

Service Quality Gap of Rural Customers Towards Banking Services in Karur Vysya Bank of Virudhunagar District

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ABSTRACT

There are many villages in India, but they are not developing as quickly as the cities. Because of the lack of technology availability and infrastructure and other factors, customers in rural and urban areas have very different expectations and perceptions of products and services. Using the SERVQUAL test, we aim to determine the KVB rural customers' expectations and perceptions of service quality. Service quality expectations and perceptions differ from person to person and bank to bank. Service quality leads to customer retention and prospective customer base. We discovered that there is a big gap between the rural customer's expectation and perception. Further we provide suggestion to karur vysya bank to put research and development team among rural customers and improve the bank services accordingly.

Keywords: Service Quality, Service, SERVQUAL, Service Gap, Expectations, Perceptions, Financial Inclusion, Economic Growth, Customer Satisfaction, Financial Equity, Social & Economic Inclusion

INTRODUCTION

In a country's economic progress, the bank is crucial. The majority of people in India reside in rural areas. To ensure the country's overall development, is essential to improving people's lives and economic conditions. of rural residents. Therefore, rural banks provide assistance the rural areas' development. primarily nationalized In India's rural areas, cooperative banks are in operation to the provision of banking services. New marketing strategies have been implemented in the Indian banking sector as a result of fierce rivalry and severely pressured profitability, which has also improved consumer satisfaction. to the focus's centre.

It is now crucial for the banks to both maintain their current clientele and to extend the same. as banks are becoming more prevalent; The standard of service that clients expect is rising. It has it has become crucial to assess the service quality of bank to allow service providers to gauge the quality of service caliber and pinpoint the areas that need improvement.

One of the key variables in determining customer happiness is service quality. It has been determined that service quality is a crucial success factor for businesses looking to increase their competitive advantage. and boost their ability to compete. innovative work by Ten determinants were identified as a result of Parasuraman et al.(1988) (Accessibility, Competence, Responsiveness, Reliability, Courtesy; As a result of their improved (communication, credibility, security, customer understanding, and tangibles), service quality focus groups with customers and service providers which led to the creation of an instrument with these ten characteristics condensed into five general aspects of service excellence.

RESEARCH PROBLEM

India is a country full of villages, in India the rural areas are not developing as much as urban area. Expectation and perception of rural and urban customers are extremely different, because the lake of literacy, infrastructure and technology availability etc. some rural part of India still banking services are not yet reached .so that government of India and reserve bank of India try to increase the banking services through financial inclusion and various schemes to reach rural customers. This research aims to identify the rural customers expectation and perception regarding banking services

REVIEW OF LITERATURE

- sakshi and swatimishra (2020) studied in the title of a review of customer satisfaction in rural and urban areas with special reference to banking technology they try to find out the review of e banking impact in urban and rural

area customers .They found the rural area customers are not satisfied with the e banking they are comfortable with traditional banking.

- **muhammad farooq shabbir et.al (2016)** examined that perceived service quality in context of rural and urban banks in Pakistan. they used the customized servqual model for their study descriptive statistics ,students t test and cronbac alpha used to analyze the data. they found urban bank customers having high degree perception in assurance and lowest in personalization likewise rural customers also getting a highest degree in assurance and lowest in formality. Further they found rural bank customers are having more satisfaction. The study recommends the rural bank should improve technology and infrastructure, and urban banks should focus on hiring employees with high proficient in sincerity, formality and personalization
- **Michael Ayikwei Quarshie et.al(2018)** studied in the title of service quality delivery of rural banks : perceptions of customers in emerging economics. They collect the data for 382 customers through a well designed questionnaire using convenient sampling method. Collected data were analyzed through descriptive statistics with included frequencies percentages, means and standard deviation they found customers wants more banking branches and flexible banking hours to avoid the crowd. Further they recommend the bank may provide the extended banking branches.
- **M. Sakthivel Murugan (2019):** E-banking assists banks in all conventional processes, making life much more pleasant and easy. Additionally, it made the lives of bankers very simple by providing profitability to them. In this study, customer preferences are analysed, and customer satisfaction with internet banking is looked into.
- **Anis Ali and S. Bisht(2018):** The researcher is interested in examining customer satisfaction levels in both private and public sector banks as well as the causes of both contentment and discontent. The main data was used to gather the data. Customers of both banks were satisfied, according to the findings, although private sector banks need to enhance employee behavioral aspects.
- **Anis Ali and Babita Ratwani (2017):**In terms of services, physical sources, reliability, and assurance, this study investigates if bank clients in India have a variety of issues or levels of satisfaction. Although most consumers are happy and satisfied with banks' services, there was some dissatisfaction due to the workers' lack of responsiveness and focus on particular clients. Employees at banks should receive training on how to treat other employees with respect.
- **Dr. E. Hari Prasad and Prof. G. V. Bhavani Prasad(2017):**Banks today are dealing with numerous difficulties related to consumer performance. They are managing the clients in a planned way. In the current environment, providing high-quality service is the utility sector's most important function. The level of service is crucial in retaining and satisfying clients. This study employs the SERVQUAL MODEL to evaluate the level of service provided by banks in rural areas.

OBJECTIVES OF THE STUDY

To analyze the service gap of rural customers towards banking services rendered by KarurVysya bank in virudhunagar district.

RESEARCH METHODOLOGY

5.1 Research and Sample design

This research is needed extensive field survey ,so the researcher has decided to made a field work in two phases. the first phase was planned to collect secondary data particularly from journal, websites and books. the second phase , primary data for this research collected through structured questionnaire. the researcher has collected 110 respondents from rural customers in karur vysya bank. Purposive sampling technique has been used for collection of samples with the help of five point liker scale among strongly disagree to strongly agree.

5.2 Hypothesis

In this research we used the following hypothesis

- Expectation and perception of something do not significantly relate to one another in Banks should have equipment that is up to date.
- Expectation and perception of something do not significantly relate to one another in Banks should have aesthetically pleasing physical facilities.

- Expectation and perception of something do not significantly relate to one another in Bank employees must to look presentable and be well-dressed.
- Expectation and perception of something do not significantly relate to one another in A bank should use eye-catching materials for the service (such as brochures or statements).
- Expectation and perception of something do not significantly relate to one another in When banks make a commitment to complete something by a given date, they should
- Expectation and perception of something do not significantly relate to one another in Banks should genuinely care about resolving customer issues when they arise.
- Expectation and perception of something do not significantly relate to one another in Banks must provide the service correctly the first time.
- Expectation and perception of something do not significantly relate to one another in Banks should deliver the service when they say they will.
- Expectation and perception of something do not significantly relate to one another in Banks ought to demand error-free records.
- Expectation and perception of something do not significantly relate to one another in Bank employees should be upfront with consumers about when services will be provided
- Expectation and perception of something do not significantly relate to one another in Customers should receive prompt service from bank employees.
- Expectation and perception of something do not significantly relate to one another in Bank employees must always be eager to assist consumers at all times.
- Expectation and perception of something do not significantly relate to one another in No bank employee should ever be preoccupied to ignore customers' needs.
- Expectation and perception of something do not significantly relate to one another in Customers should feel confident in banks because of how workers conduct themselves.
- Expectation and perception of something do not significantly relate to one another in Bank clients should feel secure during transactions.
- Expectation and perception of something do not significantly relate to one another in Bank employees should regularly treat customers with courtesy.
- Expectation and perception of something do not significantly relate to one another in Bank staff should be knowledgeable so they can respond to inquiries from customers
- Expectation and perception of something do not significantly relate to one another in Banks should pay close attention to each consumer.
- Expectation and perception of something do not significantly relate to one another in Banks should operate during hours that are convenient for all of their clients.
- Expectation and perception of something do not significantly relate to one another in Employees at banks should provide personalized attention to clients.
- Expectation and perception of something do not significantly relate to one another in Banks ought to prioritize serving the needs of their clients.
- Expectation and perception of something do not significantly relate to one another in Employees at banks should be aware of their clients' unique needs.

5.3 Tools for analysis

The collected data analyzed by using percentage analysis, Descriptive Statistics and Paired t test. Further researcher used cronbah alpha to test the reliability and validity of the data

RESULTS AND DISCUSSIONS**6.1 Validity Test (Expectation and Perception)****Table 6.1: Validity Test (Expectation and Perception)**

Heads	Question numbers	CronbahAlpha Value (Perception)	Over all cronbahAlpha Value (Perception)	CronbahAlpha Value (Expectation)	Over all CronbahAlpha Value (Expectation)
Tangibles	1	.886	.975	.897	.984
	2				
	3				
	4				
Reliability	5	.894			
	6				
	7				
	8				
	9				
Responsiveness	10	.880			
	11				
	12				
	13				
Assurance	14	.941			
	15				
	16				
	17				
Empathy	18	.949			
	19				
	20				
	21				
	22				

6.2 Gap score of KVB**Table 6.2: Gap score of KVB**

Factors	Variables	Perception mean score	Expectation mean Score	Gap Score(P-E)	Paired t test value	P Value
Tangibles	1	3.0182	4.2909	-1.2727	8.747	.000
	2	3.0909	4.1636	-1.0727	9.948	.000
	3	3.0727	4.2182	-1.1455	10.690	.000
	4	2.9273	4.2545	-1.3272	12.102	.000
Average		3.027275	4.2318	-1.20453		
Reliability	5	3.1091	4.3091	-1.2	12.328	.000
	6	2.9273	4.2182	-1.2909	12.003	.000
	7	3.1455	4.1273	-0.9818	9.898	.000
	8	3.1273	4.1455	-1.0182	9.934	.000

	9	3.1091	4.2545	-1.1454	9.517	.000
Average		2.46184	3.36002	-0.89818		
Responsiveness	10	3.0727	4.3636	-1.2909	12.761	.000
	11	3.0364	4.3818	-1.3454	12.413	.000
	12	3.1273	4.3636	-1.2363	12.366	.000
	13	3.2364	4.3455	-1.1091	11.147	.000
Average		3.1182	4.363625	-1.24543		
Assurance	14	3.2182	4.3636	-1.1454	10.690	.000
	15	3.2909	4.3818	-1.0909	10.680	.000
	16	3.2909	4.4000	-1.1091	11.340	.000
	17	3.1818	4.3455	-1.1637	11.304	.000
Average		3.24545	4.372725	-1.12728		
Empathy	18	3.1636	4.3455	-1.1819	13.183	.000
	19	3.2545	4.2727	-1.0182	8.871	.000
	20	3.1455	4.2909	-1.1454	10.392	.000
	21	3.2364	4.3091	-1.0727	10.094	.000
	22	3.2182	4.2909	-1.0727	10.406	.000
Average		3.20364	4.30182	-1.09818		

FINDINGS

The expectation explains that the value among the rural customers in banks per are high. all the statements of mean values are four are greater it implies that rural customers are having highest expectation in term of service .perception explains the mean value of the items were 2.9 or greater so it is also implies the perception of the rural customers in terms of service is low hence the gap score between expectation and perception are denoted the quality of service the quality of service = perception – expectation if the quality of service is positive it implies that perception of the customer is high and vice versa, so here our research shows that negative value ie the perception of customer is low compare to expectation of customers paired t test are also undertaken to find out significance difference between perception and expectation. table 6.2 explains that the significant difference between rural customers perception and expectation of an 22 statements categorized as five factors namely tangibility, reliability, responsiveness, assurance and empathy .from the research there is a statistical significance of 0.05 that means a statistical gap between customers perception and expectation of services provided by the bank at 95 percent confidence level of all factors with the gap score in negatives it implies the expectation is very much high cannot be provides to meet the expectation in all the cases

SUGGESTIONS/ RECOMMENDATIONS and CONCLUSION

Based on the above findings there is a huge difference is there among the kvb rural customers expectation and perception .karur vysya bank has to concentrate their rural customers to provide eye-catching materials for the service (such as brochures or statements),Bank employees should be upfront with consumers a bout when services will be providedandCustomers should receive prompt service from bank employees.

The study has revealed that, 22 items to help the services provided by the karur vysya bank in rural areas of virudhunagar district. the gap between perception and expectation is negative it indicates that customers expectation is more than what is offered by the bank the rural customers. perceived bank service quality lower than expectation, it concluded that they are not very much satisfied few services provided by the bank

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Annexure
(Variables and Heads) :

Question Number	Variables	Heads
1	Banks should have equipment that is up to date.	Tangibles
2	Banks should have aesthetically pleasing physical facilities.	
3	Bank employees must look presentable and be well-dressed.	
4	A bank should use eye-catching materials for the service (such as brochures or statements).	
5	When banks make a commitment to complete something by a given date, they should	Reliability
6	Banks should genuinely care about resolving customer issues when they arise.	
7	Banks must provide the service correctly the first time.	
8	Banks should deliver the service when they say they will.	
9	Banks ought to demand error-free records.	Responsiveness
10	Bank employees should be upfront with consumers about when services will be provided.	
11	Customers should receive prompt service from bank employees.	
12	Bank employees must always be eager to assist consumers at all times.	
13	No bank employee should ever be preoccupied to ignore customers' needs.	Assurance
14	Customers should feel confident in banks because of how workers conduct themselves.	
15	Bank clients should feel secure during transactions.	
16	Bank employees should regularly treat customers with courtesy.	
17	Bank staff should be knowledgeable so they can respond to inquiries from customers	Empathy
18	Banks should pay close attention to each consumer.	
19	Banks should operate during hours that are convenient for all of their clients.	

20	Employees at banks should provide personalised attention to clients.	
21	Banks ought to prioritize serving the needs of their clients.	
22	Employees at banks should be aware of their clients' unique needs.	

(Questionnaire)

**SERVICE QUALITY GAP OF RURAL CUSTOMERS TOWARDS BANKING SERVICES IN KARUR VYSYA
BANK OF VIRUDHUNAGAR DISTRICT**

1. Name:**SERVQUAL MODEL**

Dimension	Statement	Expectation Score					Perception Score				
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Tangibles	1.Banks should have equipment that is up to date.										
	2.Banks should have aesthetically pleasing physical facilities.										
	3.Bank employees must to look presentable and be well-dressed.										
	4.A bank should use eye-catching materials for the service (such as brochures or statements).										
Reliability	5.When banks make a commitment to complete something by a given date, they should										
	6.Banks should genuinely care about resolving customer issues when they arise.										
	7.Banks must provide the service correctly the first time.										
	8.Banks should deliver the service when they say they will.										
	9.Banks ought to demand error-free records.										
Responsiveness	10.Bank employees should be upfront with consumers about when services will be provided.										
	11.Customers should receive prompt service from bank employees.										
	12.Bank employees must always be eager to assist consumers at all times.										
	13.No bank employee should ever be preoccupied to ignore customers' needs.										
Assurance	14.Customers should feel confident in banks because of how workers conduct themselves.										

	15.Bank clients should feel secure during transactions.										
	16.Bank employees should regularly treat customers with courtesy.										
	17.Bank staff should be knowledgeable so they can respond to inquiries from customers										
Empathy	18.Banks should pay close attention to each consumer.										
	19.Banks should operate during hours that are convenient for all of their clients.										
	20.Employees at banks should provide personalised attention to clients.										
	21.Banks ought to prioritize serving the needs of their clients.										
	22.Employees at banks should be aware of their clients' unique needs.										

Thank you