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A Study on Service Quality– Customer Perception in SBI Funds Management Private Limited, Coimbatore

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Abstract

This research project deals with An Empirical study on Service quality – customer perception in SBI Funds Management Pvt. Ltd. Understanding the customers is the primary step in ensuring customer satisfaction, which then ensures customer retention and business profitability. With 30 years of rich experience in fund management, SBI funds Management Pvt. Ltd. bring forward expertise by consistently delivering value to the investors. Investors are their priority. The mission has been to establish Mutual Funds as a viable investment option to the masses in the country. Working towards it, SBI Mutual Funds developed innovative, need-specific products and educated the investors about the added benefits of investing in capital markets via Mutual Funds. This study tries to understand the investor or customer's perception on their service quality by setting standard and avoiding customer dissatisfaction.

Keywords: *Service Quality, Customer Expectation, Customer Perception*

I. INTRODUCTION

Mutual fund is a trust that pools money from a group of investors (sharing common financial goals) and invest the money thus collected into asset classes that match the stated investment objectives of the scheme. Since the stated investment objectives of a mutual fund scheme generally form the basis for an investor's decision to contribute money to the pool, a mutual fund can not deviate from its stated objectives at any point of time.

Every Mutual Fund is managed by a fund manager, who using his investment management skills and necessary research works ensures much better return than what an investor can manage on his/her own. The capital appreciation and other incomes earned from these investments are passed on to the investors (also known as unit holders) in proportion of the number of units they own.

- Reliability dimension is concerned with the store's ability to perform the service accurately and dependably

- Assurance dimension includes Employees' knowledge, courtesy and their ability to inspire trust and confidence.

- Tangibles dimension is all about the appearance of the physical facilities and material relayed at retail outlet.

- Empathy dimension is related with Caring, individualized attention given to customers or the ease of access, approachability and effort taken to understand customers' requirements.

- Responsiveness dimension is related with the employees' willingness to help customers and provide prompt services.

The negative gap score between the customers' perception & expectation reveals lacunas in service & helps retailer to improve the service which enhances the customers' satisfaction.

RESEARCH METHODOLOGY

Research objectives:

1) To learn and understand the important factors in service quality dimensions applicable to SBI Funds Management Pvt. Ltd.

2) To check the significance of difference between customers' expectations and perceptions in SBI Mutual Fund, Coimbatore.

Research Design:

Primary data will be collected primarily through survey method using a structured questionnaire which is designed to obtain the factors affecting customer satisfaction across SBIMF office situated in Coimbatore. To collect Primary data structured questionnaire was designed which was divided under two heads i.e. demographics & service quality. In first part respondents were asked to reveal their personal characteristics i.e. gender, age, education, income & occupation. In second part respondents were asked to evaluate parameters of service quality on a 5-point scale, separately for their expectation & perception .Secondary data will be collected through Online Review website to understand the customer more in detail. Primary data was collected from 119 participants who were the customers of SBI Mutual Funds, Coimbatore.

Sample Design

A sample of 119 customers was selected from SBI Mutual Fund, Coimbatore for the study. The research used Non-Probability sampling in selecting the research participants. Using the Non- Probability, also known to as convenient sampling, enabling me distribute questionnaires to people who visits SBIMF office, RS Puram, Coimbatore.

Survey Instrument Design

The survey instrument that is used to collect primary data is the SERVQUAL questionnaire. The questionnaire will consist of 22 statements of service attributes grouped into five service quality dimensions. Participants will be asked to provide the ratings of perceptions on the provided statements related to service quality.

The service quality statements used in the survey were rated using a five-point rating scale from 1 to 5. With collected response it will be fed into Excel worksheet and with designed Hypothesis for every RATER dimensions the suggestions and findings would be recorded. Thus, the difference obtained from subtracting the expectation scores from the perception scores reveals the gap between customers' expectations and their perception of the service quality at SBI Mutual Fund, Coimbatore.

Time Frame of Study

The study was conducted during the period May 4th 2018 to July 10th 2018.

Analytical Tools

For analysis and interpretation Arithmetic mean & t-test paired sample in MS EXCEL were applied.

Scaling techniques

The questionnaire formed to gather responses is based on a Likert scale measurement and has five points to collect responses.

The questionnaire is designed to cover two major factors having a five-point Likert scale like:

- for strongly disagree
- for disagree
- for neutral
- for agree
- for strongly agree

LITERATURE REVIEW:

Dr. Aymn Sulieman (2013) in his research**, have talked about essential measurements of the (SERVQUAL model) and its effect on the level of consumer satisfaction**, i.e., to identify the effect of The Basic Dimensions Of the (SERVQUAL) on the level of consumer satisfaction in managing the organization. Through the research he has expressed that there is an effect of the fundamental measurements of the (SERVQUAL show) on the level of consumer satisfaction at various levels. The investigation suggests the requirement for constant change of services provided to customers, through buyer behavior studies and work to foresee customer expectations to guarantee the arrangement of better services.

Darshan Parikh (2006) focused on the evaluating the inward reliability of the retail service quality instrument by assessing the validity of the scale. Further, **the research has focused on the gap analysis and identification of areas for improvements in retail service quality.** The investigation found that the gap method of service quality does not execute and in addition the recognitions-based execution measures of service quality as far as its factor structure

According to the research of Dharmesh Motwani, Contemporary promoting dependably recommends an advertiser to quantify consumer satisfaction, which upgrades the piece of the overall industry. In goods industry different parameters are accessible to judge the satisfaction of customer towards the product, however on account of service industry just nature of service determines the level of satisfaction. This paper is an attempt to distinguish the distinction between **expectation & perception** of organized retail division customer with the assistance of prestigious model of services quality i.e. Parasuraman's et al (1988) SERVQUAL display.

ANALYSIS & DISCUSSION

Table 1: Demographic profile of respondents visiting SBI Mutual Fun

Particulars	Classification	Frequency	Percentage
Gender	Male	71	59.7%
	Female	48	40.3%
Age Group	Less than 20 yrs.	1	0.8%
	Between 21 yrs. to 30 yrs.	53	44.5%
	Between 31 yrs. to 40 yrs.	38	31.9%
	Between 41yrs to 50 yrs.	19	16%
	Greater than 50 yrs.	8	6.7%
Marital Status	Married	70	58.8%
	Unmarried	49	41.2%
Occupation	Business	18	15.1%
	Professional	51	42.9%
	Student	31	26.1%
	Retired	7	5.9%
	Unemployed	12	10.1%

Monthly Income	Rs.15, 001 to Rs.30, 000	16	13.4%
	Rs.30, 001 to Rs.45, 000	19	16%
	Rs.45, 001 to Rs.60, 000	43	36.1%
	Greater than Rs.60, 000	41	34.5%

INFERENCE

As per shown in table demographics of respondents were arranged by their gender, age, marital status, occupation and month to month salary from SBI Mutual Fund, Coimbatore. Out of aggregate respondents 59.7 % are male and rests are female. Almost 36.1% of respondents have their month to month wage in the scope of Rs.45, 001 to Rs.60, 000 and 34.5% respondents have their month to month salary more prominent than Rs.60, 000.Here majority of respondents are professionals accounting to 42.9%.

SERVQUAL Model:

Data explored customer's expectation/perception levels towards benefit nature of SBI Mutual Fund, Coimbatore.

The level of expectation and perception towards benefit nature of sorted out SBIMF Employee was set from 1 to (5 indicates the most noteworthy desire/recognition, while, 1 is the least expectation/perception).

In addition, following criteria is used for analysis part:

1) The score among 1.00-1.80 mean lowest expectation/perception

2) The score among 1.81-2.61 mean low expectation/perception

3) The score among 2.62-3.41 mean average expectation/perception

4) The score among 3.42-4.21 mean high expectation/perception

5) The score among 4.22-5.00 mean highest expectation/perception

Customers' Expectation & Perception towards Tangibility Dimension

Table 4.2:

Tangibles	**Level of Expectation**		**Level of Perception**		**Mean Quality Gap Score**
	Mean	**Level**	**Mean**	**Level**	
The office layout is made in such a way that it is approachable.	4.27	**Highest**	4.21	**High**	-0.06
The physical facilities (discussion rooms, posters and NAV and industry updates on notice board) at SBI MF office satisfactory.	4.09	**High**	4.03	**High**	-0.06
The office environment is well maintained and clean.	4.35	**Highest**	4.08	**High**	-0.27
Accessories associated with the service (such as application, transaction forms, factsheets, etc.) are provided when required.	4.20	**High**	3.40	**Neutral**	-0.80
Overall Mean Score	**4.23**	**Highest**	**3.93**	**High**	**-0.30**

INTERPRETATION

It can be seen from the above table that parameters under "Tangibles" dimension customers' expectations & perceptions are not in the same level.Overall expectation & perception of customers' concerning this dimension is highest & high i.e. 4.23& 3.93respectively. This dimension has majority of parameters with negative mean quality gap score including overall mean quality gap score (-0.30). So, it can be stated that SBI Mutual Fund, Coimbatore need to work on service quality in terms of tangibility parameters

Customers' Expectation & Perception towards Reliability Dimension

Table 4.3

Reliability	**Level of Expectation**		**Level of Perception**		**Mean Quality Gap Score**
	Mean	**Level**	**Mean**	**Level**	
When SBIMF promise to do something (Customer service), they did so.	4.13	**High**	3.44	**High**	-0.69
When you have a problem, SBIMF shows a sincere interest in solving it.	4.15	**High**	3.83	**High**	-0.32
When SBIMF promise to do something (such as queries, Alterations) by a certain time, it is done within the said time.	4.30	**Highest**	3.93	**High**	-0.37
Explanations given by the distributors and SBIMF employees are reliable.	4.34	**Highest**	4.34	**Highest**	-0.00
SBIMF insist on error free sales transaction and records.	4.45	**Highest**	4.13	**High**	-0.32
Overall Mean Score	**4.28**	**Highest**	**3.93**	**High**	**-0.35**

INTERPRETATION

From the above table it is clear that for all the parameters under "Responsiveness" dimension customers' expectations & perceptions are at high level. Overall expectation & perception of customers' concerning "Responsiveness" dimension is also high i.e. 4.04 & 3.82 respectively. Here, because of two negative gapes the overall mean quality gap score is negative (-0.22) which shows that some improvements are required towards this dimension

Customers' Expectation & Perception towards Assurance Dimension

Table 4.5

Assurance	**Level of Expectation**		**Level of Perception**		**Mean Quality Gap Score**
	Mean	Level	Mean	Level	
The working nature of employees in SBIMF instills confidence in customers	4.03	High	4.02	High	-0.01
You feel safe in transactions with SBIMF.	4.26	Highest	4.26	Highest	-0.00
Companies' policies are followed by the employees of SBIMF.	4.10	Highest	3.97	High	-0.13
Employees of SBIMF and distributors have the knowledge to answer your questions.	4.30	High	4.26	Highest	-0.04
Overall Mean Score	**4.17**	**High**	**4.13**	**High**	**-0.04**

INTERPRETATION

It can be seen from the above table that four parameters under "Assurance" dimension customers' expectations & perceptions are with mix of high & highest level. Overall expectation & perception of customers'concerning this dimension is high i.e. 4.17& 4.13 respectively.

Every customer expects that dealing employee at organized retail outlet must has sufficient knowledge about products and the positive mean quality gap of this parameter projects that customers' expectation is being fulfilled.

The overall mean quality gap score is negative (-0.04) which shows that employees don't have enough knowledge & courtesy to inspire trust & confidence among customers.

Customers' Expectation & Perception towards Empathy Dimension

Table 4.6

Empathy	**Level of Expectation**		**Level of Perception**		**Mean Quality Gap Score**
	Mean	Level	Mean	Level	
SBIMF gives you individual attention.	3.98	High	3.94	High	-0.04
SBIMF has operating hours convenient to you.	4.14	High	4.18	High	0.04
SBIMF employee and distributors effectively manages customers' complaints and problems	4.32	Highest	3.85	High	-0.47
SBIMF aims at providing the maximum possible benefit to the client	3.95	High	3.65	High	-0.30
The employees of SBIMF understand the specific needs of you.	4.22	High	4.06	High	-0.16
Overall Mean Score	4.12	High	3.94	High	-0.18

INTERPRETATION

Table shows that level of expectation & perception for all parameters concerning "Empathy" dimension is equal. Overall mean score of perception towards "Empathy" is at high level (4.12), and expectations are a high level (3.94) which has produced negative overall mean quality gap score (-0.18) & it shows deficiency in efforts taken by employees in understanding customers'requirements.

SUGGESTIONS

SBI Mutual Fund, Coimbatorecan take following actions to reduce the mean quality gap score:

1) Employees of SBI Mutual Fund, Coimbatorecould be trained more efficiently to handle the customers' complaints effectively.

2) Availability of physical facilities should beimproved.

3) The employees of SBI Mutual Fund, Coimbatorewill understand the specific needs of their customers.

4) SBI Mutual Fund, Coimbatoreshould aim at providing the maximum possible benefit to the client.

5) SBI Mutual Fund, Coimbatoreshould effectively manage customers' complaints and problems.

CONCLUSION

Service quality is an important aspect for every service-basedorganization to know about customers' satisfaction & SERVQUAL model is the root way to measure the effectiveness of service quality. In this study gap has been identified between expectation & perception of customers towards the SBI Mutual Fund, Coimbatore, which revealed partial dissatisfaction among customers. Paired sample T-test results projected the insignificance of differences it means gaps can be easily removed by improving the level of service quality.

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