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A Study on Service Quality and Customer Satisfaction on HDFC Bank in Coimbatore City

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Abstract: ***Today's finicky banking customers will settle for nothing less. The customer has come to realize somewhat belatedly that he is the king. The customers choice of one entity over another as his principal bank is determined by considerations of service quality rather than any other factor. He wants competitive loan rates but at the same time also wants his loan or credit card application processed in double quick time. So, does HDFC bank meet these heightened expectations? What are the customers" perceptions of service quality of the banks? Which dimension of service quality of HDFC bank is performing well?***
Keywords: Service Quality, Customer Satisfaction, HDFC Bank, Banking Services, Reliability, Assurance.

I. INTRODUCTION

That is the reason why, companies well recognized the need for the better service quality and are looking for ways to perform better and attract and retain their customers in a highly competitive manner (Wang. Y., 2003). Many researchers have been focused on this area of service quality for the last few years and recognized as one of the most important strategies of the business firms in the service sector to improve financial as well as marketing performance. (Newman, 2001) Service quality has been defined as the degree and direction between customer service expectations and perceptions. Perceived service quality is defined as how well a service satisfies the expectations of customers. Service quality has an impact on profitability and costs, as service quality influences customer satisfaction; it impacts customer retention, reduces costs and increases profitability. It is; thus, service quality has been identified as a key determinant of the intention to use a service, and has, therefore, been extensively under study.

Importance of Service Quality Service quality is considered as the most critical determinant of competitiveness for establishing and sustaining satisfying relationship with customers (Lewis, 1989). Business firms including banks have recognized the fact that the only one best way to manage the competition is the quality differentiation. Advance technology, customer oriented corporate culture, a well-designed service-system and excellent information system are the major factors that decide the superior quality of service of an organization.

II. SCOPE OF THE STUDY

This study aims to investigate the service quality and customer satisfaction of HDFC Bank in Coimbatore city. The study will use statistical analysis techniques to analyze the data and identify trends and patterns. The expected outcomes of the study include a comprehensive understanding of the service quality and customer satisfaction levels among HDFC Bank customers in Coimbatore city, identification of key factors that influence customer satisfaction, and recommendations for improving service quality and customer satisfaction.

III. OBJECTIVE OF THE STUDY

To measure and analyse the quality of services provided by the Banks in Coimbatore city.

To measure the customer satisfaction and analysing the gap between expected quality and their perceived quality of banking services using SERVQUAL model.

To examine the essential dimensions of service quality i.e. RATER- Reliability, Assurance, tangibles, empathy and responsiveness of HDFC bank and its effect on customers Satisfaction.

To know which service quality dimension of the bank is performing well.

To identify which dimension of service quality needs improvement so that the quality of service of HDFC banks is enhanced.

IV. RESEARCH METHODOLOGY

Research methodology is the specific procedure or techniques used to identify ,select, process ,and analyse information about a topic .in a research paper, the methodology section allows the reader to critically evaluate a study overall validity and reliability.

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Tools For Analysis, The research paper involved certain tools like
Simple percentage analysis
Weighted average method
Chi-square
One-way ANOVA
Rank analysis

V. LIMITATIONS OF THE STUDY

The study is limited to Coimbatore city, so the finding cannot be generalized.
The finding of the study are entirely based on primary data. so, the results are subject to limitations of the primary data.
Due to the limited sample size used to investigate the problem, there may be a tiny amount of data error, as the research makes clear.

VI. REVIEW OF LITERATURE

Muruganantham and S. K. Nerdish (2021) 'A study on financial performance analysis of HDFC Ltd' analysed financial performance through ratio analysis and examined the financial position with the use of different ratios. The objectives of the study are to study the growth aspect of HDFC bank and measure its financial results. The study has been made on various aspects of the bank like interest, loans, assets, expenses, deposits, etc. The findings of the study reveals that the bank has minority issues in managing the deposits and all aspects are going well.
Shewta Yadav, Jonghag Jang (2021) The objective of the study is to investigate the impact on the financial performance of HDFC Bank before and after the merger by CAMEL Analysis. The period of the study includes five-year prior merger (2003-2008) and five year of post- merger period (2009-2014). The study states that the performance of HDFC Bank is increased after the merger.
Yadav, S., Jang, J., (2021). tried to examine the impact on the financial performance of HDFC Bank before and after the merger and to compare the pre and post-merger effects caused by its financial performance by CAMEL Analysis. The data used in the study is secondary data covering a total period often years which includes a five-year prior merger (2003-2008) and five years of post-merger period (2009-2014)

VII. ANALYSIS AND INTERPRETATION

1) *Simple Percentage:* Simple percentage analysis is one of the basic statistical tool which is widely used in the analysis and interpretation of primary data. It deals with the number of respondents response to a particular question in percentage arrived from the total population selected for the study**.**

Age of The Respondents

AGE	FREQUENCY	PERCENT	PERCENT
Less than 30	166	62.9	62.9
31-40	89	33.7	33.7
More than 50	9	3.4	3.4
Total	264	100.0	100.0

Source: Primary Data

Interpretation: The table 4.1.1 shows that the 62.9.% of the respondents from the age group of less than 30, 33.7% of the respondents from the age group of 31-40, 3.4% of the respondents from the age group of more than 50. Majority 62.9% of the respondents from the age group of less than 30.

2) *Chi- Square:* A statistical test used to determine the probability of obtaining the observed by chance, under a specific hypothesis. It is used to test if the standard deviation of a population is equal to the specific value. Chi-square is a statistical significance test based on frequency of occurrence, it is applicable both to qualitative and quantitative variables. Among its many uses, the most common are tests of hypothesized probabilities or probability distributions, statistical dependence or independence and common population.

Relationship Between Gender And Compensation

		What kind of compensation you prefer.				Total
		monetary	rewarding	motivation	holiday packages	
Gender	Male	28	41	48	18	135
	Female	29	57	30	13	129
Total		57	98	78	31	264

The table 4.3.1 shows that the 28% of male respondents were monetary ,41 were rewarding ,48 were motivation, 18 holiday package29 % of female respondents were monetary,57% were rewarding ,30% motivation,13 % were holiday packages

Hypothesis:

Ho: there is no relationship between gender and compensation

H1:there is a relationship between gender and compensation

Chisqaure Test

STATEMENT	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.458[a]	3	.059
Likelihood Ratio	7.507	3	.057
Linear-by-Linear Association	3.146	1	.076
N of Valid Cases	264		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 15.15.			

Source: Primary Data

INTERPRETATION

In the above table, with the degrees of freedom (df) = 3, the significance value (p-value) = 0.059, which is greater than the standard significance level (0.05).

Since the p-value (0.059) is greater than 0.05, we fail to reject the null hypothesis (H_0). This indicates that there is no significant association between gender and the type of compensation preferred.

Thus, H_0 is accepted & H_1 is rejected.

3) Anova: Analysis of Variance (ANOVA) is a statistical formula used to compare variances across the means (or average) of different groups. A range of scenarios use it to determine if there is any difference between the means of different groups.

Relationship Between Ouccpational Level And Compensation Provided

Ho: There is no relationship between occupational level and compensation provided

H1: There is a relationship between occupational level and compensation provided

ANOVA					
ON WHAT BASIS COMPANY PROVIDE COMPENSATION TO THEIR 3S.					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5.815	3	1.938	1.693	.169
Within Groups	297.685	260	1.145		
Total	303.500	263			

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Interpretation

In the above table, with the degrees of freedom (df) = 3 and F-value = 1.693, the significance value (p-value) = 0.169, which is greater than the standard significance level (0.05).

Since 0.169 > 0.05, we fail to reject the null hypothesis (H_0). This indicates that there is no statistically significant difference in the basis on which companies provide compensation to their employees.

Thus, H_0 is accepted & H_1 is rejected.

4) Rank Analysis

Rank analysis is a statistical method used to compare and evaluate data by ranking values instead of using their absolute numbers. It helps in reducing the impact of outliers and it is widely used in fields like economics, psychology and decision-making process.

Rank Analysis

STATEMENT	I	II	III	IV	V	TOTAL	RANK
Saving Account	138	45	34	32	15		
	690	180	102	64	15	1051	1
Credit Cards	27	134	64	30	9		
	135	536	192	60	9	932	3
Loan	63	85	86	21	9		
	315	340	258	42	9	964	2
Investment	38	111	59	46	10		
	190	444	177	92	10	913	4
Insurance	45	66	91	45	17		
	225	264	273	90	17	869	5

Interpretation

The analysis shows that Saving Accounts are the most preferred financial product, emphasizing security and accessibility. Loans rank second, reflecting a strong demand for credit, followed by Credit Cards in third place, highlighting their convenience.

Investments rank fourth, suggesting that wealth-building is important but not a top priority. Insurance ranks lowest, indicating it is often overlooked despite its long-term benefits.

Overall, savings and borrowing take precedence, but financial planning aspects like insurance should not be ignored for long-term security.

VIII. FINDINGS

A. Simple Percentage

Majority 62.9% of the respondents from the age group of less than 30.
Majority 51.1% of the respondents were male
Majority 53% of the respondent's education qualification is graduation
Majority 54.9% of the respondents were married
Majority 43.6% of the respondents were business.
Majority 58.8% of the respondents were 50001-100000
Majority 46.6% of the respondents were from 6 months-1year
Majority 50.4% of the respondents were interacted with staff monthly.

B. Ranking Factor

Majority of the respondents use saving account in HDFC banks and insurance is last in ranking

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IX. SUGGESTION

A. Understanding Customer Relationship & Interaction

Many customers may have long-term relationships with HDFC Bank but may not interact frequently.
Introduce proactive engagement strategies such as relationship managers, periodic check-ins, and exclusive offers based on account tenure.

B. Improving Staff Interaction & Customer Experience

Customers value promptness, courtesy, knowledge, and empathy when dealing with staff.
rain staff to enhance customer service skills, reduce wait times, and provide personalized solutions

C. Enhancing Service Usage & Digital Banking

customers use multiple services like Savings Accounts, Loans, Credit Cards, and Investments, and rely heavily on ATM, Online, and Mobile Banking.
Improve digital banking features like fund transfers, bill payments, and complaint resolution. Simplify loan applications and credit card processes

D. Strengthening Complaint Handling & Resolution

Customers raise complaints regarding transactions, accounts, loans, and net banking via phone, email, or branch visits.
Enhance the online complaint system with faster response times, AI chatbots, and real-time tracking.

E. Improving Compensation & Employee Satisfaction

Employees prefer monetary rewards, motivation, and holiday packages.
Implement a balanced compensation strategy with performance-based incentives and employee wellness programs**.**

F. Optimizing In-Branch Experience

Cleanliness and ambiance significantly impact customer perception.
Maintain high branch hygiene standards, comfortable seating, and efficient service desks.

X. CONCLUSION

The analysis of customer interactions, service preferences, and satisfaction levels at HDFC Bank highlights key areas for improvement. While Savings Accounts, Loans, and Credit Cards remain the most widely used and appreciated services, there is scope to enhance customer engagement with Investments and Insurance.
Customers highly value prompt, courteous, knowledgeable, and empathetic staff, indicating the need for ongoing training and service efficiency improvements.
The growing reliance on digital banking services suggests that enhancing mobile and online banking features, along with faster complaint resolution, can significantly improve customer satisfaction.
Additionally, maintaining clean and well-managed branches, offering a balanced employee compensation structure, and providing quick and effective issue resolution mechanisms will further strengthen customer trust and loyalty.
By addressing these factors, HDFC Bank can continue to enhance service quality, customer satisfaction, and overall banking experience, ensuring long-term success and stronger customer relationships. The majority of customers have a long-term relationship with HDFC Bank but may not interact frequently with the staff. Proactive customer engagement strategies, such as personalized financial advice and periodic follow-ups, can help strengthen these relationships.

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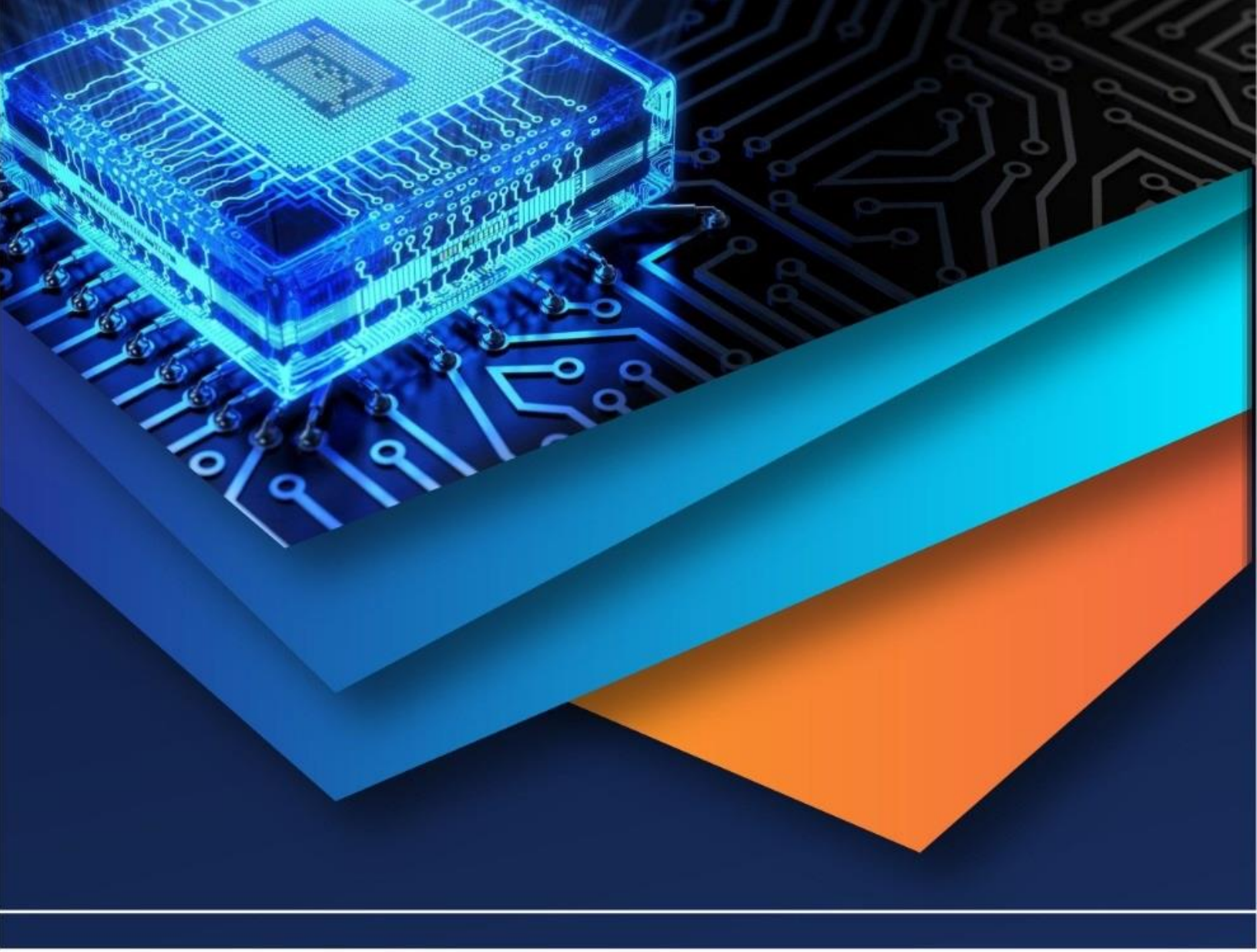
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