

Beyond Transactions: Mapping Customer Priorities and Service Delivery in Financial Brokerage

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Abstract

Purpose – This study identifies the essential services for stock broking customers and evaluates which aspects of service quality most significantly influence customer

satisfaction. This research explored the effect of perceived quality of service on customer satisfaction. It also tried to establish the most and least important aspects of perceived customer satisfaction service-

quality Design/methodology/approach- A structured questionnaire based on the revised SERVQUAL model

(Parasuraman et al., 1991) was distributed to assess customer perceptions across five dimensions: tangibility,

reliability, responsiveness, assurance, and empathy. tangibility, reliability, responsiveness, assurance, and empathy.

Findings – Findings indicate that customers prioritize service consistency, safety and security, and relationship management. Areas with the highest expectation-perception gaps include transaction accuracy, promptness, and investor interactions, while care and feedback implementation show the smallest gaps.

Research limitation/implications – The study highlights how demographic factors relate to customer satisfaction and emphasizes the need for stockbrokers to bridge performance-expectation gaps.

Practical implications – The results suggest that firms should emphasize consistency, security, and relationship management to meet key customer expectations.

Originality/value – While SERVQUAL has been widely used in sectors like banking and healthcare, this study uniquely applies it to stock broking, offering new perspectives on customer expectations.

Key words: Share Broking, SERVQUAL, Investors, Perception, Expectation

INTRODUCTION:

Effective customer satisfaction requires firms to understand customer expectations and the effort necessary to meet them. In the competitive and digitalized stock broking industry, evaluating service quality is essential. SERVQUAL is a multiple-item scale for measuring customer perception of service quality. (Ahamed, 2011) found that Investors engaged in the sale and purchase of stocks and shares from the numerous stockbrokers operating in Bangladesh are not happy with their services. A discrepancy exists between the expectation of investors and satisfaction. The average difference is estimated to be 0.791 in a seven-point scale; for some of the measurements, the gap is as high as 2.8, and for some, it is as low as 0. For every business enterprise, there should be no difference between their clients' expectations and satisfaction. This is an environment where customer satisfaction exists. (Palanisamy & Rajendran, 2013), the study results show that delivering prompt service, supplying modern equipment with upgraded trading platform, providing error-free documents, doing things in the right time and demonstrating genuine customer concern are the key attributes for improving the business performance of a stock brokerage firm. A study conducted among the investors of Tamil Nadu showed that there is a considerable difference between investor socio-economic characteristics and share broker service quality. Share brokers should receive feedback from investors frequently, and address the issues that investors face in share trading. Share brokers should provide effective methods of service delivery according to customer preferences and attitudes (Ganapathi, 2016). Fusilier and Mueller (2004) have tried to find out the

connection between the age, class, educational qualification of the clients and the degree of their financial investments. The data gathered from 779 investors belonging to UK Hierarchical multiple regression have been used to evaluate the study results. The study results showed that highly educated and older investors seemed to have the least confidence in their brokers while woman investors were found to be the most interested in seeking advice from their brokers. On Tran Thi Nhu Chau's research (2009), a securities company's quality of service depends on the competence, information technology, credibility, empathy (Chau, 2009). In addition, Dang Quoc Tu (2007) indicated three reasons affecting the quality of the brokerage business: central quality of operation, the process of transaction and courtesy of workers (Tu, 2007). In the same way, Dr. Thai Ba Can claim that variables affecting the outcome of brokerage operations include working environment, policy process, economic environment, business entity competencies. Overall, such work has been identified or evaluated the efficiency of the operations of securities companies in general, the quality of stock brokerage has not been assessed

METHODOLOGY

This study examined the impact of perceived service quality on customer satisfaction. It also sought to determine the most and least important dimensions of perceived service quality for customer satisfaction. A systematic random sampling exercise using a questionnaire was carried out at a leading Stock broking firm. The sample for this study consisted of customers of stock brokerage firms. Customers in Chennai are appeared to be an appropriate sample group for several reasons. First, they are aware of the services consumed. Second, the focus of the research is in getting the response from the experienced consumers. The study discusses about importance and factors determining service quality, including definitions, determinants and measurement of quality. There is also focus on management, employee and customer perspectives. Results show a positive correlation between perceived service quality and satisfaction. Service commitment was most valued, while tangibility was least. In addition to that a number of continuing service quality concerns are highlighted, relating to changing customer demands, the need for an integrated approach to achieving service quality and the recent developments in the field.

Results and Discussions

Questionnaire forms - Service Quality Dimensions of Stock Brokers

Code	Dimension	Attribute	Rephrased Description
REL1	Reliability	Transaction Accuracy	Delivering error-free and precise financial transactions
REL2	Reliability	Promptness	Offering timely service responses without delay
REL3	Reliability	Timely Service	Completing service tasks within expected time frames
REL4	Reliability	Service Consistency	Ensuring reliable and consistent service delivery
REL5	Reliability	Response to Queries	Handling customer queries effectively and efficiently
ASSU6	Assurance	Complaint Reprisal	Managing and resolving client complaints with care
ASSU7	Assurance	Investor Care	Providing supportive and reassuring service to investors
ASSU8	Assurance	Reputation and Image	Maintaining a strong and trustworthy brand reputation
ASSU9	Assurance	Investor Interactions	Facilitating meaningful communication with clients

RES10	Responsiveness	Relationship Management	Building and nurturing long-term investor relationships
RES11	Responsiveness	Innovative Investment Products	Offering new and customized financial products
RES12	Responsiveness	Feedback Implementation	Acting on investor suggestions to improve service
TAN18	Tangibility	Safety and Security	Ensuring secure transactions and protecting client information
TAN19	Tangibility	Trading Platform	Providing robust and user-friendly trading interfaces
TAN20	Tangibility	Service Office Ambiance	Creating a professional and welcoming office environment
TAN21	Tangibility	Investor Facilities	Offering physical amenities that support investor activities
TAN22	Tangibility	Transaction Statements	Providing clear and comprehensive transaction documentation
EMP13	Empathy	Margin Trading Guidance	Assisting clients with strategies for advanced trading
EMP14	Empathy	Investor Meetings	Organizing events for investor engagement and collaboration
EMP15	Empathy	Induction of New Investors	Guiding and onboarding new clients into the brokerage process
EMP16	Empathy	Instructions and Guidance	Offering informative support tailored to client needs
EMP17	Empathy	Communication During Trading Hours	Keeping investors informed in real-time during active markets

Socio – Economic Characteristics of the investors

Gender: Males still make up the majority (63.4%), but female participation has increased slightly, suggesting growing inclusivity in investment activities.

Age: The 51–60 age group remains the most active (45.1%), followed by investors aged 41–50 (25.6%). Younger investors (under 40) still show limited engagement, indicating potential for targeted financial literacy or outreach.

Education: Professional degree holders lead with the highest representation (29.3%), followed closely by graduates and postgraduates. The minimal variation among these groups indicates a broadly educated investor base with diverse qualifications.

Transaction Volume: Over half of the respondents (51.2%) transact within the ₹75,001–₹1,00,000 bracket, reinforcing their moderate-to-high investment capacity. Notably, the proportion of investors trading above ₹1,00,000 has increased to 17.1%, reflecting rising interest in higher value investments.

Ranking based on their mean scores:

Top Priorities:

Dimension	Factor	Mean	Std. Dev.
Reliability (REL4)	Service Consistency	4.19	0.74
Tangibility (TAN18)	Safety and Security	4.21	0.77

Responsiveness (RES10)	Investors' Relationship Management	4.15	0.8
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Customers continue to rank Service Consistency, Safety and Security, and Relationship Management as vital. The slight dip in mean values suggests incremental variability in preferences, emphasizing a need for continuous monitoring.

Least Priorities:

Dimension	Factor	Mean	Std. Dev.
Tangibility (TAN20)	Service Office Ambiance	3.55	0.84
Empathy (EMP15)	Induction of New Investors	3.68	0.89
Reliability (REL5)	Response to Queries	3.7	0.92

Lower scores for these factors imply that customers may value functional and outcome-driven services more than auxiliary or onboarding features.

Expectation-Perception gap

Factor	Perception	Expectation	Gap
Transaction Accuracy (REL1)	3.76	4.7	0.94
Promptness (REL2)	3.92	4.55	0.63
Investor Interactions (ASSU9)	3.88	4.82	0.94
Investor Care (ASSU7)	4.03	3.54	-0.49
Feedback Implementation (RES12)	3.78	3.41	-0.37

While gaps persist in transactional efficiency and investor engagement, the reduced gaps in investor care and feedback show improvements in personalized service delivery.

Demographic Insights via ANOVA

Age & Service Quality: Significant difference confirmed ($F = 7.65$, $p < 0.01$). Older investors show heightened expectations for consistent service.

Education Level: No significant variation ($F = 0.58$, $p > 0.05$). Educational attainment does not influence satisfaction levels dramatically.

Average Transaction Volume: Significant difference observed ($F = 2.85$, $p < 0.05$). Larger transactions correlate with stricter quality expectations.

Gender: Significant difference noted ($F = 2.81$, $p < 0.05$). Female investors exhibit stronger preferences for interaction and assurance dimensions.

CONCLUSION

The study offers a comprehensive exploration of how stock broking customers perceive service quality and where firms need to improve to meet evolving investor expectations. By applying the SERVQUAL model, the research highlights the dimensions that matter most—reliability, safety, and relationship management—and exposes key areas of dissatisfaction such as transaction accuracy and responsiveness. Findings also reveal how demographic factors like age, transaction volume, and gender influence service quality expectations. Older and higher-volume investors demonstrate more stringent demands, emphasizing the need for brokers to segment and tailor their service strategies effectively.

Ultimately, the results affirm that customer-centric planning, backed by data-driven prioritization and continuous feedback incorporation, is essential for maintaining a competitive edge in the dynamic stock broking industry. Firms that consistently align service attributes with customer expectations stand to achieve greater satisfaction, loyalty, and long-term performance.

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