

Service Delivery, Customer Satisfaction and Customer Delight of Private Sector Banks in Calicut District

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Abstract

In India, there are 251 million users of mobile banking, where twenty one percent of users belong to banks of the private sector, while three percent belong to banks of the public sector. Highest percentages of users in South India are among two hundred and fifty one million subscribers. Kerala's average user rate was 4.70 percent and hence the researcher chose the Calicut District to execute the study. The main intention of the study is to assess the mobile banking service delivery, user's satisfaction and customer delight among private sector banks in Calicut. The study finds that there is a strong positive correlation between the variables and the variables are statistically significant.

Keywords: *Customer Satisfaction, Delight, Mobile Banking, Significant.*

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Introduction

In the recent days, the banking industry has undergone a revolutionary change because of information technology. Banks offering IT based products and services to their customers. Presently, the bank customer's demand more and more curious about the new technology based banking products and services. Technology altered the total system of banking operation and developed to have a convenient access of operation from anywhere and even at any place. It is not only limited to transaction processing and management information system yet it created a competitive environment for banks to satisfy the customers.

Information technology changes were made in Indian banking sector. Offering services through the technology termed as mobile banking. It is one of the emerging trends in Indian banks and plays a unique role in strengthening the banks in India. To access the mobile banking, mobile phone act as the common technology device and with the help of the device every individual can access the service in the information era. It is an emerging alternate channel for providing banking services. The growth of mobile banking services to be emerged to ninety two percent in all over India. The number of registered users accelerates to 163 million users in 2018 to 251 million users in 2019. In India, mobile banking activations are to be twenty one percent for private sector banks whereas three percent for public sector banks. The overall mobile banking users who are having one financial transaction on mobile banking rate to be 3.40 in India. In Kerala, the users are to be 4.70 percent which is higher than the average. Hence, the researcher carried out to find out how the service delivery made by private banks in Calicut District, Kerala.

Objectives

The objective of the study is to find out the relationship between service delivery, customer satisfaction and customer delight of private banks in Calicut District.

Review of Literature

This section plays a key role in the research process. In this study, a review of the appropriate and useful studies taken into account. The studies associated to the research concern and depicted that how the studies has been conducted in international perspective and Indian perspective. The researcher made an attempt to collect the most appropriate studies and related studies with regard to service delivery followed by customer satisfaction and customer delight under headings.

Service Delivery

Service delivery is of providing actual delivery of service or products to the customers or clients Lovelock, **C.H. & Wright, L. (1999)**. In addition, it is of answering where followed by when and how the service is delivered to the customers in terms of stating either fair or unfair in nature. Generally, it defines what and how of the service design plays a key role in mediating the relationship among customer needs and organisation strategic intent Goldstein, **S. M; Johnston, R; Duffy, J & Rao, J. (2002)**.

Delivering services to the customers of high quality by the service providers seek to create and add value to the customers, **Grönroos, C., & Ravald, A. (2011)**. By providing

high service delivery, the banks can achieve increased satisfaction and loyalty which in turn accelerate the profitability of banks in India, **Zeithaml, V.A., and Bitner, M.J. (2000)**. Effective service delivery considered as the critical factor for gaining success in the market. To gain competitive advantage, banks have to provide a high quality service delivery to the customers.

Customer Satisfaction

Customer satisfaction were stating as the personal satisfaction towards the products or service or supplier, **Terpstra, M., Kuijlen, T., &Sijtsma, K. (2014)**. Customer satisfaction is vital for every bank not only satisfy the customers but also to make them to loyal to our banks and continue patronising than dissatisfying the customers. Banks having loyal customers then there is no effort on spending too much amount for getting the new customers. Satisfied customers advertise their services through word of mouth communication. Generally, banks in these days makes an effort to create a good cordial relationship with customers, recognise the importance of having CRM and the necessity to manage efficiently to meet the service competition in the market. By doing so, it is vital to work more on customer satisfaction. Because, customer satisfaction is highly associated with the feelings of accepting the services, exciting the services and happiness of using the services, **Hoyer, WD, & MacInnis, DJ (2001)**. In these days, banks using customer satisfaction as a yardstick to measure the service delivery and offering excellent service to them, **Amudha, R., Surulivel, S. T., &VijayaBanu, C. (2012)**. By doing so, the effectiveness of service delivery process can be easily assessed. Besides, measuring it can easily provide feedback to the service provider regarding preferences and expectation with regard to service delivery, **Liberati, C., &Mariani, P. (2012)**.

Customer Delight

Customer delight refers as the services which exceed the customer expectations. Customer delight is of doing beyond imagined and makes them to say wow. The job of customer delight is to surprise them. The interaction with the customer provides the prospects to create the delight situation for the customers **Blanchard, K., & Bowles, S. (1993)**. Generally, customer delight creates a positive state which in turn exceeds the customer expectation positively to a surprising degree. Delight is of beyond satisfaction and makes them to feel pleasant, **Rust, R. T., & Oliver, R. L. (2000)**. Coming to the banking sector, customer delight is not of satisfying the customers but strives them for customer delight. After satisfying the customers, creating them for a life need a companies to take their to the

next level i.e. delight state. In the banking sector, the research focuses on identifying the factors behind HDFC customers to feel them delight in Delhi. Factors like Tangibles and Assurance, prices of the services plays a key role in make them to feel delight of HDFC bank services **Chopra, G. (2017)**.

Uppal, R. K. (2010) stated in the study that the attributes like confidentiality and the way bank employees attend the customers, service accuracy and their reliability, charges and satisfaction and Electronic channels made the banking customers to delight the services provided by the service provider. If there is any changes in above stated services, then the customers easily switch over from one bank to another. Hence the attributes plays an essential role in accelerating the customer base and market position. Therefore, the researcher makes an effort to assess the customer delight using Kano customer delight model. With the help of the model, customer delight attributes divided into three categories

- Basic attributes are the factors which presents in the Mobile banking service and its quite difficult to achieve the excellence in the areas.
- Second most importance of attribute is linear factors. It inclusion of attributes which accelerate the customer satisfaction with the level of achievement of these qualities. With the help of the attributes, a bank offers some improvement in services, which in turn excite the customers with high level of achievement.
- Last attributes is delighter which excites the customer even at the low level of achievement. Absence of the factor did not dissatisfy them. Delighter primarily utilise to differentiate the services from the competitor service, **Sarma, D. Sarmistha.(2015)**

With the help of **Sarma, D. Sarmistha.(2015)**.“ the researcher assessed customer delight in terms of three attributes; basic attributes, linear attributes and delighter. Basic factors comprises of the statements like sites feeling safe, accessing bank statements and managing accounts and transferring funds. Linear factors inclusion of statements like error free transaction, informing the clients when the transaction will be made. Delighter attributes inclusion of statements like convenient way to access service, prompt service delivery and user friendly interface.

Relationship between Service Delivery and Customer Satisfaction

Mbuga, D. G. (2015) stated in the study that there was a progression made in the mobile banking system in India. The author was keen on investigating the impact of mobile banking of customers and to reveal whether the influence was optimistic or pessimistic. The study focuses on modern technology of mobile banking offered by ICICI bank. Entire customers of ICICI taken into account and their level of satisfaction and dissatisfaction studied. The study found that the service offered provided more satisfaction to the ICICI bank customers. Besides, a meagre amount of dissatisfaction noticed with ICICI customers. Moreover, the study found that the customers were less aware of services provided by them. By educating them properly, can get more number of customers for using the services in India.

Gomachab, R., & Maseke, B. F. (2018) pointed out that the technology drives the entire global age. It provides various technology services like internet banking and mobile banking. These considered as the technological advancement in banking sector. Mobile banking makes the customer to ease their transaction and can access it from rural or remote areas. Commercial banks were also providing the same services to customers. The authors made an effort to assess the expectation of services provided by the service provider. By using quantitative design, the study examined the mobile banking services and how it has an impact on customer satisfaction also assessed.

The study found that the users were between the age group of below twenty-five years and most of them were female having high school level of education. Mobile banking were utilised to made many time purchases and less used for allocating the funds. Besides, the overall satisfaction rate of keetmanshop banking sector considered to be seventy five percent and the services were reliable followed by convenient and most important one was cost effective too. Therefore, compatibility with the devices, income of the respondents had a significant influence on using mobile banking services. Customer felt that the services were more secure than branch based services.

Farayibi, A. (2016) stated in the study that how the quality of service delivery influence the customer satisfaction of Nigerian banks. To assess the attributes, the study established the relationship among service delivery and customer satisfaction through an effective CRM. The study found that the more working days and number of branches led to better level of satisfaction. With the help of empirical study, increment in profit margin accelerated the customer satisfaction. Number of bank branches had a positive relationship with customer satisfaction but at the same time it's insignificant too. Because, spread of more ranches had a better influence on customers satisfaction. There was a role of the number of working days

in accelerating the bank services and made them to be profitable. This in turn accelerates an effective Customer relationship management with the banks and customers.

Yusheng, K., & Ibrahim, M. (2019) stated in the study that the banking sector had many innovations in these days which in turn create competition and volatility too. The present study focused on how the service innovation plays a key role in creating the relationship among customer satisfaction, service delivery and loyalty in the banking sector. To assess the relationship the study utilised partial least square using structural equation modelling. The study provided outcome that service innovation has a direct effect on service delivery and customer satisfaction. Besides, there was a positive relationship among service delivery, customer satisfaction and customer loyalty.

Gupta, A. (2016) pointed out that the banking industry experienced a great transformation in the present days. The study focused on how the job satisfaction created an impact on the service delivery. To assess the attributes, the researcher made an effort to investigate the research using attributes like job satisfaction and service delivery. Job satisfaction Attributes like satisfaction with pay, activities followed by environment and security taken into account It was found that the public sector bank employees had highest satisfaction whereas private and foreign employees had less satisfaction than others. Besides, the study found that there was a close association among job satisfaction and service delivery.

Katongole, W. G. (2008) stated in the study that effective implementation of service delivery was vital for continuity and sustainability of banks. The study made an effort to investigate the service delivery and customer satisfaction of Stanbic bank. Considering service delivery attributes as banking communication followed by service price, lead time and the existence of flexible policies taken into account. Correlation stated outcome that there was a close relationship among communication and customer satisfaction and the rate was 13.5%. Low correlation identified among banking policy and customer satisfaction and the pricing was highest when compared it with other banks. Charges were expensive too. Banks made delay transaction which in turn took more time to execute the transaction. Therefore, this was the only factor influence the customer satisfaction. Having, customer endeavours to keep up to date with bank processes and made requirements for providing services for them.

Relationship between Service Delivery, Customer Satisfaction and Customer Delight
Liu, C. (2000), stated in the study that customer satisfaction considered as the function of service performance. With the help of studies from the various authors, it makes clear that the customer satisfaction and service delivery of banks assessed and provided outcome that

development in technology had influence the service delivery process of the bank Jayaraman Manusamy (2010), Lim Bee Eng (2005) and Thomas Ogoro Ombati (2010). Considering customer delight, customer satisfaction ratings played a key role in influencing the customer to be loyal for the banks, Heskett, James L., Sasser, W. Earl and Schlesinger, Leonard A. (1997).

Research Gap

From the above studies, it makes clear that no studies had done so far on service delivery, customer satisfaction and customer delight collectively. Hence the researcher utilises the idea to execute the study in a well versed manner.

Methodology

Research methods represent that how the corresponding research issues for the better understanding of research outcome. To investigate the research concern, the researcher considers the population to be private banks customers in Calicut District. Samples to be picked out based on non-probability sampling. Among other sampling methods, simple random sampling was taken into account. The researcher considered the variables for the study as service delivery as dependent variable and customer satisfaction and customer delight as independent variable. All the variables assessed using five point likert scale. The researcher gave questionnaire to 150 respondents; only 135 respondents participated in the survey. Therefore, the response rate is 70 percent.

Analysis and Interpretation

This section exhibit the outcome of demographic attributes using frequency analysis and assessing the research variables using correlation and independent sample 't' test.

Table.1. Demographic Attributes

	Particulars	Frequency	Percent
Age	20 to 30 years	36	26.7
	31 to 40 years	35	25.9
	41 to 50 years	34	25.2
	Above 50 years	30	22.2
Gender	Male	66	48.9
	Female	69	51.1
Education	Graduate	30	22.2
	PG	35	25.9
	Others	70	51.8

Source: Primary Data

The above table makes it clear that 135 respondents from private banks assessed. Out of these, 26.7 percent of respondents between the age category of 20-30 years, 25.9 percent

of between 31-40 years, 25.2 percent of between 41-50 years and 22.2 percent of are above 50 years. Of the sample 135 respondents, 48.9 percent of are male and 51.1 percent of are female. Considering education qualification, 51.8 percent of having others, 25.9 percent of post graduates and 22.2% of are graduates

Correlation

Correlation is to assess the relationship between dependent variable (service delivery) and independent variable (Customer satisfaction and customer delight)

Table.2. Correlation

Particulars	Service delivery	Customer satisfaction	Customer delight
Service delivery	1	.046 (.000)	.039 (.000)
Customer satisfaction		1	.013 (.000)
Customer delight			1

Source: Primary Data

It is observed from the above table that the correlation coefficient between service and customer satisfaction is 0.046. Thus, it states that the variables are highly positive and secured significance value as 0.000 which is lesser than 5 percent level of significance. Therefore, it is concluded that there is a strong positive correlation between service delivery and customer satisfaction

The correlation coefficient between service delivery and customer delight is 0.039. Thus, it states that the variables are highly positive and it secured significance value as 0.000 which is lesser than 5 percent level of significance. Therefore, it is clear that there is a strong positive correlation between service delivery and customer delight.

The correlation coefficient between customer satisfaction and customer delight is 0.013. Thus, it states that the variables are highly positive and it secured significance value as 0.000 which is lesser than 5 percent level of significance. Therefore, it is clear that there is a strong positive correlation between customer satisfaction and customer delight.

Independent Sample 't' Test

The test is used to examine the differences of customer satisfaction on the customer delight attributes of private sector banks in Calicut.

Table.3. Group Statistics				
Particulars	Customer satisfaction	Mean	Std. Deviation	Std. Error Mean
Basic	High	3.0039	.73118	.07885

	Low	2.9456	.95342	.13620
Linear	High	3.0340	.82284	.11755
	Low	2.9767	.82254	.08870
Delight	High	2.8605	.75920	.08187
	Low	2.8707	.77822	.11117

Source: Primary Data

The above table shows the descriptive statistics through mean, standard deviation and standard error of private sector banks. It is observed from the table that the linear attributes secured highest mean value of 3.03 on five point scale with standard deviation of 0.822 whereas least mean value secured delight attributes i.e. 2.86 with standard deviation of 0.75.

Table.4. Independent Samples Test						
Particulars		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Basic	Equal variances assumed	2.127	.000	.398	133	.691
	Equal variances not assumed			.370	80.458	.712
Linear	Equal variances assumed	.272	.000	.389	133	.698
	Equal variances not assumed			.389	99.926	.698
Delight	Equal variances assumed	.001	.000	.075	133	.940
	Equal variances not assumed			.074	97.912	.941

Source: Primary Data

From the independent sample t test, t value for basic attributes(2.127), linear attributes (0.272) and delight attributes (0.001) and the significance value is 0.000 which is lesser than 0.005. Hence, it is clear that there is a significant difference between customer satisfaction and customer delight of private sector banks in Calicut.

Findings and Discussion

- It is observed from the study that highest number of respondents between the age categories of 20-30 years. Similarly, the outcome synchronised with the study **Sanika Diwanji (2019)** that the average age of users between the age categories of 18-26.

- Female users are high in Calicut, 48.9 percent of male are using mobile banking services for financial transaction. However, 51.1 percent of female respondents using it which is higher than the average users in India.
- Correlation test provided outcome that there is a strong positive correlation between service quality, customer satisfaction and customer delight of mobile banking users of private sector banks in Calicut District, Kerala. The same was proved in the study that there was a close positive relationship among service delivery, customer satisfaction and customer delight.
- Independent sample 't' test provided results that there was a significant differences between customer satisfaction and customer delight of private sector banks in Kerala. Among other attributes, linear attributes plays a key role in influencing customer delight among users in Calicut District, Kerala.

Conclusion

The study makes it clear that the relationship between service delivery, customer satisfaction and customer happiness exists strongly positive. The result is statistically important. Coming to satisfaction and delight of services delivery, private banks vary. Each bank offers unique services through mobile banking. It varies from bank to bank. Our findings showed that, based on mobile banking service delivery, customer satisfaction could arise. Customer satisfaction arises only when they deliver offerings above rivals. Finally, the study found that private banks have low customer delight attributes and therefore concentrating on attributes will make the bank a profitable business bank in the market.

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