

EFFECT OF VALUE-ADDED SERVICES PROVIDED BY BANKS IN DELHI NCR ON CUSTOMER SATISFCTION

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ABSTRACT

The purpose of this study is to discover how satisfied banking clients are with the quality of various bank services and how loyal they are to their bank. Service quality may be measured in a variety of ways. Additionally, an attempt is made to find out which service quality dimensions will improve customer satisfaction and customer loyalty in a more effective manner. SST, or self-service technology, is a requirement in retail banking. Because of the rapid growth of technology, the interface that permits communication between humans and machines is critical in our everyday lives. When it comes to retail banking services, the ATM is one of the greatest Self Service Terminal solutions available to customers. ATM service quality at an Indian bank's primary ATM service point is the focus of this research. The study's goal is to examine the link between ATM service dependability and customer happiness, and to identify the factors that influence service improvement. "A questionnaire survey of 271 people was conducted, and data was gathered on the spot through observations at the service point. SPSS was used to do statistical analysis on the data. The results of a poll show that three of the four service quality criteria (consistency, reliability, and timeliness) are critical to customer satisfaction.

Keywords: ATM; Service Quality; Customer Satisfaction.

1. Introduction

Having a bank keeps the cogs in the wheel of global finance turning. The sole consumers of the integrated bank are the ones who determine the performance of the banking sector. The stability and growth of a country's economy rely on the soundness of its financial system (Mengesha, 2016). Continued use of the banking system in Bangladesh contributes to the country's dynamic economic development (Babu, 2018)." According to Prakash and colleagues (2017), banks are an essential part of every economy's financial system, and their performance is critical. The contemporary banking sector is employing a variety of measures to achieve the maximum level of customer happiness and design customer satisfaction-focused initiatives (Kheng et al., 2010). Customer dissatisfaction has been revealed to be the most common cause for people to switch banks, according to a study (Magesh, 2010). There is no doubt that banks can be identified by the services they play in the economy (Gazi & Talukder, 2017a). The banking industry also contributes in numerous ways to the development of the domestic

economy Banking is a financial middleman, receiving deposits and lending money, and provides the greatest range of services of any financial organisation by assuring client satisfaction (Uddin & Akhter, 2012). Because the financial services marketing differs significantly from the marketing of other types of commodities, it has the ability to use a completely distinct strategy and approaches. A long-term commitment to customer happiness is essential, and the bank should be able to quantify and articulate it correctly (Gazi and Talukder, 2017b). Customer satisfaction is the ability of a bank's goods and services to fulfil the demands of its customers (Munusamy et al., 2010). It is one of the strongest weapons in the bank's arsenal for retaining customers and boosting its overall profitability. In order to maintain a strong relationship with consumers, a bank must provide regular services, introduce innovative new services, and make it easy for customers to communicate with the bank. A rise in consumer satisfaction assures long-term client loyalty. (Kuo et al., 2009; Lai et al., 2009; Wu & Liang, 2009).

2. Literature Review

It is critical for every financial organization, particularly the banking industry, to ensure that its customers are happy. Having satisfied customers is critical to the long-term success of a bank (Rahman et al., 2020). A bank's customer satisfaction is based on a shared understanding of how well the bank serves its clients (Johnson & Fornell, 1991). To assess customer happiness, we look at the gap between what customers want and what they actually get. (Tyrinopoulous & Antoniou, 2008) (Pizam & Ellis, 1999). Customer satisfaction in the banking business may be divided into five distinct categories, namely, pleasure, novelty, relief, contentment, and surprise (Oliver & Swan, 1989). However, consumer satisfaction in the banking industry was shown to be negatively affected by staff competency, according to Rahman and colleagues' (2020) findings. "Client satisfaction leads to customer loyalty, which in turn leads to increased sales, which in turn boosts the company's financial returns (Chi & Gursoy, 2009; Schneider & Bowen, 1995; Rust et al., 1995; Storbacka et al., 1994; Heskett et al., 1994; Anderson & Fornell, 1994; Reicheld & Sasser, 1990; Zeithaml et al., 1990). However, a number of academics have found elements that impact consumer happiness. The most important factor is service quality, which includes five dimensions, such as tangibles, reliability, assurance, responsiveness, and empathy. Among these, service quality is the most influential (Singh & Arora, 2011; Culiberg & Rojsek, 2010; Arbore & Busacca, 2009; Ndubisi, 2006; Jamal & Naser, 2002; Oppewal & Vriens, 2000; Lassar et al., 2000; Johnston, 1997; Levesque & McDougall, 1996; Taylor and Baker, 1994 & Parasuraman et al., 1985). Banking customers' satisfaction levels vary greatly from one bank to the next (Zopounidis, 2012)." They' happiness with a bank is influenced by the appearance of the bank's facilities, how positively customers talk

about it, and how polite the bank's employees are (Khalid et al., 2011). Service quality, according to several academics, ensures client happiness with banks (Akhtar et al., 2016; Le et al., 2019; Tabash et al., 2019). Customer satisfaction is favourably and considerably influenced by the bank's multidimensional service quality, according to the findings of Ali and Raza (2014). Both Bilika et al. (2016) and Paul et al. (2016) found the same outcome. Quality of service is a strong predictor of customer happiness, according to most studies (Bedi, 2010; Kumar et al., 2010). Banks place a high value on customer service and satisfaction as a key factor in attracting and retaining customers (Jamal, 2004; Kumar et al., 2009; Naeem & Saif, 2009; Choudhury, 2008). Customers' levels of satisfaction with the quality of a company's services were found to be positively correlated by Islam and Niaz (2014). Kumar (2013) revealed that a client places the most value on the dependability factor of their purchase. According to Abdullah and co-authors (2011), dependability, assurance and enabling are major determinants of consumer happiness in banking. For example, according to Akhter (2014), Ahmed and Sidicqi (2013), and Uddin (2012), customer pleasure has a clear correlation to brand loyalty. Using SERVQUAL, you may determine how satisfied your customers are (Parasuraman et al., 1988). Customers' happiness may be influenced by both the quality of the core service and the prominence of the relationship (i.e., security, functionality, dependability, correctness, and speed) (Johnston, 1997; Levesque & McDougall, 1996).

3. Objectives of the study

The study's goal is to examine the link between ATM service dependability and customer happiness, and to identify the factors that may be used to improve the service.

A set of four hypotheses are as follows:

H₁: Customer satisfaction is strongly correlated with ATM service consistency. H₂: Customer satisfaction is strongly correlated with ATM service reliability. H₃: Customer satisfaction is strongly correlated with ATM service timeliness. H₄: Customer happiness is strongly correlated with ATM service technology.

4. Methodology

As part of the study, researchers are trying to figure out how many of the many aspects of service quality are directly connected to consumer satisfaction overall. The study was designed to provide a cross-sectional study with little effect from researchers. There are two basic methods for collecting primary data: a site visit and a survey of the participants. At the designated Self Service Terminal, ATMs were situated, which is a distribution hub for the Self Service Terminal in Delhi NCR. An estimated 2,000 ATM customers visit the site each day. From April through May of 2021, an investigation was carried out.

Surveys were conducted to clients who had previously utilised ATM services using convenience sampling to focus on the experiences of those who use the service the most frequently. There are an estimated 322 ATM users in this study's population. Among the 322 replies, only 271 were legitimate and finished enough to be included in this study. In order to reflect the population, this quantity is regarded acceptable (Zikmund, 2010). Proportional sampling was used in the study because it is a method that ensures that each user has an equal chance of being selected as a responder. Sekaran (2010) claims that the method reduces costs and increases the possibility of bias in feedback. Sections of the questionnaire were broken down into six. Sections A, B, C, D, E, and F focus on the demographic profile, the consistency aspect, reliability, timeliness, and technology. Finally, Section F measures customer satisfaction.

“Questions are taken from Singh (2011), Barun&Sureka&Shitika (2014); Kumbhar (2011); Al-Hawari& Ward (2006); Collier & Bienstock (2006); Wolfenbarger& Gilly (2003); Joseph & Stone (2003); Lee; Lin (2005); Mobarek; Yee-Loong Chong; Chong; et al (2010). Accordingly, some of the questions were reworded and a few new ones included in order to ensure the validity and reliability of the data collected by the survey.”

5. Results and Discussions

“Statistical analytic methodologies were utilized to investigate the four connections and determine critical ATM service quality criteria that influence customer satisfaction in this area.”

4.1. Demographic Profile

Two hundred and seventy-one people were interviewed, and their demographics provide a representative sample for the intended group of two thousand people who use ATMs. 271 people participated in the survey, with 154 men and 117 women making up 57% and 43% of the total population. An overwhelming majority of those who used ATMs (101 or 37 percent) were between the ages of 31 and 40, followed by those between the ages of 21 and 30, followed by those between the ages of 41 and 50, followed by those above 51 (22 or 8 percent), and those less than 21 (11 or 4 percent). There were 175 married people and 96 unmarried people in the group (65% of them). It was found that 163 respondents (60%) were graduate students, while the rest were undergraduates (28%) and postgraduates (11%), respectively (4 percent). 132 of the respondents (49 percent) were government employees, while 65 (24 percent) were employed in the private sector. A complete breakdown of ATM usage frequency may be seen in Table 1. The majority of respondents, 166 or 61 percent, utilized ATMs at no set time, according to this study. At least 28

percent of respondents fall into the group that uses ATMs at least once a week, while 23 people fall into the group that uses ATMs once a month. Using an ATM was mentioned by five people in the survey (or 2% of the

total). ATMs are used twice a month by the organization. “This profile suggests a low frequency of use, but a high expectation of service quality, due to the nature of using an ATM as an ad hoc option.

Table 1: Demographic Profile of Respondents

Profile	Description profile	Number of respondent	Percentage (%)
Frequency of using ATM	1 – 3 times a week	77	28
	Every two weeks	23	8
	Twice a month	5	2
	When necessary, no specific time	166	61

4.2. Reliability

It was necessary to examine the consistency of the data acquired in this study in order to establish the degree of dependability. Table 2 displays the overall Cronbach's Alpha for each variable (see below). This table shows that all of the values are over 0.70, which is

considered acceptable.” Cronbach's Alpha for ATM services is the highest, at 0.949. Here, dependability is at an all-time high. A high degree of consistency despite a low level of customer satisfaction (0.808) was found. A significant degree of internal consistency may be seen in the variables.

Table 2: Reliability Analysis

Variable	Number of item	Cronbach’s Alpha
Consistency	5	0.949
Dependability	5	0.911
Timeliness	4	0.801
Technology	4	0.898
Customer satisfaction	3	0.808

4.3 Correlation

Table 3 explains the correlations between the independent factors (dependability, reliability and technology) as well as the dependent

variable (customer satisfaction). All factors are positively connected with customer satisfaction if the p-value is less than 0.05.

Table 3: Correlation on customer satisfaction

	Customer Satisfaction	Consistency	Dependability	Timeliness	Technology
Customer Satisfaction	1				
Consistency	.918**	1			
Dependability	.851**	.906**	1		
Timeliness	.892**	.906**	.761**	1	
Technology	.916**	.977**	.925**	.907**	1

Notes* **Correlation is significant at the 0.01 level (2-tailed)”

4.3. Multiple Regression

Table 4 shows the results of a multiple regression analysis that tested hypotheses H1 through H4. The model has a large R square of 0.873, or 87.3 percent. Customers' happiness may be explained by the four independent variables utilized in this study, as shown by this graph (consistency, dependability, timeliness, and technology). Additionally, the corrected R square of 0.871

is included in the fourth table of results. Changing one of the four independent variables by even a tenth of a percent improves customer satisfaction by 87.1 percent. To conclude, the model appears to be well-fitted, as shown by the near-equilibrium R square and modified R square values 12.9 percent of customer satisfaction variance may be explained by an extra variable that is not included in this model.

Table 4: Multiple Regression Analysis, Model Summary

Model	R	R Squared	Adjusted R Square	Std. Error of the Estimate	Statistic Change				
					R Square Change	F	Changed	df1	df2
1	.934 ^a	.873	.871	.18444	.873	456.059	4	266	.000

- a. Predictors: (Constant), technology, timeliness, dependability, consistency
- b. Dependent variable: customer satisfaction”

Check out Table 5 to see how each model performed. A P value of less than .05 indicates that every single predictor variable contributes to the outcome variable, implying that all models are statistically significant. Due to technological advancements, ATM services have no significant influence on customer

satisfaction. The usual beta for technology is 0.023. As a result, H4 is unsupported. However, customer satisfaction with ATM services was positively correlated with consistency, reliability, and punctuality. This supports H1, H2, and H3 in their respective roles.

Table 5: Multiple Regression Results for Service Quality versus Customer Satisfaction

Model	1 (Constant)	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		.248	.162		1.531	.127
	Consistency (B)	.232	.083	.297	2.814	.005**
	Dependability (C)	.231	.064	.243	3.626	.000**
	Timeliness (D)	.395	.058	.417	6.774	.000**
	Technology (E)	.024	.134	.023	.180	.857

Dependent Variable: Customer Satisfaction. ** $p < .05$ ”

6. Conclusions

Consistency and reliability, as well as timeliness and technology were examined in this study based on two common service quality dimensions: customer satisfaction as a result of customer service dependability and

responsiveness. To improve ATM services at Self Service Terminals, particularly in the retail banking services expansion and upgrading plan, the results are encouraging. When it comes to ATM services in India, this study has helped banks gain a better

understanding of the challenges they confront. With the development and introduction of new financial services and transaction alternatives, the consistency, dependability, and timeliness of ATM service must be focused. Understanding how ATM service quality

parameters affect customer satisfaction is a focus of this study's findings. The research proposes additional investigation into the application of the factors in the linked services business.

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