsiveness is identified as major source of dissatisfaction. Harsh V. Varma (2003) opined that the marketer needs to go beyond simple satisfaction to total satisfaction or delight. Studied the factors responsible for customer outrage and delight. The factors responsible for customer outrage pertain to the core service failure. These include nonperformance of promised service and rude, offensive and impolite behavior of staff. Delighters include friendliness, courtesy, consideration, problem solving and personalization. Naceur Jabnoun and Hussein A. Hassan Al-Tamimi (2003) investigated the difference in significance between the instrument's dimensions. This is supposed to help managers focus their attention on the service quality dimension that matters most to customers. Mathew Joseph (1999) investigated that the role that technology plays in Australian banking and its impact on the delivery of perceived service quality. They discussed some strategic implications also. Srijumpa Rapeeporn, Chiarakul Tanyamai and Speece Mark (2007) examined customer satisfaction and dissatisfaction with interpersonal vs. Internet service encounters in Thai retail stockbrokerage and corporate banking. It was concluded that customers have higher satisfaction on the Internet than interpersonal counters. Bosque et al (2009) provided theoretical and empirical evidence about the role of different factors that generate tourist expectations. This research examined the factors contributing to the expectations of a tourist destination. They concluded that tourist expectations are a second-order factor, based on inter-correlations among several first-order factors i.e. past experience, external communication, word-of-mouth communication and destination image.

Okey Peter Onyia and Stephen K Tagg (2011) examined the influence of seven demographic variables – age, gender, level of education, marital status, employment status, income level and area of residence – on retail banking customers' behaviors toward IB adoption in a major developing African country – Nigeria. They concluded that gender, level of education, and employment status are the major demographic affecters of Nigerian banking customers' attitudes to IB adoptions. *Zahidur Rahman et al (2013)* investigated the customer satisfaction level exposed by different demographic group of customers. The study also identifies the relative importance assigned to different selection criteria by customers while choosing Islami Bank Bangladesh Ltd. They identified that customers irrespective of different demographic segments (gender, marital status, age, income level, education level and religion) are mostly satisfied. *Shalini Mishra and Sonia Munjal (2013)* show the reasons of service failures and how they could affect the company's image in the viewpoint of customers. It postulates the importance of quick and timely resolution of the service failures and complaints. They opined that manage the dissatisfaction, service providers need to manage the failures in timely and efficient way. They suggested suggests that service failures could be managed through the principal "Management by Exception" so that the top management can concentrate on the important issue.

Research Methodology: Appropriate research is the soul of any empirical research. For this study the researchers have used both exploratory and descriptive methods. They complement each other in order to reach at a dependable conclusion .A sample survey method is employed for data collection. Both primary and secondary data are used in the study. The universe included all the customers of State Bank of India in Indore.

Convenience sampling technique with objectivity has been used for the present study. State Bank of India has a large customer base in Indore. Out of these, 330 respondents were selected for the study. 33 classes have been constructed within the sample on the basis of demographical variables that are gender, qualification, occupation and income. Such as:

- Male/Undergraduate/Service class/Lower Income group.
- Female/Undergraduate/Service class/Lower Income group.

Data collected with the help of SERVQUAL scale, were classified, tabulated, analyzed and interpreted using correlation, F test, ANOVA and Post Hoc tests.

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 empathy perception of service quality of State Bank of India". The results are given in the following table.

Table No. 1

Dependent Variable: Empathy Perception					
Source	Type III Sum of Squares	df	Mean Square	F	Sig.
GENDER	178.870	1	178.870	7.166	.008
QUALIF	1413.044	2	706.522	28.304	.000
OCCU	136.655	1	136.655	5.475	.020
INCOME	222.958	2	111.479	4.466	.01

			9		2
GENDER * QUALIF	5.370	2	2.685	.108	.898
GENDER * OCCU	2.618	1	2.618	.105	.746
QUALIF * OCCU	90.474	2	45.237	1.812	.165
GENDER * QUALIF * OCCU	191.587	2	95.793	3.838	.023
GENDER * INCOME	70.615	2	35.307	1.414	.245
QUALIF * INCOME	91.940	4	22.985	.921	.452
GENDER * QUALIF * INCOME	12.219	3	4.073	.163	.921
OCCU * INCOME	23.659	2	11.830	.474	.623
GENDER * OCCU * INCOME	60.469	2	30.235	1.211	.299
QUALIF * OCCU * INCOME	107.951	3	35.984	1.442	.231

GENDER * QUALIF * OCCU * INCOME	12.868	2	6.434	.258	.773
Error	7438.587	298	24.962		

From the table no.1, this can be observed that the “F” value for gender is 7.166, which is significant at .01 levels, with degree of freedom 1/298. It means that there is significant difference between male and female customers with respect to empathy 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 empathy perception of service quality of State Bank of India” is rejected. Further, the mean score for male customers is 10.86, which is significantly higher than that of female customers that is 9.59. Therefore, it may be concluded that male customers are significantly higher than female customers with respect to empathy 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 28.30, which is significant at .01 levels with, degree of freedom 2/298. It means that there is significant difference between undergraduate, graduate and postgraduate customers with respect to empathy 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 empathy perception of service quality of State Bank of India” is rejected.

Table No. 2

Multiple Comparisons						
Dependent Variable: Empathy Perception						
		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
(I)	(J)				Lower Bound	Upper Bound
UG	Graduate	-1.3794	.7227	.136	-3.0732	.3143
	PG	-5.0107(*)	.7127	.000	-6.6811	-3.3403

* The mean difference is significant at the .01 level.

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

Further, the mean score for postgraduate customers is 12.84, which is significantly higher than, and undergraduate customers that is 9.21. Therefore, it may be concluded that postgraduate customers are significantly higher than undergraduate customers with respect to empathy 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 5.475, which is significant at .05 levels, with degree of freedom 1/298. It means that there is significant difference between service class customers and business class customers with respect to occupation tangibility perception empathy 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 empathy perception of service quality of State Bank of India” is rejected. Further, the mean score for service class customers is 11.53, which is significantly higher than that of business class customers that is 9.15. Therefore, it may be concluded that service class customers are significantly higher than business class customers with respect to empathy 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 4.466, which is significant at .05 levels, with degree of freedom 2/298. It means that there is significant difference between undergraduate, graduate and postgraduate customers with respect to empathy 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 empathy perception of service quality of State Bank of India” is rejected.

Table No. 3

Multiple Comparisons						
Dependent Variable: Empathy Perception						
		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
(I)	(J)				Lower Bound	Upper Bound

Bet1- 2.5lakh	Below 1lakh	2.489E-02	.6637	.999	-1.5306	1.5803
	Above 2.5lakh	1.5640(*)	.6673	.050	7.363E-05	3.1279
* The mean difference is significant at the .05 level.						

From the table no.3, this can be observed that there is significant difference between middle-income group customers and higher income group customers with respect to empathy perception of service quality of State Bank of India.

Further, the mean score for middle-income group customers are 10.8, which is significantly higher than higher income group customers that are 9.231. Therefore, it may be concluded that middle-income group customers are significantly higher than higher income group customers with respect to empathy 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 .108, which is not significant; it means that there is no significant effect of interaction between gender and qualification on empathy 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 empathy 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 empathy 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 .105, which is not significant, it means that there is no significant effect of interaction between gender and occupation on empathy 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 empathy 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 empathy perception of service quality of State Bank of India.

From the table no.22, this can be observed that “F” value for interaction between qualification and occupation is 1.812, which is not significant; it means that there is no significant effect of interaction between qualification and occupation on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produce no significant effect on empathy perception of service quality of State Bank of India.

From the table no.8, this can be observed that “F” value for interaction between gender and income is 1.414, which is not significant; it means that there is no significant effect of interaction between gender and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produced no significant effect on empathy 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 .921, which is not significant; it means that there is no significant effect of interaction between gender and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produce no significant effect on empathy 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 .474, which is not significant; it means that there is no significant effect of interaction between occupation and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produce no significant effect on empathy perception of service quality of State Bank of India.

From the table no.1, this can be observed that the “F” Value for interaction among gender, qualification and occupation is 3.83, which is significant at .05 level with degree of freedom 2/298. It means there is significant effect of interaction among gender, qualification and occupation on empathy 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 empathy perception of service quality of State Bank of India” is not rejected.

Therefore, it may be concluded that the interaction among gender, qualification and occupation produce significant effect on empathy 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 .163, which is not significant, it means that there is no significant effect of interaction among gender, qualification and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produced no significant effect on empathy 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 is 1.211, which is not significant; it means that there is no significant effect of interaction among gender, occupation and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produced no significant effect on empathy 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 is 1.442, which is not significant; it means that there is no significant effect of interaction among qualification, occupation and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produced no significant effect on empathy 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 is .258, which is not significant; it means that there is no significant effect of interaction among gender, qualification, occupation and income on empathy 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 empathy 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 empathy perception of service quality of State Bank of India and their interaction produce no significant effect on empathy perception of service quality of State Bank of India.

Conclusions and Suggestions: The researchers have discovered few areas of lapses. Given the findings following is concluded and suggested. It is found that empathy perception differs significant according to income and qualification of the customers. Postgraduate customers perceive the service better than undergraduate customers with respect to empathy perception of service quality and that middle-income group customers are significantly higher than higher income group customers with respect to service empathy perception .It is suggested that State Bank of India should design customized solutions according to customers’ needs. The employees should be trained to deal differently and appropriately with the customers. Developing a strong MIS is need of the day for State Bank of India. This system should include customer surveys

market survey and competitors survey. Benchmarking is one way to achieve quality services. The bank is also suggested to benchmark its services against the best ones.

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