



CUSTOMER SATISFACTION IN CHHATTISGARH RAJYA GRAMIN BANK IN BILASPUR CITY

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Abstract

Previous studies have demonstrated that management's considerations for promotional efficacy and achievement center on satisfaction and quality of service in contemporary fiercely competitive company environment. Utilizing a five-dimensional SERVQUAL model for evaluating service quality, this investigation aims to ascertain customer-perceived quality of service at Chhattisgarh Rajya Gramin Bank in Bilaspur city to determine which are most important components of total customer satisfaction. Information was gathered from 100 CRGB customers who were chosen using the purposive sample approach. It was necessary to use an unbiased sample approach because there was no trustworthy sampling frame. Exploratory factor analysis is being used to determine variables related to service quality. Patrons of Chhattisgarh Rajya Gramin Bank in Bilaspur city express excellent ratings of perceived quality of service throughout all five dimensions, according to initial information, but the findings of regression analysis (β) demonstrate that assurance and reliability account for the majority of customer satisfaction. The banking sector may use the investigation's results to reorganize and emphasize its quality of service and create effective marketing campaigns by emphasizing pertinent elements of customer happiness and service quality.

Keywords: Service quality, customer satisfaction, SERVQUAL, CRGB, Perceived, India

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Introducing

In the current competitive period dominated by information technology, clients' primary concerns are quality and speedy execution, which gives them a sense of pleasure. This also applies to the banking industry, as Regional Rural Banks (RRBs) especially are under increased pressure to keep client accounts as they attempt to keep up with other nationalized and scheduled banks. Because they give money to the most vulnerable members of the rural population, RRBs are important to the rural banking sector. These organizations are unusual in the rural banking sector since they are closest to the oppressed and poorest segments of society. Consumer satisfaction, nevertheless, can only help RRBs overcome their strong competitiveness; if not, they risk losing business to competitors that provide superior services. Examining the degree of client satisfaction with Chhattisgarh Rajya Gramin Bank (CRGB) services is pertinent in this setting.

Review of Literature

Scher (2010) examined the effects of the 2005–06 merger of Regional Rural Banks in India. Reddy (2010) conducted a thorough analysis of the issues pertaining to rural development, population, and the function of credit in these areas. According to Soni and Kapre's (2011) analysis, RRBs' economic performance in India has gotten better noticeably. According to Rajashekarappa and Basavaraj (2012), Pragathi Grama Bank's coverage and profitability in Karnataka have both steadily improved. The goal of Richa (2012) was to ascertain if the RRBs' distribution of loans to the priority industries deviated noticeably from their distribution to the non-priority industry. Suman (2012) emphasized the RRBs' efforts in branch growth, deposits mobilization, and lending to the rural impoverished. In order to compare rural banks in the region in the state of Chhattisgarh with key performance factors, Palacios (2013) conducted a research. Nevertheless, the goal of the current study is to ascertain how satisfied Bilaspur, Chhattisgarh Rajya Gramin Bank's patrons are.

Customer Satisfaction

According to Oliver (1980), customer satisfaction is the conclusion reached after weighing expectations prior to purchase against a post-purchase assessment of the good or service interaction. According to Wood (2008), there is a clear correlation between customer happiness and market share, loyal client retention, intent to buy, and revenue. Consequently, it is often acknowledged that consumer happiness plays a significant role in influencing customers'

formulation of their future buying plans (Taylor & Baker, 1994) as well as their propensity to return to a business (Kotler & Armstrong, 2006).

Athanassopoulos (2000) and other scientific studies have identified pricing, ease of use, service quality, and novelty as the main factors influencing consumer satisfaction. Numerous Indian retail banks are now more interested in determining how satisfied their clients are generally with the goods and services they receive as a result of the frequency of such research (Mishra, 2009). Retail bank managers stand to gain valuable insights into both their actual achievements and their customers' expectations through the measurement of customer happiness. Managers can use this knowledge to focus their efforts on providing services that seem more appealing to clients or on raising the caliber of their offerings (Shin & Elliott, 2001). According to Muffato and Panizzolo (1995), monitoring customer happiness is anticipated to improve the bank's brand and image, raise consumer attention, and lower customer attrition—all of which will eventually boost profitability. Therefore, achieving customer pleasure is not the end aim in and of itself for a service provider; rather, it is a strategy for increasing revenues.

Relationship between Service Quality and Customer Satisfaction

The research on services marketing (Jamal & Naser, 2002) continues to highlight the significance of the link between customer happiness and service quality, particularly in the banking industry (Avkiran, 1994). Pitt, Watson, and Kavan (1995) claim that service quality is a crucial metric for gauging customer satisfaction and a necessary precondition for cultivating positive customer relationships. Customer satisfaction is more likely as service quality improves. Thus, behavioral outcomes including commitment, customer retention, the development of a mutually beneficial relationship, enhanced customer tolerance, and good word-of-mouth are all influenced by higher customer satisfaction (Newman, 2001). Customer satisfaction is positively impacted by service quality, according to studies by Adil (2012), Bei and Chiao (2006), Sureshchandar, Rajendran, and Anantharaman (2002, 2003), Cronin and Taylor (1992), and Aldlaigan and Buttle (2002).

Objectives and Hypotheses

Following are the objectives of the study:

To ascertain how CRGBs customers view the quality of their service.

- To determine whether aspects of service quality, in the context of CRGB, substantially influence

the measurement of overall satisfaction.

- To investigate the suitability and effectiveness of the basic SERVQUAL scale in gauging the perceived quality of service at CRGB.

The following theories were developed and put to the test in light of the literature and the aforementioned goals:

H01: The tangibles, certainty, responsiveness, empathy, and reliability as aspects of service quality are all seen similarly by rural and urban clients.

H02: Customer satisfaction is positively impacted significantly by service quality.

Research Methodology

This section tries to describe the metrics utilized by Chhattisgarh Rajya Gramin Bank in the Bilaspur district to gauge customer satisfaction and service quality. In order to quantify the variables, the study uses a descriptive research design, which is affordable, convenient to gather data from, and well-suited for the survey approach. These benefits demonstrate the use of quantitative research methodologies in the study. Customers from several Chhattisgarh Rajya Gramin Bank branches in the city of Bilaspur serve as examples. Purposive sampling is used to decide sampling because it is simple to use, fast for data gathering, inexpensive, and readily available in the relevant banks. For this

study, a sample of hundred participants has been chosen. A structured questionnaire designed on the original SERVQUAL scale is created to gather information from CRGB's clientele. Field surveys are used to gather data while interacting in person with a sample of clients. The collected data is entered into SPSS 22.0 for additional analysis.

Data Analysis & Interpretation

The profile of CRGBs customers of age, gender, education and occupation status is considered. The task was to collectively exhibit the profile of customers in a table format. Bank customers are divided into four groups based on age, Upto 30 years, 31-35 years, 36-40 years and above 40 years. The table shows that 32% of customers are between 31-35 years, followed by 27% of customers over 40 years, 22% between 36-40 years and a small number of customers between upto 30 years. So, it is clear that the majority of customers of Chhattisgarh Rajya Gramin Banks are mid-thirties. The frequency of Male, 63%, is greater than the female value of 37%. It indicates that the frequencies are more spread in the male data. The frequency of customers level of education from diploma level to professional level and broaden its level to others. Most customers belongs to others category which may be at school level whereas some were adequately educated. Also, majority of the customers were salaried class (72%) or indulge in agriculture (17%).

Table 1: Demographics of the respondents

Particulars	Frequency	Percentage
Gender		
	Male	63
	Female	37
Age		
	Upto 30 years	19
	31-35 years	32
	36-40 years	22
	Above 40 years	27
Education		
	Diploma level	9
	Bachelor level	19
	Master level	16
	Professional level	7
	Others	49
Occupation		
	Salaried	72
	Business	7
	Agriculture	17
	Others	4

Dimensional Analysis

Table 2 illustrates that consumers are able to differentiate between the five characteristics of

service quality and assign different weights to each of them.

Table 2: Perceptions of dimensions of service quality

Dimension	Rank	Mean	SD	VIF
Tangibles	3	4.65	0.89	1.476
Reliability	1	4.81	1.10	1.007
Assurance	2	4.79	1.03	1.028
Responsiveness	5	4.39	1.22	1.500
Empathy	4	4.43	1.38	1.051

With mean ratings of 4.81 and 4.79, respectively, reliability and assurance stand out as the two most significant aspects of service quality in the context of Indian rural retail banks. With a mean score of 4.39, respondents rate responsiveness sixth on their list of factors that are least essential. The data is less dispersed and more compact when one considers the standard deviations, which vary from 0.89 to 1.38.

Exploratory Factor Analysis

The service quality scale is improved and validated using descriptive statistical methods. As shown by Karatepe, Yavas, and Babakus (2005), Table 3 demonstrates that the appropriateness of the complete sample was checked for factor analysis prior to the study. The sample adequacy measured

by the Kaiser-Meyer-Olkin (KMO) is more than 0.500, and the sphericity test by Bartlett is significant at $p = 0.001$. These tests' outcomes show that the sample is appropriate for use in factor analysis processes. We use varimax rotation and the principal component approach to do a factor analysis on a perceptual scale. Factors with eigenvalues larger than 1.0 and factor loadings equal to or greater than 0.50 are kept based on the research criterion developed by Hair et al. (2006). All thirteen factors fit neatly into the five service quality characteristics proposed by Cronin and Taylor (1992). Because nine of the items have strong cross-loadings, produce subconstructs, or load poorly on their respective latent variables, they are eliminated completely.

Table 3: Preliminary analysis

Variable	Loading a	KMO	□b	Loading c
Tangibles		0.663	0.694	
Up-to-date equipment	0.675			0.735
Neat employees	0.386*			X
Physical facilities	0.652			0.820
Visual service material	0.551			0.806
Reliability		0.500	0.613	
Services delivered at promised time	0.643			0.803
Services delivered as promised	0.671**			X
Error-free records	0.647**			X
Service right the first time	0.727			0.803
Solving customer's problem	0.505			X
Assurance		0.500	0.639	
Trustworthy	0.587			0.801
Safe transaction	0.772			0.801
Courteous	0.352*			X
Knowledgeable	0.373*			X
Responsiveness		0.687	0.779	
Prompt service	0.687			0.792
Customer request	0.610			0.805
Informs in advance	0.648			0.727
Willing to help	0.457**			X
Empathy		0.743	0.693	
Individual attention	0.320*			X
Specific needs	0.665			0.678
Personal assistance	0.717			0.989
Operating hours	0.402**			X
Best interest	0.790			0.880

Note: a = factor loading of all items, b = Cronbach's alpha coefficient, c = factor loading of retained items only, X = item dropped, * = item deleted in first iteration, ** = item deleted in second iteration.

Overall Attitude Towards Customer Satisfaction

All five SERVQUAL dimensions were considered predictors, with customer satisfaction serving as the criterion variable, because these dimensions together make up the components that define rural retail banks' satisfaction. To examine how the independent factors affected the dependent variable, linear regression was used. The regression analysis's findings are shown in Table 4. With an adjusted R^2 of 0.713, the five SERVQUAL

measures collectively account for over 71% of the variation in satisfaction. Every one of the five SERVQUAL dimensions significantly affects satisfaction. Listed in priority order, these are:

- Reliability ($\beta = 0.303$)
- Assurance ($\beta = 0.281$)
- Tangibles ($\beta = 0.257$)
- Responsiveness ($\beta = 0.226$)
- Empathy ($\beta = 0.179$)

Table 4: Results of regression analysis

Variable	Unstandardized coefficients (B)	Standard error	Standardized coefficients (β)	t-test	Sig.
Constant	-0.476	0.291	-	-2.531	0.035
Tangibles	0.307	0.089	0.257	3.285	0.031
Reliability	0.318	0.097	0.303	3.621	0.001
Assurance	0.314	0.091	0.281	3.686	0.002
Responsiveness	0.287	0.065	0.226	3.194	0.002
Empathy	0.189	0.062	0.179	2.280	0.029

Notes: Dependent variable: customer satisfaction. Adjusted $R^2 = 0.713$, $F = 87.239$, sig. = 0.001.

Conclusions

First, we looked at how satisfied and high-quality rural clients felt about their services. Each of the five variables' individual mean ratings was higher than 4, suggesting that respondents thought rural banks provided excellent service. Reliability was ranked highest by respondents (mean = 4.81), followed by assurance (4.79). Fifth place went to responsiveness, which had a mean score of 3.39. Additionally, the study has made an effort to determine which dimension most significantly affects consumer happiness. The findings of the regression study indicated that the two most important indicators of total customer satisfaction were assurance ($\beta = 0.281$) and reliability ($\beta = 0.303$). Because it is not uni-dimensional, the preliminary study indicates that the original 22-item SERVQUAL scale is not suitable as a test of universal application. At the preliminary analysis stage, nine items were removed due to low factor loadings, excessive cross-loadings, or the formation of subconstructs within their respective latent variables. Thirteen items underwent additional study. The 13-item measure's psychometric qualities were somewhat superior than those of the original 22-item scale. This result is consistent with that of Adil and Khan (2011), who found that 14 items loaded into five dimensions of service quality with greater values than the original 22-item SERVQUAL scale after eight items were removed and eight items were added.

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