Measuring the Impact of Sympathy on The Customer's Satisfaction: A Case Study of Axis Bank

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Abstract

A larger amount of attention has been paid to the quality of service in the banking industry, and more efforts have been made to achieve a high level of service quality in order to fulfill the requirements of various customers. Within the SERVQUAL framework, the third dimension that was graded was empathy. The level of satisfaction that customers have with an organization is a measurement of how well it meets their requirements. Additionally, this offers an assessment of the quality of the service supplied. Customers are able to provide feedback on many parts of the service, which allows them to specifically remark on items and services. In the current research, the influence of sympathy on the level of pleasure experienced by Axis bank customers is investigated. Based on the findings, it was discovered that three variables, namely Symp_4, Symp_1, and Symp_3, provide an explanation for the sympathy aspects that contribute to the happiness of consumers with the services provided by Axis bank.

Keywords: Impact of Sympathy , Customer's Satisfaction, Axis Bank.

Introduction

The worldwide banking sector's business climate has seen quick and significant changes in the previous decade. Financial institutions have a portion of the culpability, and several research have examined the effects of the global financial crisis on consumer views and behaviors. The banking sector is essential to the economy. Technological advancements, evolving consumer demands, and regulatory laws have distinctly highlighted the issues posed by heightened market competitiveness. Banks prioritize fulfilling consumer requirements and closely monitor customer satisfaction levels. This method assists banks in prolonging client retention. The expense of acquiring new consumers exceeds that of keeping existing ones.

The banking sector has intensified its focus on service quality, implementing stronger measures to achieve a high standard of customer satisfaction. The definition of service varies across individuals. The idea is confusing and difficult due to the varied, intangible, and perishable nature of services in relation to production and consumption. The quality of service lacks a universally accepted definition, although it may be seen as a holistic assessment by customers about a certain service and its ability to fulfill their expectations and provide satisfaction.

Substantial research and management resources are dedicated to enhancing service quality. Although scholars agree on the significance of service quality inside a corporation, a consensus has not been achieved about the theory and practice of service quality. The basis of service quality theory is rooted in the literature on product quality and customer satisfaction. Service quality is widely recognized as a mechanism to enhance customer value and as a strategy for positioning within a competitive landscape to assure consumer happiness, retention, and loyalty.

Banks endeavor to enhance customer happiness by elevating perceived service quality; in this context, Parasuraman et al. (1994) emphasized the significance of a robust correlation between service quality and customer satisfaction. In summary, the fundamental reality is that the client is the focal point. A negative disparity between perceptions and expectations, termed a 'performance-gap,' results in discontent, while a positive discrepancy fosters customer contentment.

Parasuraman et al. (1985) emphasized that the empathy of willing personnel include informing consumers precisely when tasks will be completed, providing them with undivided attention, advocating services, and reacting in alignment with their wishes. Sympathy was classified as the third dimension in SERVQUAL. Customer satisfaction evaluates the efficacy of firms in meeting customer requirements. This further offers an assessment of service quality. Customers may provide feedback on service elements, therefore commenting on items and services. Numerous studies aim to identify dimensions of service quality that can be utilized to assess customer satisfaction and evaluate the impact of these dimensions (tangibles, sympathy, empathy, assurance, reliability, access, financial aspects, and employee competencies) on customer satisfaction within the banking sector.

Literature Review

Dabholkar (1996) introduced two distinct models of service quality for technology-based self-service alternatives. Self-service is increasingly gaining popularity due to the elevated costs associated with manpower in service delivery. Boulding et al. (1993) developed a behavioral process model of perceived service quality, using a Bayesian-like framework. Perceptions of service quality dimensions are considered to be influenced by a customer's previous expectations for the service encounter and their most recent interaction with the service delivery system.
Sureshchander (2002) posited that service quality fundamentally has five dimensions: (1) Core service or service product, (2) Human aspect of service delivery, (3) Systematization of service delivery - non-human element. (4) Tangibles of service (servicescapes), (5) Social responsibility. Cronin et al. (2000) examined and expanded upon the attempts to understand the impacts of quality, satisfaction, and value on customers' behavioral intentions. He and Li (2010) examined the impact of several

dimensions of service quality on total service quality perception, perceived value, and service brand equity. Derived from a survey of active users of mobile telecommunications services in Taiwan.

Piercy (2014) developed a comprehensive model of online service quality that validates both the content and the methodology for assessing this higher-order construct. Despite the Internet becoming as a crucial medium for service delivery over the last decade, ambiguity persists on several elements of both the content and methodology for assessing online service quality. Luk and Layton (2005) assert that, despite the recommendation of various service skills and knowledge for incorporation into training programs aimed at enhancing the proficiency of frontline service providers, there has been a lack of empirical research examining the structural relationships among different types of service skills. Kelkar (2010) said that the assessment of service quality is a crucial factor in the success of a service enterprise. Assessing service quality has shown to be an exceedingly complex problem due to the intangibility and variability of services.

Shiu (1997) presents findings from an action research program examining the assessment of service quality within volunteer and local government service contexts. Tsang et al. (2012) modify the SERVQUAL model, transforming it into the THEMEQUAL model to assess the disparity between perceived and anticipated service quality among tourists in a theme park context. Pourrahidi et al. (2014) conduct an empirical research to examine the impact of numerous variables on customer satisfaction and loyalty, specifically focusing on service quality and customer loyalty.

McCollin et al. (2011) noted that service quality is challenging to evaluate due to changing client views over time, fluctuating market circumstances, the measuring procedure, and the interpretation of collected data. Carrasco (2012) discovered that several hotel websites create their own quality seals derived on user comments. Consequently, a hotel may be categorized differently by numerous websites simultaneously, leading to uncertainty in customer opinions about the quality of a specific hotel.

RESEARCH METHODOLOGY

The research methodology includes the following points:

Data Source

The poll used primary sources and included 200 respondents selected using a convenience sample procedure. The inquiries include demographic characteristics, a closed-ended 5-point Likert scale (ranging from strongly disagree to strongly agree), and open-ended questions.

Type of Sample: Bank consumers were chosen to examine their perspectives on empathy and the dimensions of service quality. Therefore, the study population consisted of individuals, specifically students from Rajasthan.

Universe of study: The current study includes total number of Axis bank users.

Sample size: For the purpose of current study 200 consumers of Axis bank is selected.

Data Analysis Tools: The data were analyzed employing multiple regressions through the statistical software SPSS (version 24). All of the questionnaires underwent a thorough examination to ensure their correctness and completeness.

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DATA ANALYSIS

Following hypothesis has been formulated for measuring consumer attitude towards sympathy in banking service quality.

$H1_{(1)}$: Factors constituting sympathy has significant influence on customer satisfaction towards Axis bank services

In order to evaluate the aforementioned hypothesis, the initial step involved identifying key variables related to sympathy, followed by the application of multivariate regression analysis using SPSS-19 software. The variables that constitute sympathy for Axis Bank are considered as independent variables, while overall satisfaction is treated as the dependent variable. Utilizing linear multiple regression in SPSS, applying the standard 95% confidence interval.

Table: Multiple regression for sympathy

Descriptive Statistics			
	Mean	Std. Deviation	N
Ov_Sat.	3.7700	.73471	200
Symp_1	3.7350	.91595	200
Symp_2	3.6700	1.04237	200
Symp_3	3.6450	.94522	200
Symp_4	3.6700	1.00306	200

Correlations						
		Ov_Sat.	Symp_1	Symp_2	Symp_3	Symp_4
Pearson Correlation	Ov_Sat.	1.000	.760	.727	.728	.783
	Symp_1	.760	1.000	.740	.518	.588
	Symp_2	.727	.740	1.000	.595	.727
	Symp_3	.728	.518	.595	1.000	.650
	Symp_4	.783	.588	.727	.650	1.000
Sig. (1-tailed)	Ov_Sat.	.	.000	.000	.000	.000
	Symp_1	.000	.	.000	.000	.000
	Symp_2	.000	.000	.	.000	.000
	Symp_3	.000	.000	.000	.	.000
	Symp_4	.000	.000	.000	.000	.
N		200	200	200	200	200

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed
1	Symp_4	.
2	Symp_1	.
3	Symp_3	.

Model Summary

Model	R	R^2	Adjusted R^2	SE	Change Statistics				
					R^2	F	df1	df2	Sig. F
3	.892[c]	.796	.792	.33469	.045	43.351	1	196	.000

a. Pred.: (Con.), Symp_4

ANOVA[a]

Model		SS	df	MS	F	Sig.
3	Regression	85.465	3	28.488	254.324	.000[d]
	Residual	21.955	196	.112		
	Total	107.420	199			

d. Pred.: (Con.), Symp_4, Symp_1, Symp_3

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
		B	SE	Beta			Zero-order	Partial	Part	Tol	VIF
3	(Constant)	.789	.112		7.064	.000					
	Symp_4	.265	.034	.362	7.861	.000	.783	.490	.254	.491	2.035
	Symp_1	.320	.033	.399	9.745	.000	.760	.571	.315	.622	1.607
	Symp_3	.223	.034	.287	6.584	.000	.728	.426	.213	.550	1.819

a. DV: Ov_Sat.

Excluded Variables[a]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
2	Symp_2	.047[c]	.744	.458	.053	.323	3.098	.323
	Symp_3	.287[c]	6.584	.000	.426	.550	1.819	.491
3	Symp_2	-.005[d]	-.081	.935	-.006	.317	3.157	.317

a. DV: Ov_Sat.

b. Pred.: (Cons), Symp_4

c. Pred.: (Cons), Symp_4, Symp_1

d. Pred.: (Cons), Symp_4, Symp_1, Symp_3

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Symp_4	Symp_1	Symp_3
3	1	3.913	1.000	.00	.00	.00	.00
	2	.037	10.227	.71	.24	.01	.12
	3	.028	11.855	.15	.01	.74	.39
	4	.022	13.454	.14	.74	.25	.49

a. DV: Ov_Sat.

The final regression model, incorporating three dependent variables (Symp_4, Symp_1, Symp_3), accounts for approximately 79.2% of the variance in satisfaction. The standard errors of the estimate have been minimized. The three regression coefficients, along with the constraints, demonstrate significance at the 0.05 level.The ANOVA analysis serves as the statistical test for assessing the overall model fit through the F Ratio. The total sum of squares (107.420) represents the squared error that would result from using the mean of sympathy as a predictor for the dependent variable, Satisfaction. The application of the values from Symp_4, Symp_1, and Symp_3 results in a reduction of the error by 79.56% (85.465/107.420). The reduction is considered statistically significant, evidenced by a F ratio of 254.324 and a significance level of 0.000. Based on the analysis, it can be concluded that three variables, namely Symp_4, Symp_1, and Symp_3, account for the sympathy factors influencing customer satisfaction with the services provided by Axis Bank.

Conclusion

Customers of Axis Bank have a high perception regarding the dimensions of service sympathy. Employees in the private bank specify the exact timing of service delivery, ensuring that the bank provides timely services. Customer ratings for banks are consistent regarding their willingness to assist and their promptness in resolving customer issues. The competitive pressure in delivering high customer service likely drives banks to prioritize prompt services for their customers. Banks ought to focus on attracting and retaining customers by providing a cohesive multi-channel experience across all interaction points, including branches, online platforms, mortgage services, and investment advisory services. The foundation of establishing an engaged customer relationship is rooted in the dialogue that occurs during the initial account opening process. Building trust requires a conversation centered on ensuring the customer perceives that bank are sincerely invested in understanding their needs, are committed to their well-being, and that, in the long run, they will be recognized and rewarded for their loyalty and business. Engagement communication cannot be approached as a uniform dialogue applicable to all situations. The reflection of the relationship must occur in real-time. To enhance engagement, it is advisable to create a service sales grid that outlines which services should be prioritized in communication based on current product ownership.

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