

# A Study On the Customer Service Quality of Indian Overseas Bank in Chennai City

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## **Abstract**

The banking industry is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition and more demanding customers and the changing climate, which lead to an unprecedented set of challenges. The banking is a customer oriented service industry. There has been a radical shift in the market power from banks to their customers. Customer service is a dynamic interactive process, which needs continuous improvement. With the advancement of information technology and communication system, the whole world has been reduced to a global village. The customers at the present juncture are well exposed to internet and satellite, T.V and so on. He is aware of the fact of service level available around the world and thus, expects the best from his bank. Customer service is not only a critical function, but becoming key posture for the business. It is the next most business strategy. The improved customer service will definitely increase the profitability. A bank can be said as customer oriented if its various organizational activities like organizational restructuring, staffing, and coordination are geared up to fulfill customers' needs.

**Key Words:** Customer Satisfaction, Customer Needs, Customer Service, Service Quality

## **1. Introduction**

Today banks have become a part and parcel of our life. There was a time when the dwellers of city alone could enjoy their services. Now banks offer access to even a common man and their activities extend to areas hitherto untouched. Apart from their traditional business oriented functions, they have now come out to fulfill national responsibilities. Banks cater to the needs of agriculturists, industrialists, traders and to all the other sections of the society. Thus, they accelerate the economic growth of a country and steer the wheels of the economy towards its goal of "self reliance in all fields". It naturally arouses our interest in knowing more about the 'bank' and the various men and activities connected with it.

Service Quality is a multi-dimensional concept. It means different things to different people. Concept and defines service quality as a set of perceived judgments resulting from an evaluation process, where customers compare their expectations with the service they perceive to have received. It may be split into two facets – technical Quality (what is done) and functional quality (how it is done). These two facets may be further interpreted to suggest that the service must be effective (doing the right things) in satisfying the specific needs of the customer as well as executing the service efficiently (doing things right).

Banking is the hyper competitive industry. Success in banking sector inevitably depends on customer satisfaction. The banks those are not in a position to meet expectations of their customers will be gradually driven away from competition. Service Quality as the quality measurement instrument, focusing customer expectations and perceptions and gap between two is the most popular method used in service sector like banking.

Service Quality has become an important integral component of many organizations in order to differentiate themselves from competitors and to build sustainable competitive advantage. When assessing the service quality managers should not employ general measures of service quality, but should ensure that they are evaluating all aspects of their service. The results of this study provide evidence that the service quality dimensions are a useful tool to predict overall satisfaction. In order to know the customer service quality of Indian overseas bank in Chennai City the present research was carried out.

## Literature Review

1. **Kishore.L(2023)** the research aimed to study the effects of e-banking services quality on customers' satisfaction and loyalty. the results show that e-banking services quality has positive and significant effects on customer loyalty.

2. **Kiranbabu(2023)** concludes that cluster analysis reveals that around 20% of the respondents are extremely satisfied, 38% of respondents are moderately satisfied and 42% of respondent's possess least level satisfaction with lending practices provided by the Vaniyambadi branch of cooperative bank.

3. **Suresh (2018)** In their study found that a customer gives highest importance to reliability dimension, second to the responsiveness and third to assurance dimension. Tangibility is the least focused dimension for the customers. Their study revealed that the attributes, such as promptness of service, interest of the bank employee in serving the customers, care and concern, operating hours, service charges & interest rates of the bank are the most important key factors to be considered in achieving high end customer satisfaction.

4. **A. Kavitha (2021)** the study indicates positive opinion toward the service of bank and the behavior of employees for rendering services. .However, compared to other private and public banks, co-operative banks are lagging in adoption of technology and modern equipment. The co-operative banks will adopt more and modern technologies for facing competition and make their services more qualitative one.

5. **Rithik.A (2020)** the benefits of CRM strategy those were focused on banking were always high. Banks have been slow to adopt the change due to complexity of the relationships and numerous touch-points in the CRM. With enhancements in technology and good experience in customer relationship management solutions, banks have started concentrating on customer relationship management

## METHODOLOGY

The data for the study has been collected from Chennai City on snowball sampling method. Field survey was conducted to collect the primary data from 120 respondents through personal interview schedule assisted by a set of predetermined questions. Statistical tools used to analyse the collected data are Percentage and Chi-Square Test. The following hypotheses were framed:

- Null Hypothesis (H<sub>0</sub>)-1: There is no significant association between nature of residence, gender, age, marital status, educational qualification, occupation, monthly income, number of earning members and their awareness about the services of IOB.
- Null Hypothesis (H<sub>0</sub>)-2: There is no significant association between nature of residence, gender, age, marital status, educational qualification, occupation, monthly income, number of earning members and their opinion about the services of IOB.

## RESULTS AND DISCUSSION

The primary data collected from the respondents is analysed and interpreted below:

**Table 1: Socio Economic Profile of the Respondents**

S. No	Particulars	No. of Respondents	Percent to total	
1	Nature of Residence	Urban	40	33.30
		Semi- Urban	24	20.00
		Rural	56	46.70
		<b>Total</b>	<b>120</b>	<b>100.00</b>
2	Gender	Male	78	65.00
		Female	42	35.00
		<b>Total</b>	<b>120</b>	<b>100.00</b>
3	Age	18-25 Years	20	16.70
		26-35 Years	24	20.00
		36-45 Years	29	24.20
		46-55 Years	35	29.20
		Above 55 Years	12	10.00
		<b>Total</b>	<b>120</b>	<b>100.00</b>
4	Marital Status	Married	102	85.00
		Unmarried	18	15.00
		<b>Total</b>	<b>120</b>	<b>100.00</b>
5	Educational Qualification	Illiterate	9	7.50
		Primary Level	3	2.50
		Secondary Level	14	11.70
		Higher Secondary Level	37	30.80
		Under Graduate Level	33	27.50
		Post Graduate Level	11	9.20
		Professional Course	5	4.20

		Diploma	4	3.30
		Teacher Training	4	3.30
		<b>Total</b>	<b>120</b>	<b>100.00</b>
6	Occupation	Entrepreneurs	10	8.30
		Government Employees	64	53.30
		Private Employees	10	8.30
		Professionals	4	3.30
		Students	8	6.70
		Home Maker	7	5.80
		Farmer	17	14.20
		<b>Total</b>	<b>120</b>	<b>100.00</b>
7	Monthly Income	Up to ₹5000	5	4.20
		₹5001-10000	17	14.20
		₹10001-15000	16	13.30
		₹15001-20000	21	17.50
		Above ₹20000	61	50.80
		<b>Total</b>	<b>120</b>	<b>100.00</b>
8	Number of Earning Members	One Member	52	43.30
		Two Members	45	37.50
		Three Members	17	14.20
		Four Members	4	3.30
		Above Four Members	2	1.70
		<b>Total</b>	<b>120</b>	<b>100.00</b>

**Source:** Primary Data

Table 1 shows that out of 120 respondents, 56 respondents belong to rural area, 78 respondents are male, 35 respondents are in the age group of 46-55 years, 102 respondents are married, 37 respondents are studied up to higher secondary level, 64 respondents are government employees, 61 respondents' family earn monthly income of above ₹20,000 and 52 respondents have one member in their family as income earner.

**Table 2: Knowledge about IOB**

S. No	Particulars	No. of Respondents	Percent to total	
1	Experience with IOB	Below 5 Years	41	34.20
		6-10 Years	32	26.70
		11-15 Years	9	7.50
		Above 15 Years	38	31.70
		<b>Total</b>	<b>120</b>	<b>100.00</b>
2	Frequency of visit to IOB per month	Less than 5 times	82	68.30
		5-10 times	31	25.80
		More than 10 times	7	5.80

		<b>Total</b>	<b>120</b>	<b>100.00</b>
3	Awareness about all services of IOB	Aware	87	72.50
		Not aware	33	27.50
		<b>Total</b>	<b>120</b>	<b>100.00</b>
4	Sources of awareness	Bank staff	10	11.49
		Advertisement	16	18.39
		Co-workers	18	20.69
		Relatives and Friends	1	1.15
		Self-Interest	37	42.53
		Family members	5	5.75
		<b>Total</b>	<b>120</b>	<b>100.00</b>
5	Availing of banking services other than IOB	Availed	39	32.50
		Not availed	81	67.50
		<b>Total</b>	<b>120</b>	<b>100.00</b>
6	Nature of bank attracts the customers of IOB	Public Sector Bank	35	89.74
		Private Sector Bank	4	10.26
		<b>Total</b>	<b>120</b>	<b>100.00</b>
7	Type of account maintained in IOB	Savings bank account	116	96.67
		Current account	2	1.67
		Fixed deposit account	2	1.67
		<b>Total</b>	<b>120</b>	<b>100.00</b>
8	Purpose of maintaining savings bank account in IOB	To avail loan	2	1.72
		To maintain account with IOB	50	43.10
		Both 1 and 2	64	55.17
		<b>Total</b>	<b>120</b>	<b>100.00</b>

**Source:** Primary Data

Table 2 shows that out of 120 respondents, 41 respondents are dealing with IOB for below 5 years, 82 respondents visit IOB less than 5 times per month, 87 respondents aware about all services of the IOB in Chennai City, 37 respondents got awareness about services of IOB by self-interest, 81 respondents have not availed banking services except in IOB, 35 respondents of IOB availing services of other public sector banks, 116 respondents have savings bank account with IOB and 64 respondents are maintaining savings bank account with IOB for the purpose of availing loan and maintaining account with IOB.

**Table 3: Factors influencing to maintain account with IOB**

S. No	Particulars	No. of Respondents	Percent to total
1	Location Factor	Influenced	1
		Not influenced	119
		<b>Total</b>	<b>120</b>
2	Self-Interest	Influenced	83

		Not influenced	37	30.83
		<b>Total</b>	<b>120</b>	<b>100.00</b>
3	Friendly Attitude of Employees	Influenced	0	0.00
		Not influenced	120	100.00
		<b>Total</b>	<b>120</b>	<b>100.00</b>
4	Recommended by Relatives	Influenced	16	13.33
		Not influenced	104	86.67
		<b>Total</b>	<b>120</b>	<b>100.00</b>
5	Recommended by Friends	Influenced	10	8.33
		Not influenced	110	91.67
		<b>Total</b>	<b>120</b>	<b>100.00</b>
6	Reasonable Rate of Interest for Loan	Influenced	0	0.00
		Not influenced	120	100.00
		<b>Total</b>	<b>120</b>	<b>100.00</b>
7	Safety	Influenced	3	2.50
		Not influenced	117	97.50
		<b>Total</b>	<b>120</b>	<b>100.00</b>
8	Influenced by Family Members	Influenced	9	7.50
		Not influenced	111	92.50
		<b>Total</b>	<b>120</b>	<b>100.00</b>

**Source:** Primary Data

Table 3 shows that out of 120 respondents, 119 respondents have not influenced by the location factor, 83 respondents have influenced by self interest factor to prefer IOB, 120 respondents have not influenced by friendly attitude of employees factor to prefer IOB, 16 respondents have influenced by the recommendation made by their relatives, 104 respondents have not influenced by the recommendation made by their friends, 120 respondents have not influenced by reasonable rate of interest for loan factor to prefer IOB, 117 respondents have not influenced by safety factor to prefer IOB and 111 respondents (92.50 per cent) have not influenced by their family members factor to prefer IOB.

**Table 4: Opinion about Service Quality of IOB**

S. No	Particulars	No. of Respondents	Percent to total	
1	Nature of loan availed from IOB	Education Loan	6	5.00
		Jewel Loan	1	0.83
		Car Loan	1	0.83
		Agriculture Loan	4	3.30
		Housing Loan	20	16.67
		Not availed any loan	88	73.33
		<b>Total</b>	<b>120</b>	<b>100.00</b>
2	Problems faced while availing loan	More legal formalities	25	78.13
		More security	7	21.87
		<b>Total</b>	<b>32</b>	<b>100.00</b>

3	Difficulties in filling up the loan application form	Language Problem (only in English)	8	25.00
		Use of technical words	1	3.13
		Difficult to understand	23	71.87
		<b>Total</b>	<b>32</b>	<b>100.00</b>
4	Opinion about various incidental charges of IOB	High	1	0.80
		Medium	11	9.20
		Low	108	90.00
		<b>Total</b>	<b>120</b>	<b>100.00</b>
5	Usage of locker facility	Yes	56	46.67
		No	64	53.33
		<b>Total</b>	<b>120</b>	<b>100.00</b>
6	Number of years availing locker facility	Less than a year	1	1.79
		1 to 5 Years	28	50.00
		More than 5 years	27	48.21
		<b>Total</b>	<b>56</b>	<b>100.00</b>
7	Opinion about the charges for locker facility	Medium	43	76.79
		Low	13	23.21
		<b>Total</b>	<b>56</b>	<b>100.00</b>

**Source:** Primary Data

Table 4 shows that out of 120 respondents, 88 respondents have not availed any loan from IOB, 25 respondents have faced the problem of more legal formalities for availing loan from IOB, 23 respondents are unable to understand the details asked in the loan application form, 108 respondents opined that the incidental charges in IOB is low, 64 respondents have not availed locker facility service in IOB, 28 respondents are availing locker facility for 1 to 5 years in the IOB of Chennai City and 43 respondents felt that the charges for locker facility is medium in IOB.

### Opinion about the various services of IOB

To know the opinion of the respondents about the various services rendered by the IOB, study has been made. For the purpose of the study, details are gathered from the respondents regarding various services like loans and advances, savings bank account, current account, fixed deposit, recurring deposit, debit card/ATM card, credit card, smart card/Master card, agency functions, ATM service, online service and safety/locker facility. Overall opinion about customer service quality also computed. For this purpose 5 point scaling technique is used. Five points for “Very Good”, 4 points for “Good”, 3 points for “Ok”, 2 points for “Poor” and 1 point for “Very poor” is assigned and computed details are presented the following table.

**Table 5: Opinion about the various services of IOB**

S.No	Opinion	No. of respondents	Percentage
1.	Very Good	30	25.00
2.	Good	17	14.17
3.	Ok	03	2.50
4.	Very Poor	70	58.33
Total		120	100.00

**Source: Primary data**

Table 5 shows that out of 120 respondents, 30 respondents (25.00 per cent) opined that the services of IOB is very good, 17 respondents (14.17 per cent) opined that the services of IOB is good, 3 respondents (2.50 per cent) opined that the services of IOB is Ok and the remaining 70 respondents (58.33 per cent) opined that the services of IOB is very poor.

**Analysis of association between socio economic profile of the respondents and their awareness about the services of IOB**

There is no significant association between nature of residence, gender, age, marital status, educational qualification, occupation, monthly income, number of earning members and their awareness about the services of IOB.

To test the above hypothesis Pearson’s chi-square test is applied and the result is presented in the following table.

**Table 6: Socio –Economic Profile and their awareness about the services of IOB: Chi-Square Test Result**

S.No	Particulars	Pearson Chi-Square Value	Hypothesis	Result
1.	Nature of Residence	0.000	Rejected	Significant
2.	Gender	0.000	Rejected	Significant
3.	Age	0.129	Accepted	No Significant
4.	Marital Status	0.977	Accepted	No Significant
5.	Educational Qualification	0.000	Rejected	Significant
6.	Occupation	0.000	Rejected	Significant
7.	Monthly Income	0.000	Rejected	Significant
8.	Number of Earning Members	0.347	Accepted	No Significant

**Source: Computed Data**

Table 6 shows that there is no significant relationship between age, marital status and number of earning members and their awareness about the services of IOB. There is a significant relationship between nature of residence, gender, educational qualification, occupation and monthly income and their awareness about the services of IOB.

**Analysis of association between the socio economic profile of the respondents and their opinion about the services of IOB**

There is no significant association between nature of residence, gender, age, marital status, educational qualification, occupation, monthly income, number of earning members and their opinion about the services of IOB.

To test the above hypothesis Pearson's chi-square test is applied and the result is presented in the following table.

**Table 7: Socio –Economic Profile and their opinion about the services of IOB: Chi-Square Test Result**

S.No	Particulars	Pearson Chi-Square Value	Hypothesis	Result
1.	Nature of Residence	0.036	Rejected	Significant
2.	Gender	0.003	Rejected	Significant
3.	Age	0.179	Accepted	No Significant
4.	Marital Status	0.417	Accepted	No Significant
5.	Educational Qualification	0.264	Accepted	No Significant
6.	Occupation	0.083	Accepted	No Significant
7.	Monthly Income	0.188	Accepted	No Significant
8.	Number of Earning Members	0.003	Rejected	Significant

**Source: Computed Data**

Table 7 shows that there is no significant relationship between age, marital status, educational qualification, occupation and monthly income and their opinion about the services of IOB. There is a significant relationship between nature of residence, gender and number of earning members and their opinion about the services of IOB.

**Suggestions**

The following are the suggestions made by the researcher based on the findings of the study.

- ❖ Awareness about all products of Indian overseas bank may be created through advertisement than the existing level.
- ❖ The Indian overseas bank should attract all the customers by satisfying their requirements to control switch over from Indian overseas bank to other banks.
- ❖ It is suggested that the Indian overseas bank may reduce the legal formalities while sanctioning loan to their customers.
- ❖ It is suggested that the loan application form may be printed in Tamil language also.
- ❖ It is suggested that the quality of service of Indian overseas bank may be improved than the existing level.

## Conclusion

The Customer Service Quality in Indian overseas bank in Chennai City is analyzed by the researcher using chi-square test. The respondents differ in getting the services of Indian overseas bank in the study area. Hence the Indian overseas bank should provide quality services to their customers in this study area than the existing level based on the suggestions given by the researcher.

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