
EVALUATION OF CUSTOMER SERVICE IN OMAN ARAB BANK

Article Particulars

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Introduction

Customer service is the base for business expansion because of the stiff competition prevalent in the banking industry. With the advent of new private banks, the concept of "customer service" has become an important and pivotal issue in banks, whether it is in the public sector, private sector, co-operative sector and so on. The survival of banking business is dependent on customer services. In the modern and open economy situation the customer preference and to create the awareness is increase during the years. In these awareness due to the technology changes and effect of the media as well as the competition among the banks and the resources are play an important role in this part. In the new modern market to create the high competition among the customers with what they want it also considered. Continuous improvement, gaining the information through the existing customers to maintain the loyalty to the business leads to the increase the market share and huge profit for these reasons are possible in the business.

Oman Arab Bank SAOC was established in 1984 following the acquisition of Arab Bank's branches in the Sultanate. Over the past three decades, the Bank has consistently expanded its reach as well as its products and services offering to provide customers in the country with a comprehensive suite of innovative solutions in Retail banking, Corporate and Project finance, Investment banking, trade finance and most recently, Islamic Banking.

The shareholders at Oman Arab Bank are:

- Oman International Development & Investment Co. SAOG OMINVEST (50.99%)
- Arab Bank Plc. (49%)
- Oman Real Estate Investment and Services SAOC (0.01%)

Today, Oman Arab Bank operates more than 65 branches and offices, and more than 135 ATMs in high footfall locations across the Sultanate that are supported by Arab Bank's 600 branches spanning five continents. The Bank's principal shareholders are Oman International Development and Investment Company SAOG (51%) and Arab Bank PLC (49%) and As of December 31st 2015, the Bank's total assets stood at RO 1.98 Billion (USD 5.15 Billion) and net worth of RO 226 Million (USD 587 Million).

It takes only a few incidents and direct experiences for the knowledgeable customers to form an opinion about the quality of the services and the quality of the product offered. Hence, "customer service is not be viewed as just a business strategy but should become a corporate mission." (Issac Balasingh, 2006)

The Banking sector industry is considered a service oriented industry. It has to render manifold services to the people who visit the banks. Customer service refers essentially to counter level inter face or through other modes with the customers.

The issue of proper customer service is central to all business operations. That is why management experts have for long, considered customer service as an integral part of the growth strategy of their businesses. 'The leader of an organisation should live and breathe customers' needs and should communicate this across the organisation.'" Hence, the major component of customer service is related to the involvement and commitment of the staff rendering such service.

Statement of the Problem

The banks, now-a-days have come to understand that the business can come from satisfied customers. And also, there is a strong notion that there is need for transition from product centric to customer centric approach. Despite so many measures initiated at various levels to improve the standard of customer service, the level of satisfaction perceived by various segments of customers has been low. Demand for improvement in customer service continues to be louder-and so is the level of customer complaints regarding poor service. Muscat is a city, where there are different types of banks available. It includes branches of the public sector banks, old and new generation private banks and co-operative banks, and the like. Muscat has different classes of trade and industry. Therefore it is appropriate to select Muscat city as the area of study.

Objectives of the Study

The main objectives of this study are:

- 1 To find out the response of customers towards customer services provided by Oman Arab Bank
- 2 To evaluate the factors influencing the extent of customer services rendered by Oman Arab Bank
- 3 To offer suggestions for the improvement of customer services in Oman Arab Bank

Research Methodology
Population and Sample

For the purpose of the study, the researcher has approached 50 customers in Oman Arab Bank across 5 main branches located in and around Muscat. The researcher has chosen the city of Muscat, as it is representative city as well as the capital city of Sultanate of Oman. The researcher feels confident that a sample size of 50 respondents is considered to be a reasonable size for a study of this type.

Data Analysis

The study is based on both primary and secondary data.

Primary data: The primary data were collected through structured questionnaire.

Secondary data: The required secondary was collected from books, magazines, and websites.

The questionnaire has been designed and supplied to the respondents for collecting primary data from customers. Garrett Ranking and Factor Analysis of statistical tools are used in the study for the purpose of data analysis.

Garrett Ranking

An attempt has been made have to evaluate the various reasons which influence the sample customers in the selection of Oman Arab Bank. Garrett ranking method is used for this purpose.

Reasons for the Selection of Oman Arab Bank

Sl. No.	Reasons	Rank					Total
		1	2	3	4	5	
1.	Better service Proximity Helpful staff Convenient business hour Others Garrett's Table value	23	09	3	3	02	40
2.		11	15	10	02	2	40
3.		01	11	21	05	01	40
4.		03	04	03	23	07	40
5.		02	01	01	07	28	40
		05	04	03	02	02	

$$100 (R_{ij} - 0.5)$$

Per cent Position = -----

$$N_j$$

R_{ij} = Rank given for the ith variable by the jth respondent

N_j = Number of variables ranked by the jth respondent.

Reasons for the Selection of Oman Arab Bank-Garrett Ranking

Sl.No.	Reasons	Garrett's	Average Score	Rank
1.	Better service	2568	3.95	I
2.	Proximity	2330	3.58	II
3.	Helpful staff	1998	3.07	III
4.	Convenient business hour	1652	2.54	IV
5.	Others	1202	1.85	V

It is inferred that better service is ranked as the first reason for selection by the sample customers. Proximity is ranked second, helpful staff is ranked third, convenient business hours is ranked fourth and reasons like customers are valued, reputation of bank, number of ATM centres and so on are ranked as the fifth reason for selection.

Factor Analysis

Factor Analysis is called the queen of analytical methods. Factor analysis is based on the fundamental assumption that some underlying or latent factors which are smaller in number than the number of observed variables, are responsible for the co-variation among the observed variables. Thus a certain correspondence exists between the underlying factors and observed variables. The mathematical properties of the correspondence are such that one causal system of factors leads to a unique correlation system of observed variables, but not vice versa. The correlation co-efficient is used as a measure of interrelationship (association) among the variables and those between the subsets. A factor analytical approach is used to address whether these observed correlations could be explained to the existence of a small number of hypothetical variables. Simply, it is a method for extracting common factor variances from sets of measures. Principal component analysis method with varimax rotation had been selected since it is an approach to factor analysis that considers the total variance in the data and also enhances interpretability. Principal component analysis is recommended when the primary concern is to determine the minimum number of factors that will account for maximum variance in the data for using subsequent multivariate analysis. Varimax procedure is an orthogonal method of factor rotation that minimizes the number of variables with high loadings on a factor thereby enhancing the interpretability of the factors. In the research, factor analysis has been used to identify the structures and to minimize the items within each dimension. For each dimension, factor analysis was done separately with the items of that particular dimension. The items, with high factor loadings in the first factor – the first factor is the one with high eigen value and explains maximum proportion of the total variance – have been selected as they are supposed to represent one common construct of that particular group.

Physical Facilities

Sl. No.	Variables	F1	F2	F3	F4	h2
1.	Adequate spittoons are provided	0.82892	0.14220	0.14885	0.01436	0.72970
2.	Fully air conditioned	0.82151	0.11896	-0.01721	0.20210	0.73017
3.	Clean Toilets are provided	0.80548	0.09216	0.07077	0.11634	0.67584
4.	Separate waiting rooms for men and women provided	0.80332	0.14206	0.00492	-0.01954	0.66591
5.	Proper ventilation	0.59873	-0.01069	0.43330	-0.08068	0.55284
6.	More number of Cashier counters are provided	0.55676	0.25834	0.46052	-0.05253	0.59157
7.	Fans and air circulation system installed	0.53824	0.24010	0.43567	0.18874	0.57278
8.	Space for counting money and bundling is provided	0.52492	0.43176	0.11576	0.31008	0.57151
9.	Counters are systematically arranged	0.51817	0.41051	0.41479	0.20478	0.65100
10.	Furniture in bank are convenient	0.08785	0.87307	0.26456	0.04538	0.84202
11.	Customers are provided with enough space	0.09394	0.82727	0.22529	0.02342	0.74451
12.	Customers are provided with congestion free parking	0.16184	0.73072	-0.10485	0.21808	0.61870
13.	There are enough tables for writing	0.45151	0.55417	0.06579	0.14439	0.53614
14.	Fire safety system installed	-0.08476	0.10228	0.81602	0.18430	0.71751
15.	Safety systems such as alarm are provided	0.14184	0.05665	0.77604	0.18467	0.65968
16.	Adequate dustbins are provided	0.43429	0.22327	0.59450	0.04152	0.59362
17.	More number of teller counters are provided	0.17158	0.07548	0.08224	0.75301	0.60892
18.	Customers are provided with clean drinking water	-0.02110	0.21163	0.28333	0.69073	0.60262
19.	Percentage variance explained cumulative	38.8	50.2	59.2	64.8	

Source: Primary Data

Factor I consists of the variables, 'Adequate spittoons are provided (0.82892),' 'Fully air conditioned (0.82151),' 'Clean toilets are provided (0.80548),' 'Separated waiting rooms for men and women provided (0.80332),' 'Proper ventilation is provided (0.59873),' 'More number of cashier counters are provided (0.55676),' 'Fans and air circulation systems are installed (0.53824),' 'Counters are systematically arranged (0.51817),' 'Space for counting money and bundling is provided (0.52492),' with highest

significant positive loadings. All these variables represent provision of spittoons, air condition, toilets, waiting rooms for men and women, ventilation, more cashier counters and arrangement of counters. Factor I can be named as, 'Provision of basic amenities, counters and its arrangement'. Factor II consists of the variables, "Furniture in the bank for customers are convenient (0.87307),' 'Customers are provided with enough space (0.82727),' 'Customers are provided with congestion free parking (0.73072),' 'There are enough tables for writing (0.55417),' with highest significant positive loadings. All these statements represent, 'availability of space' furniture. table, parking facility, Factor II can be named as, "Availability of space, furniture and parking facility.

Third factor consists of variables namely, 'Fire safety system installed (0.81602),' 'Safety systems are provided such as alarm (0.77604),' 'Adequate dust bins are provided (0.59450),' with highest significant positive loadings. All these represent safety systems and dust bins availability, it can be called as, "Safety systems and dust bins availability". The significant highest loadings statement, more number of tellers counters are provided (0.75301), customers are provided with clean drinking water from the fourth factor. As these statements relate to availability of tellers' counters and provision of clean drinking water. Factor IV can be named as "Availability of teller counters and drinking water".

Result

The study shows that better service is ranked as the first reason for selection by the customers followed by proximity, helpful staff, convenient business hours and other reasons like customer value, reputation of the bank, numbers of ATM centres are ranked as the fifth reason for selection. All the variables relating to timings observed by bank employees for various transactions are converted into four factors. Highest loadings are found for advance information on fixed deposit maturity, services availability on Sundays, and suitability of bank timings to customers and display of interest rates for deposit accounts. The Oman Arab Bank has to give more concentration on these areas.

Suggestions

Banks have been playing a vital role in Oman economic activities. Banking is moving from local to global. Every type of customer has his own focus, standing and expectations. It is natural that as their expectations are different, so are their complaints. A branch manager or a public relations officer alone cannot render the desired customer service. Every employee is to be involved. He/she is directly connected with customers. Computers do not run business. It is not a coincidence that the most successful organizations, where excellence comes naturally, have top quality people. Customer service in Oman Arab Bank should be personal and professional. Most of the customers' contacts/visits are requests for information, statement of accounts and utilization of routine services at the counters. To make customers feel

that they are unique and very special to the bank, it should ensure that customer service should not suffer for want of efficient infrastructure and suitably-oriented personnel.

Conclusion

If this study would motivate others to conduct further research, the researcher would feel highly rewarded. They researchers will feel satisfied, if Oman Arab Bank would consider the findings useful for improvising them in the future.

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