

# A study on the service quality of NBFC’s with special reference to Muthoot Fincorp

AMALNA T. A.

Asst. Professor, Department of Commerce, Alphonsa College, S.Bathery,India  
 Email - Amalnata94@gmail.com

**Abstract:** Customer service is considered as an integral part of any facet of industry and it defines the future of any organization. To better understand the service quality we need to look into the five main dimensions of services quality such as, Tangibility Reliability Empathy Responsiveness and Assurance.

## 1. INTRODUCTION:

The current business environment is becoming competitive and challenging than before. With multidimensional challenges and demand of globalization, the organizations are forced to reengineer their products and systems to improve the service quality and remain competitive. This project is on the topic “Service quality of NBFCs with special reference to muthoot fincorp”. Non-bank financial companies (NBFCs) are financial institutions that provide banking services without meeting the legal definition of a bank, i.e. one that does not hold a banking license. These institutions typically are restricted from taking deposits from the public depending on the jurisdiction. The specific banking products that can be offered by NBFCs depends on the jurisdiction, and may include services such as loans and credit facilities, savings products, investments and money transfer services.

## 2. SCOPE OF THE STUDY:

This study will be limited to cover the customers of muthoot fincorp in wayanad, Kerala, to examine the influence of service quality of NBFC in customer satisfaction. So this study is largely relevant and will be useful to the institution for making decisions regarding this field.

## 3. OBJECTIVES OF THE STUDY:

- To study the service quality of Non-banking financial institutions.
- To analyses the expected and perceived level of service quality on five dimensions.
- To identify the promotional activities adopted by NBFC to attract customers.

## 4. RESEARCH METHODOLOGY:

This study is descriptive in nature. The objectives and questionnaire have been formulated on the basis of the nature of study. This study will be based on both primary and secondary data.

### Statistical tools used:

Simple statistical tools such as percentage, mean score, coefficient of variance, and ANOVA were used to analyses the collected data.

## 5. DATA ANALYSIS AND INTERPRETATION:

### A. Tangibility dimension

**TABLE 5.1**  
**PERCEIVED LEVEL OF SERVICE QUALITY ON TANGIBILITY DIMENSION**

Variable	Sample size	Total score	mean score	c.v
• Computerization in the NBFC	50	159	3.18	37.04
• Convenient location	50	200	4	26
• Cleanliness of premises	50	174	3.48	25.86
• Indication of display at appropriate counters	50	161	3.22	36.89
• Appearance of employees	50	170	3.4	33.79
<b>TOTAL</b>		<b>3.45</b>		<b>31.48</b>

**Inferences:** From the analysis it is concluded that, in case of tangibility dimension the customers view the factor on ‘convenient location’ as the most important perceived level of service quality, as it show a higher average score ‘4’.

**B. RELIABILITY DIAMENSION**

**TABLE 5.2**  
**PERCEIVED LEVEL OF SERVICE QUALITY ON RELIABILITY DIMENSION**

Variable	Sample size	Total score	mean score	c.v
• Feel safe in transaction	50	147	2.94	38.09
• Error free records	50	170	3.4	29.70
• Skills and knowledge of employees	50	136	2.72	38.93
• Perform the services right at the first time	50	156	3.12	30.50
• Resolve customer complaints in short span of time	50	175	3.5	29.27
<b>TOTAL</b>		<b>3.136</b>		<b>32.92</b>

**Inference:** From the analysis it is concluded that in case of reliability dimension the customer view that the factor ‘resolve customer complaints in short span of time’ show the most high scored perceived level of service quality. Means the factor gives the high customer satisfaction on service quality.

**C. EMPATHY DIMENSION:**

**TABLE 5.3**  
**PERCEIVED LEVEL OF SERVICE QUALITY ON EMPATHY DIMENSION**

Variable	Sample size	Total score	mean score	c.v
• Business hours are convenient	50	203	4.06	26.84
• Reaction and accessibility of employees over telephone	50	153	3.06	29.52
• Conveying of information in simple language	50	210	4.2	21.82
• Prompt opening and closing of branch	50	207	4.14	22.22
• Executives and managers are confined to their cabin	50	140	2.8	31.13
<b>TOTAL</b>			<b>3.65</b>	<b>24.04</b>

**Inference:** From the analysis it is concluded that in case of empathy dimension, the customers view the factor on ‘conveying of information in simple language’ show the highest average score and most important level of service quality .And the factor executives and managers are confined to their cabin show least average score.

**D. RESPONSIVENESS DIMENSION:**

**TABLE 5.4**  
**PERCEIVED LEVEL OF SERVICE QUALITY ON RESPONSIVENESS DIMENSION**

Variable	Sample size	Total score	mean score	c.v
• Friendly manner	50	202	4.04	23.198
• Willingness to listen and respond	50	178	3.56	28.179
• Prompt and efficient service	50	150	3	38.33
• Employees give personal attention	50	140	2.8	43.71
• Speed of transaction processing	50	149	2.98	38.92
<b>TOTAL</b>			<b>3.27</b>	<b>28.23</b>

**Inferences:** From the analysis it is concluded that, the factor on ‘friendly manner’, show the highest average score and the factor ‘employees give personal attention show the lowest score among the perceived level of service quality.

## E. ASSURANCE DIMENSION:

**TABLE 5.5**  
**PERCEIVED LEVEL OF SERVICE QUALITY ON ASSURANCE DIMENSION**

Variable	Sample size	Total score	mean score	c.v
• Employees use technical terms when speaking	50	123	2.46	46.85
• Confidence and perfection of employees	50	174	3.48	25.85
• Speed and accuracy of employees work	50	163	3.26	37.72
<b>Total</b>			<b>3.06</b>	<b>35.54</b>

**Inferences:** From the analysis it is concluded that the factor ‘confidence and perfection of employees’ is the most important factor which influence the service quality among assurance dimension.

## 6. CONCLUSION:

The project entitled “**The study on service quality of NBFCs with special reference to muthoot fincorp**”. In this study the service quality and promotional activities adopted by the institution were measured using open ended questionnaire. In this study there are mainly three objectives needed to be find out measure the service quality of muthoot, to find the service quality gap on five dimensions, and to identify the effectiveness of promotion activities adopted. This study is found that most of the customers are satisfied with the service quality of muthoot.

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