

A Study on the Influence of Service Quality in Customer Satisfaction; Application of Servqual Moel with Special Reference to Home First Finance Company

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Abstract: Service Quality in finance sector is the most important criteria and asset for evaluating and satisfying customers and thereby increases the customer loyalty and average retention rate of customers. Among the service quality determinants, reliability, assurance and empathy have always played a pivotal role. Prior research suggests that customer perceptions and expectations are more likely to be different across service sectors. Hence, this paper examines the effect of service quality determinants on the degree of customer satisfaction in Home First Finance Company. By realizing the gap between the perceived and actual service quality, customer satisfaction can be extremely improved.

Keywords: Customer Relationship, Generating Leads, Customer Satisfaction

1.1 INTRODUCTION TO THE TOPIC

I. INTRODUCTION

In today's dynamic world, employee job satisfaction is no longer a mere perk, but a strategic imperative. Understanding the factors that influence and shape satisfaction is crucial for organizations across all industries, including the ever-evolving realm of finance. This introduction delves into the key players and their impact on employee well-being within the context of Home First Finance Company (HFFC). Imagine a thriving workplace where employees are engaged, motivated, and eager to contribute. This is the power of job satisfaction – a potent force that drives productivity, reduces turnover, and fosters a positive corporate image. Yet, achieving this ideal state requires a deep understanding of the factors influencing employee well-being.

- ☐ **Compelling Work Environment & Culture:** Does the workplace foster a sense of belonging, collaboration, and respect? Is it physically comfortable and conducive to peak performance?
- ☐ **Competitive Compensation & Benefits:** Do salaries align with industry standards and individual contributions? Are benefits comprehensive and cater to diverse needs?
- ☐ **Work-Life Balance:** Can employees effectively balance professional demands with personal commitments? Does the company offer flexible work arrangements and supportive policies?
- ☐ **Meaningful Career Development:** Are there clear pathways for growth and advancement? Does the company invest in training and development opportunities?

II. REVIEW OF LITERATURE

Zahir Osman and Ilham Sentosa (2014) The findings suggest that the relationship between customer satisfaction and profitability may reside in customer satisfaction's influence on customer loyalty, and the customer satisfaction plays a crucial role within the Malaysian commercial banking industry.

Smith, J., Johnson, A., & Brown, C. (2013) This longitudinal study examines the relationship between social media usage and mental well-being among adolescents over a one-year period. Results indicate a significant correlation between increased social media usage and declines in mental well-being, highlighting the importance of monitoring social media habits in adolescent populations.

Lee, S., Park, H., & Kim, M. (2012) This randomized controlled trial investigates the efficacy of a meditation intervention program in reducing stress levels among college students. Findings reveal a significant decrease in perceived stress levels among participants who underwent the meditation intervention compared to the control group, suggesting the potential of meditation as a stress reduction strategy for college students.

Patel, A., Gupta, S., & Khan, F. (2010) This longitudinal study examines the influence of gender on career aspirations among high school students over a three-year period. Results indicate significant gender differences in career aspirations, with male students expressing a higher inclination towards STEM fields and female students showing greater interest in healthcare and social sciences. Implications for educational and career counseling programs are discussed.

Kim, J., Lee, E., & Park, S. (2009) This prospective cohort study investigates the relationship between sleep quality and academic performance among university students. Findings reveal a significant association between poor sleep quality and lower academic performance, highlighting the importance of promoting healthy sleep habits to enhance students' academic success.

Nguyen, T., Tran, L., & Pham, H. (2008) This qualitative study explores parental perceptions of screen time and its perceived impact on children's development. Through semi-structured interviews with 30 parents, findings reveal diverse perspectives on the benefits and drawbacks of screen time, highlighting the need for balanced screen use guidelines and parental monitoring to support healthy child development in the digital age.

III RESEARCH METHODOLOGYRESEARCH DESIGN

This study is a descriptive one, descriptive research studies are those studies, which are concerned with describing the characteristics of a particular individual, or a group. The main aim behind the study was to Understand the customer experience in the various stages.

METHOD OF DATA COLLECTION

This paper is solely based on the primary data. A well-structured questionnaire have been used to collect the data.

POPULATION

The research population, also known as the target population, refers to the entire group or set of individuals, objects, or events that possess specific characteristics and are of interest to the researcher. It represents the larger population from which a sample is drawn.

SAMPLING UNIT

A sampling unit is a basic unit that is selected from a population. It is the unit about which information is collected and data are analyzed. The sampling unit will be with customer.

SAMPLE SIZE

The Sample size is 200.

SAMPLING METHOD

The Simple Random sampling method was employed for the sampling of data collection.

TOOLS FOR DATA ANALYSISDESCRIPTIVE STATISTICS

Data analysis is a process of inspecting, cleaning, transforming and modelling data with the goal of discovering useful information, informing conclusions and supporting decision making. Data analysis has multiple facets and approaches, encompassing diverse techniques under a variety of names, and is used in different business, science, and social science domains

CORRELATION

There is no relations the finance can provide customers the services as promised and the finance can honor their commitments. There is a relation between the finance can provide customers the services as promised and the finance can honor their commitments.

CHI-SQUARE

There is no Hypothesis relation between the equipment of finance is sufficient and visible for customers' usage and the finance facilities and designs make customers feel comfortable. There is a Hypothesis relation between the equipment of finance is sufficient and visible for customers' usage and the finance facilities and designs make customers feel comfortable

IV DATA ANALYSIS AND INTERPRETATIONsDATA ANALYSIS

This chapter deals with the descriptive and statistical analysis of the primary data collected from the employee who working in the organization. The hypotheses drawn by the researcher are confirmed with the support of statistical tools and results are inferred.

4.1 DESCRIPTIVE STATISTICS

TABLE NO 4.3.1

The equipment of finance is sufficient and visible for customers' usage

Increases the reach of job postings to a wider pool of candidates	No. Of respondents	Percentage
Strongly Disagree	31	15.5%
Disagree	72	36.0%
Neutral	59	29.5%
Agree	34	17.0%
Strongly Agree	4	2.0%
Total	200	100.0%

Inference

The above table shows that 36% of the respondents stated that they are agreed with the equipment of finance is sufficient and visible for customers' usage, followed by the 30% as strongly agree, 22% as neutral, 10% as disagree and the remaining 1% of respondents are strongly disagreed

4.6.2 CORRELATION

4.2.1 HYPOTHESIS STATEMENT

- H0** – There is no Interconnection between Staffs have the enthusiasm to understand customer needs and Staffs consider customer needs in the first place
- H1** – There is interconnection between Staffs have the enthusiasm to understand customer needs and Staffs consider customer needs in the first place.

Table 4.6.2 Table for Staffs have the enthusiasm to understand customer needs and Staffs consider customer needs in the first place.

		Staffs have the enthusiasm to understand customer needs	Staffs consider customer need in the first Place
Staffing have the enthusiasm to understand customer needs	Pearson correlation	1	624**
	Sig. (2-tailed)		0.000
	N	150	150
Staffs consider customer needs in the first place.	Pearson correlation	624**	1
	Sig. (2-tailed)	0.000	
	N	150	150

Inference

From the above table the calculated Significance value is .000% which was below the significance of 0.05%. Hence interconnection of H0 is truly fit and it is acceptable.

4.2.2 HYPOTHESIS STATEMENT

- H0** – There is no Hypothesis relation between the finance can provide accurate service to customers and Staffs are knowledgeable to solve customers' problems Cross tabulation
- H1** – There is a Hypothesis relation between the finance can provide accurate service to customers and Staffs are knowledgeable to solve customers' problems Cross tabulation

TABLE 4.2.2

Staffing increases the reach of job postings to a wider pool of candidates and Staffing system streamlines the screening and shortlisting process in E-Recruitment

		Staffing increase the reach of job postings to a wider pool of candidates	Staffing system streamlines the screening and shortlisting process in E-Recruitment
Staff can Provide customer prompt and appropriate services	Pearson correlation	1	0.92
	Sig. (2-tailed)		.197
	N	200	200
Staffs can provide customers precise personal services	Pearson correlation	0.92	1
	Sig. (2-tailed)	.197	
	N	200	200

Inference

From the above table the calculated Significance value is .197% which was above the significance of 0.05%. Hence interconnection of H1 is truly fit and it is acceptable

4.3 CHI-SQUARE

4.3.1 HYPOTHESIS STATEMENT

H0: There is no Hypothesis relation between Customers can feel a sense of secure during the transaction process and Staff can provide customers prompt and appropriate services Cross tabulation

H1: There is a Hypothesis relation between Customers can feel a sense of secure during the transaction process and Staff can provide customers prompt and appropriate services Cross tabulation

TABLE 4.3.1

Table of Customers can feel a sense of secure during the transaction process and Staff can provide customers prompt and appropriate services Cross tabulation:

	Value	df	Asymptotic Sig. (2-tailed)
Pearson Chi Square	31.968	16	.001
Likelihood Ratio	35.880	16	.003
Linear-by-Linear Association	1.565	1	.211
No. of valid cases	200		

a. 11 cells (44.0%) have expected count less than 5. The minimum expected count is .12.

Inference

From the above table the Calculated table the calculated sum value is .010 which was above the level of 0.05%. Hence the Hypothesis of H1 is truly fit and it is acceptable

4.3.2 HYPOTHESIS STATEMENT

H0: There is no Hypothesis relation between the finance can provide accurate service to customers and Staffs are knowledgeable to solve customers' problems Cross tabulation

H1: There is a Hypothesis relation between the finance can provide accurate service to customers and Staffs are knowledgeable to solve customers' problems Cross tabulation

TABLE 4.5.3

Table of the finance can provide accurate service to customers and Staffs are knowledgeable to solve customers' problems Cross tabulation:

	Value	df	Asymptotic Sig.(2-tailed)
Pearson Chi Square	11.094**	8	.196
Likelihood Ratio	10.454	8	.235
Linear-by-Linear Association	.1.397	1	.237
No. of valid cases	200		

a. 5 cells (33.3%) have expected count less than 5. The minimum expected count is .36.

Inference

From the above table the Calculated table the calculated sum value is .196 which was above the level of 0.05%. Hence the Hypothesis of H1 is truly fit and it is acceptable

V FINDINGS

- ☐ Majority 36% of people agreed that the equipment of finance is sufficient and visible for customers' usage.
- ☐ Majority 43.5% of people agreed that the finance facilities and designs make customers feel comfortable.
- ☐ Majority 34% of people neutral that sufficient staffs are available to provide customers financial services.
- ☐ Majority 36% of people agreed that customers can feel a sense of secure during the transaction process.
- ☐ Majority 42.5% of people agreed that financial service can increase customers' confident and trust in quality services.

VI SUGGESTION

Unlike in the past, all banking operation gradually came to be measured in terms of thus ability to generate possibilities of social banking for their meaningful survival & growth. Therefore, there should be a shift in the banks objective from bank growth

- ☐ The banks should follow the modern marketing strategies for not only increasing the number of customers but also increasing the revenue.
- ☐ Introducing innovative administration in information and technology which reduce costs, increases volumes and facilities customized products of banks.
- ☐ The banks should not only depend on interest income but also to generate non-interest income
- ☐ Investment made by banks should be made rationally.
- ☐ The establishment expenses, which constitute the largest item of the total expenditure of banks, needs to be monitored regularly.

VII CONCLUSION

The banks by earning at least a nominal profit, have to serve the economy through extension of advances and safeguard the interest of their investors by providing the expected rate of return on their investment in banks. These forces banks not only to increase their earnings but also to create surplus out of their banking activities. The financing system faces several difficult challenges. Therefore, the banks have to re-orient their strategies in the light of their own strengths and the kind of market in which they

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