**PERCEPTION OF THE FARMERS TOWARDS THE QUALITY OF SERVICE PROVIDED BY CO-OPERATIVE BANKS**

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|  | **ABSTRACT**The co-operative banks began in the west yet they have accepted significance in India in light of their immense system which is seldom resembled anywhere else in the world. This study is focused towards the perception of farmers towards the service quality offered by co-operative banks in this digital era. The main purpose of this study is to determine the service quality perceived by farmer’s towards the Co-operative Banks and identify those dimensions that bring satisfaction to consumers.The research is descriptive in nature. The structured questionnaire was designed to collect data from the target respondents (Farmers). The population of the study includes the farmers who approach the Co-operative bank in Tamil Nadu for the business and transaction purpose. The researcher has distributed around 400 structured questionnaires and received back around 394 questionnaires. The sampling method adopted for the study was two stage randomized sampling. The pilot study was conducted with a sample of 40 respondents; Cronbach Alpha value has been identified more than 0.8.To meet this expectation of the customers’ (farmers’), the Co - operative Bank officials has to focus on fulfilling the rural customers’ needs in regard to the services offered by the co-operative banks. The bank has to give proper guidelines to its customers’ (farmer) towards the procedures followed in availing the loans. |

**Keywords:** Service Quality, Perception, Farmers and Co-operative Banks.

**Introduction**

The entire banking system in India is constrained by the Reserve Bank of India. In the banking system, there are 20 nationalized commercial banks, among them an enormous network of co-operative banks at state, district and block levels are available. The co-operative banks began in the west yet they have accepted significance in India in light of their immense system which is seldom resembled anywhere else in the world. Their function in rural financing keeps on being significant even today and their business in urban territories have likewise expanded in recent years, essentially because of the sharp increment in the quantity of primary co-operative banks.

Co-operative banks are a portion of the tremendous and amazing super structure of co-operative institutions which are occupied with the errands of rural and urban banking, agribusiness and agro processing including sugar products, dairy products, and production of fertilisers, promoting of farming supplies, and supply of buyer articles through retail outlets, etc. Co-operative banks stimulate employment opportunities and further earnings generation. The co-operative banks in Indian banking were begun with the objectives of prevention of convergence of monetary influence, accomplishing wide dispersal of responsibility for bountiful resources, dynamic contribution of individuals being developed projects, growth of the bountiful resources, insolvency of job loss and poverty, and dismissing the individuals from obligation to cash moneylenders. (Nagabhushanam, 2011) Information technology as e-banking assumes a critical job in offering enhanced services at lesser cost. A few inventive IT based services, for example, Automated Teller Machine (ATM), Internet banking, Smart Cards, Credit Cards, Mobile banking, Phone banking, Anywhere-Anytime banking have given number of helpful services to the client. So as the services quality progresses the likelihood of consumer loyalty raises.

This study is focused towards the perception of farmers towards the service quality offered by co-operative banks in this digital era. With the expanded rivalry among the private segment banks, this study would help in characterizing a system to accomplish the competitive edge and furthermore fulfilled clients (Farmers). What's more, thus service quality has been utilized to spot the banks in the intense market. Farmers’ perceptions about the service quality elements like Tangibility, Security, Price and Product Variety, Responsiveness, Assurance, Empathy, Reliability and Accessibility and in the banking industry and the satisfaction level (the ultimate aim and result of every bank in general needs to satisfy their clients’ (Farmers) service) towards the banks were also taken into account.

**Aim of the Study**

The main purpose of this study is to determine the service quality perceived by farmer’s towards the Co-operative Banks and identify those dimensions that bring satisfaction to consumers. This will enable Co-operative Bankers to identify the most effective ways of closing service quality gaps and choose which gaps to focus on to bridge the gap. This will be achieved by measuring the farmer’s expectations and perception on the various service quality dimensions. Hence evaluating the gap scores obtained between the farmer’s expectations and perception of service experience will enable the researcher to identify strengths and weaknesses in service quality of Co-operative Banks and to identify gaps in delivering quality of service in order to ensure customer satisfaction.

**Objective of the Study**

* To find out the perception of farmers with regards to the quality of service provided by the Co - operative Banks.
* To examine the relation among the attributes of the service quality with reference to the farmer’s expectation and perception.
* To provide suitable suggestion to co-operative banks in benefit of farmers.

**Statement of the Problem**

Parasuraman (1988) defined the service quality as the degree between customer’s normative expectations for the service and their expectation from the service and their perceptions of the service performance. Recognition of service quality as a competitive weapon is relatively a recent phenomenon in the Indian Banking sector. The need of the hour in the Indian banking sector is to build up competitiveness through enhanced service quality, thus making the banks more market oriented and provide more loans to the customers as they want to improve their standard of living. Therefore the current problem for the Co-operative Banks in India is to determine the dimensionality of customer - perceived service quality.

Despite many fundamental banking reformations, still Co-operative banks are lagging behind on many fronts compared with commercial banks with wide range of capitalization, overseas network, modern management expertise, experience, technological advancement, etc. The Co-operative banks are relatively facing weakness in providing quality of service as well as quality product to their domestic customers (farmers).

Customers (farmers) can and do change their bank if their expectations are not met by their existing service provider. The customers (farmers) rarely communicate to the bank manager in advance what they have decided to do, especially when they decide to leave their existing bank for a competitor. To help the bank management to overcome the problem of customer defection, it becomes imperative for researchers to identify what is in the minds of customers (farmers) of bank services when they compare what should be offered and provided, and what is actually offered and provided.

**Research Gap**

After carefully analysing various research studies conducted so far, the researcher realise that many research works have been carried out in other banks (public and private sector banks) with main focus on the normal customers. The proposed study is an attempt to study about the various service quality dimensions of Co-operative banking services, with special interest shown on the Farmers. The credit facility is the ultimate determinant of Quality of Service and decides the motivated loyal customers (farmers) of a Co-operative bank.

**Review of Literature**

Co-operative banks are profoundly established in local areas and communities. They are associated with local development and add to the sustainable development of their communities. The co-operative banks like numerous other financial service is confronting a quickly evolving market, new advances, financial vulnerabilities, furious rivalry and challenging clients and the changing atmosphere has introduced an extraordinary set of trials. Substantial and Intangible components would be an advantages, which make the employees of the bank to deliver the superb service for the bank's prosperity.

John & Thoomkuzhy (2018) has conducted an investigation on the service quality dimensions of Co-operative banks with special reference to Pathanamthitta Co-operative bank to examine the satisfaction level of the customers who are availing services from the bank. Their study was found to be vital because the sustainable development of individuals settled in the rural regions is the primary focus of governments’ economic policy. There are numerous variables impacting their satisfaction level which is considered for the study. Based on the investigation of the study they inferred that the customers come under the low-salary class. Despite the fact that they are comfortable with the service rates, they are disappointed with the factor that the bank fails to update with information regarding new services.

Hennayake (2017) has concentrated on the effect of Service Quality on Customer Satisfaction of Public Sector Commercial Banks. Data was gathered with a sample size of 210 respondents. The hypotheses were tested utilizing Co-relations and Regression analysis. Findings uncovered that the Human Related Factors of perceived service quality have a greater impact on consumer satisfaction while Reliability and Responsiveness are the most influential variables on consumer satisfaction.

The author Sreeja (2016) has conducted a research on service quality of co-operative banks with special reference to Thrissur District. SERVQUAL tool is used for this purpose. Reliability, Responsiveness, Assurance, Empathy and Tangibility were five dimensions considered for the study. Based on the analysis of service quality it is found that the expectation and the actual perception of customers are different, even more an enormous gap between perception and expectation. A huge quality gap existed in the variable assurance and least gap existed in tangibility and then concluded that the Co-operative banks must take care for improving service quality.

Yogeswaran (2015) conducted a study to customer perception towards services provided by public sector and private sector banks in Sivakasi Taluk only. He had selected 200 sample customers, 100 customers from each bank by adopting judgement sampling method for the study in order to ascertain the attitude of customers towards services. From the analysis it was found that the perceived quality of services provided by private sector bank (ICICI) is better than public sector bank (State Bank of India) in Sivakasi Taluk. It is evident that public sector banks have a strong presence in the market, but in recent times they are facing stiff competition from private sector banks in the range and quality of services offered.

Prasad & Prasad (2015) their study aims at assessing the service quality, that delivered by the banks in rural areas, using SERVQUAL model. The SERVQUAL model was used to assess and compare the service quality delivered by three major banks (SBH, DGB and HDFC) operating in rural areas of Kaimnagar district. Analysis of gap score reveals that the highest gap score in the dimension 'Responsiveness' in the case of HDFC (0.98) and State Bank of Hyderabad (0.96) indicates poor service quality and concluded that the overall service quality obtained shows that, although the customers are satisfied with the three banks, still proper attention is require to improve the service quality to retain the existing customers and to attract new customers.

Parasuraman et al. (1985) in their article focused on that the fulfilment of products quality and a service has become a significant concern of the 1980s. While marketers depict and estimate the quality of intangible products, quality in service is to a great extent unclear and un-investigated. The authors attempt to find remedy to this situation by reporting the experiences got in a broad exploratory examination of quality in four service organizations and by building up a model of service quality. Suggestions and proposals to animate future examination about service quality are presented.

**MATERIAL AND METHOD**

**Research Methodology**

The research is descriptive in nature. The primary as well as the secondary data was collected by the researcher. The structured questionnaire was designed to collect data from the target respondents (Farmers). The variables has been discussed furthermore that, the service quality of co-operative banks was determined by using the previous literature review of Parasuraman et al., (1985). The researcher from the previous studies was able to consolidate the variables under three major dimensions like organization, employee & customer oriented dimensionalities. The variable like Tangibility, Security, Price and Product Variety comes under the Organizational oriented dimension. Likewise, Responsiveness, Assurance, Empathy, comes under the employee oriented dimension. The customer oriented dimension includes the variables like Reliability and Accessibility. The reason behind segregating the variables underneath the dimensions has helped the researcher to identify the drawbacks, which are reflected in analysis and also to provide very absolute suggestions related to the dimensionalities of service quality.

 The geographic location identified for the research is Tamil Nadu. The population of the study includes the farmers who approach the Co-operative bank for the business and transaction purpose. The record related to the population of the farmers is not exactly available. The researcher hence considered the population to be infinite. With the help of De Morgan’s sample size estimated table the researcher has confined the sampling for the research. From the De Morgan’s table, the researcher has identified 381 samples with the confidence level of 95% and confidence interval of 5%. The researcher has distributed around 400 structured questionnaires and received back around 394 questionnaires. The remaining 6 questionnaire were found to be biased and unanswered. For convenience the questionnaire was designed in English as well regional language (Tamil). In certain cases the researcher has explained the questionnaire to the respondent in colloquial language to, where the respondents felt hard to understand the question.

The sampling method adopted for the study was two stage randomized sampling. In the first stage the number of districts was disintegrated. In the second stage randomized sampling was adopted to collect the data from respondents (farmers). There are 33 districts in Tamil Nadu, on an average 12 questionnaire were distributed to each district. On a whole the researcher was able to get back around 94 % of the filled in Questionnaires from the target samples. The pilot study was conducted with a sample of 40 respondents; Cronbach Alpha value has been identified more than 0.8. This clearly shows that questionnaire is valid and the researcher has proceeded with the research. The collected data was fed in the SPSS 20 software and the statistical tools like measures of central tendency (Mean), measures of dispersion (Standard Deviation), and correlation have been used to extract the research.

**RESULTS AND DISCUSSION**

**Analysis & Interpretation**

The measure of central tendency and dispersion has been used to identify the centre point as well as the variation which are prevailing in the service quality dimension, as opined by the respondents. Furthermore the gap has also been identified, to provide an in-depth understanding related to the variations in expectation & perception. Finally the inter-relationship between the expected and perceived service quality has been judged using Bi-variate correlation. The table and consolidation has been displayed below.

**Table 1 Mean, Standard Deviation and Gap Analysis of on Service Quality**

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| **Dimensions** | **Expectation** | **Perception** | **GAP Difference** |
| **Mean** | **Sd** | **Mean** | **Sd** |
| Tangibles (TAN) | 3.31 | 0.637 | 1.77 | 0.796 | 1.54 |
| Security (SEC) | 3.26 | 0.625 | 1.71 | 0.908 | 1.55 |
| Price and Product Variety (PPV) | 3.06 | 0.638 | 1.72 | 0.904 | 1.34 |
| **Organisation Oriented Dimensions (A)** | **3.21** | **0.633** | **1.73** | **0.869** | **1.48** |
| Responsiveness (RES) | 3.22 | 0.650 | 1.72 | 0.870 | 1.50 |
| Assurance (ASS) | 3.25 | 0.620 | 1.70 | 0.910 | 1.54 |
| Empathy (EMP) | 3.02 | 0.710 | 1.70 | 0.960 | 1.32 |
| **Employee Oriented Dimensions (B)** | **3.19** | **0.645** | **1.72** | **0.888** | **1.47** |
| Reliability (REL) | 3.26 | 0.640 | 1.80 | 0.900 | 1.46 |
| Accessibility (ACC) | 3.19 | 0.690 | 1.74 | 0.940 | 1.46 |
| **Customer Oriented Dimensions (C)** | **3.20** | **0.649** | **1.73** | **0.895** | **1.47** |
| **Service Quality (A + B + C / 3)** | **3.20** | **0.642** | **1.73** | **0.884** | **1.47** |
| ***\* Primary Data*** |
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1. **Mean Comparison between Expected and Perceived Service Quality Dimensionalities**

The respondents agree with the variable tangibility, security and price and product variety with the mean value of 3.31, 3.26, 3.06 and standard deviation of 0.637, 0.625 & 0.638 respectively whereas the perceived mean value for these variables are 1.77, 1.71 1.72 with a standard deviation of 0.76, 0.908 and 0.904 respectively. The gap difference value of (1.50), (1.54) & (1.32) for these variables clearly reveal that there is difference between expected and perceived value. The organisation oriented dimension depicts high for expected service quality with a mean value of 3.21 and with a standard deviation of 0.633 whereas their perceived quality has lower with a mean value of 1.73 and with a standard deviation of 0.869. It is evident from the gap difference that the expected value does not meet the perceived value is with a value of 1.48.

The respondents agree with the variable responsiveness, assurance and empathy with the mean value of 3.22, 3.25, 3.02 and standard deviation of 0.650, 0.620 & 0.710 respectively whereas the perceived mean value for these variables are 1.72, 1.70 1.70 with a standard deviation of 0.870, 0.910 and 0.960 respectively. The gap value (1.54), (1.55) & (1.34) of these variables clearly portrays the difference between expected and perceived value. The employee oriented dimension depicts high for expected service quality with a mean value of 3.19 and with a standard deviation of 0.645 whereas their perceived quality has lower with a mean value of 1.72 and with a standard deviation of 0.8889. Even the gap between the expected and perceived value is also high with a gap difference value of 1.47.

The respondents agree with the variable reliability and accessibility with the mean value of 3.26, 3.19 and standard deviation of 0.640 & 0.690 respectively whereas the perceived mean value for these variables is 1.80 & 1.74 with a standard deviation of 0.900 and 0.940 respectively. The gap difference value of (1.46) & (1.46) for these variables clearly reveal that there is difference between expected and perceived value. The customer oriented dimension depicts high for expected service quality with a mean value of 3.20 and with a standard deviation of 0.649 whereas their perceived quality has lower with a mean value of 1.73 and with a standard deviation of 0.895. It is evident from the gap difference that the expected value does not meet the perceived value is with a value of 1.47.

**Table 2 Correlation between Expectations and Perception of Service Quality**

*H0: There is no* significant *correlation between the dimensions of expectations and perception of service quality.*

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|  | **Variables** | **Perception** |
| **TAN** | **REL** | **RES** | **ASS** | **EMP** | **ACC** | **SEC** | **PPV** |
| **Expectations** | **TAN** | -.034 | .006 | .021 | -.004 | .026 | .005 | .003 | .030 |
| **REL** | -.155\*\* | -.187\*\* | -.143\*\* | -.154\*\* | -.138\*\* | -.172\*\* | -.111\*\* | -.152\*\* |
| **RES** | .168\*\* | .188\*\* | .214\*\* | .170\*\* | .166\*\* | .184\*\* | .199\*\* | .173\*\* |
| **ASS** | .109\*\* | .062 | .146\*\* | .065 | .016 | .050 | .024 | .077\* |
| **EMP** | .050 | .024 | .153\*\* | .050 | .021 | .079\* | .048 | .107\*\* |
| **ACC** | 762\*\* | .893\*\* | .830\*\* | .911\*\* | .772\*\* | .885\*\* | .794\*\* | .871\*\* |
| **SEC** | .893\*\* | .831\*\* | .899\*\* | .980\*\* | .868\*\* | .936\*\* | .860\*\* | .925\*\* |
| **PPV** | .830\*\* | .899\*\* | .823\*\* | .881\*\* | .853\*\* | .898\*\* | .863\*\* | .930\*\* |
| ***\*\*. Correlation is significant at the 0.01 level (2-tailed).*** |
| ***\*. Correlation is significant at the 0.05 level (2-tailed).*** |
| ***Pearson Correlation*** |

**Positive Correlation**

* The independent variable expected Responsiveness has positive correlation with all the perceived dependent variables.
* The independent variable expected Assurance has positive correlation with the perceived dependent variables tangibility (0.109), responsiveness (0.146), and Price and Product Variety (0.77).
* The independent variable expected Empathy has positive correlation with the perceived dependent variables Responsiveness (0.153), accessibility (.079), and Price and Product Variety (0.107).
* The independent variable expected Accessibility, Security and Price and Product Variety has positive correlation with all the perceived dependent variables.

**Negative correlation**

* The independent variable expected reliability has negative correlation with the perceived dependent variables.

**No Correlation**

* The independent variable expected tangibility has no correlation with the perceived dependent variables.
* The independent variable expected Assurance has no correlation with the perceived dependent variables reliability, assurance, empathy, accessibility and security.
* The independent variable expected Empathy has no correlation with the perceived dependent variables tangibility, reliability, assurance, empathy and security.

**Suggestion**

The quality of the service provided by the Co - operative Bank is the main attribute for the current research. The researcher has given the hierarchy of service quality dimensionalities, which the co-operative bank has to implement in their regular service performance and delivery. The first and the foremost importance has to be given to tangibility (ie., the bank has to keep a keen interest in properly maintaining and managing the various materials associated with the service like the pamphlets, brochures and adequate ATM facilities) and accessibility (the bank has to reduce the complication in availing loans and maintaining a proper redressal grievance system). The next priority is given for the Price and Product Variety, Responsiveness, Security, Assurance and Empathy (the bank representatives should have to be compassionate and responsible (Sreeja, 2016) in addressing the various queries (similar to John & Thoomkuzhy, 2018 research) of the farmers as well as have keen knowledge on the subsidy banking procedures). Several awareness programs can also be conducted to the farmers regarding the updated banking service offered by co-operative banks. If all these above problems are addressed, then the bank is said to have sustainable development in the mere future

**Conclusion**

After LPG in 1991, the expectation of customers’ related to all the sector has sustainably increased, this has made all the organizations to give more importance to provide quality service. This pre-dominantly has invaded the service sector also. The current research summarizes the quality of service provided by the co-operative banks located in Tamil Nadu.The requirement and expectation of the customers towards banking services are increasing day by day. To meet this expectation of the customers’ (farmers’), the Co - operative Bank officials has to focus on fulfilling the rural customers’ needs in regard to the services offered by the co-operative banks. The bank has to give more concern towards the procedures followed in availing the loans and giving a proper guidance, information and explanation (in person) with regards to loan to its customers’ (farmer). The above mentioned suggestions has to be given vital importance, so that it would enhance the sustainability and development of Co-operative banks, this in turn would pave the way for economic development of the entire geographic location.

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