Service Quality Gaps Among The Selected Public And Private Sector Banks In Visakhapatnam City

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Abstract: *Indian Financial System Is Undergoing Speedy Expansion And Quantitative Progression Of Existing Financial Service Institutions As Well As New Financial Systems. The Sector Comprises Commercial Banks, Insurance Companies, Non-Banking Financial Companies Etc. Rbi Has Permitted New Entities Such As Payments Banks Recently In Addition To The Existing Institutions. Indian Banking Sector Is Fiercely Competitive In The Post Liberalization Period Which Positions Up A Need To Emphasis On Service Quality Exponentially. Service Quality Is A Customer Centric Element In Service Sector Impacting Customers' Satisfaction. Service Quality Is An Abstract Term Which Is The Difference Between Customer Expectations And Perceptions Of Service. Service Quality Among Customers Will Be Formed Through Core Services, Service Delivery, Tangibles, Reliability And Competency. In Banking Sector, Service Quality Is A Multi-Variable Concept. The Present Study Was Proposed To Be Performed Among Two Leading Banks Sbi And Icici Located In Visakhapatnam. The Study Has Focused On Ascertaining Customer Insights Regarding Service Quality In Banks By Comparing Perceptions And Expectations Of A Sample Of 100 From Each Bank By Using Convenience Sampling Method. The Research Carried Out By Comparing The Dimensions Of Service Quality Between Private And Public Sector Banks Using Servqual Basis. A 25 Item Scale Was Constructed And Administered To Identify The Gap Between Expectations And Perceptions Of The Banking Customers Known As Service Quality Gap And To Incorporate The Customer Expectations In Improving The Service Quality. This Research Developed An Instrument Which Helps Researchers And Managers To Measure The Service Quality Effectively By Defining Service Quality Dimensions And What Constitute Are Service Quality Dimensions. An In Detailed Discussion With Analysis Along With Findings And Suggestions Are Presented.*
Keywords: *Service, Quality, Reliability, Assurance, Tangibility, Empathy, Responsiveness.*

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I. Introduction

The Competitive Climate In The Indian Banking Sector Has Changed Dramatically Over The Last Few Years. Banking Is A Catalyst And Life Of Modern Trade And Commerce. A Banking Institution Is Indispensable In A Modern Society. Banking System Occupies An Imperative Place In A Nation's Economy. It Plays A Pivotal Role In The Economic Development Of A Country And Form The Core Of The Money Market In An Advanced Country. It Is An Integral Part Of All The Business And Social Activities.

Service Quality Is To Ensure Full Satisfaction Of The Customers Which Will Help To Increase Competitiveness And Effectiveness Of The Industry. Customer Satisfaction Is The Outcome Of Service Quality To Measure Of, How Products And Services Provided By Any Organization Will Meet The Expectations Of A Customer. A Customer May Be A General Account Holder, Or A Person Carrying Out Casual And Business Transactions With A Bank. The Efficiency Of The Bank Is Depends On How Effectively It Delivers The Quality In Service To Its Customers. Because The Significance Of Customer In The Banking Sector Is Unquestionable.

II. Need For The Study

The Competitive Nature In The Indian Banking Sector Has Been Increased Dramatically From Past Few Years Especially After Globalization. Banking Business Has Become A Customer Centric Business. In Addition To Public And Private Sector Banks In The Economy, Foreign Banks Are Also Playing A Key Role In Providing Innovative Services. The Quality In The Services Provided By The Banks Is The Key Driving Force Of Customer Satisfaction. Superior Quality Of Customer Services Could Become An Important And Critical Success Factor In The Banking Sector. Banks Delivering Quality Of Services Better Than Their Competitors Can Deliver Greater Customer Satisfaction. In The Light Of The Research Findings From The

Existing Literature, Attentiveness In Service Quality Is Unarguably High. Poor Quality Places A Firm At A Competitive Disadvantage. Thus, It Is Clear That Service Quality Offers A Way Of Achieving Success Among Competing Services, Particularly In The Case Of Firms That Offer Nearly Identical Services, Such As Banks, Where Establishing Service Quality May Be The Only Way Of Differentiating Oneself.

Objectives Of The Study
The Present Study Was Performed With the Following Objectives
1) To Study And Compare The Service Quality Perceptions With Service Quality Expectations Of The Selected Banks Under Study.
2) To Understand The Level Of Service Quality Provided By The Selected Banks Under Study.
3) To Suggest Measures For Improving Service Quality In The Banks With A View To Deliver Effective Quality In The Service Provided.

III. Research Design
The Data For The Study Were Collected Through A Structured Questionnaire From 200 Customers Based On Convenience Sampling Method. The Taken 200 Samples Were Planned Covering 100 Customers From Both Selected Private And Public Sector Banks. The Study Was Performed Among The Bank Branches Of Sbi And Icici Located In Visakhapatnam City. A Structured Questionnaire For Customer Survey Is Designed Keeping The Broad Dimensions Of Service Quality Such As Reliability, Assurance, Tangibility, Empathy And Responsiveness In Mind. The Questionnaire Containing All Thestatements Of SERVQUAL Instrument Developed By Parsuraman Et Al For Customer Survey. The Data Regarding Perceptions And Expectations Of Customers Were Collected On A 5 Point Interval Scales, Where 1 Stands For Strongly Disagree And 5 Stands For Strongly Agree. All The Data Were Collected From Bank Customers Through Personal Contact Approach.

IV. Literature Review
Neena Prasad Examined The Role Of Service Quality On Customer Retention In Indian Banks. The Study Reveals That There Is A Need For Bank Employees To Understand The Service Quality Attributes. Dilip Kumar Jha(2016) Has Studied The Level Of Customer Satisfaction Among Public Sector Banks Revealed That There Is A Need Of Convenient Working Hours And Accessibility Of Offices Beyond The Working Hours Keeping In View Of Current Needs Of The Customers. A Study On Customer Preferences And Expectations In Retail Banking Services Was Performed By Dr.Supreet Singh And Others Focused On Analyzing Customer Preferences And Expectations Through The Dimensions Such As Assurance, Convenience, User Friendliness And Staffing Dimensions Among 30 Respondents. The Dimensions Of Service Quality Were Tested Among The Saving And Current Account Customers Of Malaysian Banks On A Seven Point Mapping Scale By Tan Lay Hong Andothers(2015) Concluded That Tangibility Is The Most Significant Dimension In Service Quality. A. Kathiresan And Others Have Studied Customer Expectations And Their Perceptions Towards Service Quality Provided By Banking Sector Stressed That Change In The Attitude Of The Customers With The Change In The Technology In The Main Driver Of Customer Service.

V. Service Quality
Service Quality Is Defined As Customer Perception Of How Well A Service Meets Or Exceeds Their Expectations. Literature Says That Customers Will Evaluate Service Quality By Comparing The Actual Performance (Perceived) With What They Think As Service Performance Would Be (Expectations). The Entry Of Private And Foreign Banks Have Confronted The Monopolist Nature Of Public Sector Banks. With The Increasing Competition And Expectations From The Consumers, Service Quality Concept In Banking Sector Has Gained Momentum. The Challenge Involved In Banking Sector Is Developing The New Services That Will Meet The Expectations Of The Customers.

SERVQUAL Model
Among The Models For Measuring Service Quality, The Most Acknowledged And Applied Model In Variety Of Industries Is The Servqual (Service Quality) Model Developed By Parasuraman Et Al. The Servqual Model Assesses Customer Expectation And Perceptions Of Service Quality By Capturing The Gap Between Expectation And Experience. The Dimensions Of Servqual Model Are Summarized Below.

Tangibles: The Tangibles Include The Appearance Of The Company Representatives, Facilities, Materials, Physical Surroundings And Equipment.

Reliability: It Includes Delivering The Promises, Dependable Performance With Accuracy With Error Free. It Also Includes Punctual In Service.

Responsiveness: This Is The Willingness Shown By The Organization In Providing Service To The Customer And In Responding To The Problems Of The Customer.

Assurance: This Considers The Knowledge And Courtesy Of Employees And Their Ability To Convey Trust And Confidence. It Includes Competency, Politeness Of Employees And Respect Towards Customer.

Empathy: Empathy Includes The Provision Of Caring, Understanding And Individualized Attention To Customers. It's The Ability To Make The Customer Happy By The Staff. Initially There Were 10 Elements And Later They Were Concise To 5 Elements.

VI. Results And Discussion

According To Parasuraman, Service Quality Is The Degree Of Discrepancy Between Customer Perceptions And Customer Expectations. Generally There Are Five Gaps In Computing Service Quality Viz., Knowledge Gap, Design Gap, Delivery Gap And Communication Gap. The Fifth Gap Is Service Quality Gap Which Is The Overall Combination Of Four Other Gaps. For This Study, Service Quality Gap Was Calculated For Both Sbi And Icici Banks.

Demographics

Age	Sbi		Icici	
	Frequency	Percentage	Frequency	Percentage
Less Than 25	17	17	23	23
26-35	26	26	33	33
36-45	27	27	24	24
46-55	21	21	13	13
Above 55	9	9	7	7
Total	100	100	100	100
Gender				
Male	63	63	59	59
Female	37	37	41	41
Total	100	100	100	100
Qualification				
Ssc	14	14	8	8
Intermediate	13	13	11	11
Graduate	52	52	62	62
Post Graduate	21	21	19	19
Total	100	100	100	100
Occupation				
Govt.Employee	18	18	27	27
Private Employee	33	33	56	56
Business	26	26	7	7
Student	17	17	2	2
Others	6	6	8	8
Total	100	100	100	100
Income				
<10000	21	21	7	7
10001-20000	24	24	18	18
20001-30000	18	18	27	27
30001-40000	19	19	26	26
>40000	18	18	22	22
Total	100	100	100	100
Time Since Association				
<1year	19	19	26	26
1-3years	21	21	22	22
3-5years	23	23	22	22
5-10years	18	18	19	19
>10years	19	19	11	11
Total	100	100	100	100

This Table Shows Different Demographic Factors And Their Preference Towards Banking Activities. When We Consider Age Groups, The Group36-45 Prefers To Bank With Sbi Where As The Young Population 26-35 Likes To Bank With Icici. Male Is The Dominant Gender Group In Both The Banks. Analysis Shows

More Graduates Preferring Both The Banks. Government Employees And Private Employees Are The Major Customers For Both The Banks. When We Compare The Income Levels, 24% Of The Respondents Of Sbi Were In The Income Group 10000-2000 Whereas Almost 53% Of The Respondents In The Income Group20000-40000 In Icici Are The Dominant Customers. Majority Of The Customers In Both The Banks Having Association With The Respective Bank From 1-4years.

Sub Dimensional Analysis Of Service Quality In Both The Banks

	Table2: Assessment of service quality	SBI			ICICI		
	Sub dimensions						
S.No	Tangibility	Mean-E	Mean-P	Gap(P-E)	Mean-E	Mean-P	Gap(P-E)
1	Up-to-date equipment & technology	2.7	3.4	0.7	4.2	4.1	-0.10
2	Neat, Convenient & Visually appealing facilities	3.2	3.3	0.1	2.7	2.8	0.10
3	Neat & Professional appearance of Employees	2.5	2.8	0.3	2.9	2.8	-0.10
4	Materials associated to services are visually appealing (brochure, challans etc.,)	2.9	3.3	0.4	3.4	3.5	0.10
5	Availability of sufficient counters	2.8	3.1	0.3	3.2	3.8	0.60
	Totals	14.1	15.9	1.8	16.4	17	0.60
	Mean Values	2.82	3.18	0.36	3.28	3.40	0.12
	Reliability						
6	The Bank provides services as promised.	3	3.4	0.4	3	2.8	-0.2
7	Sincerity in solving customer's problem.	2.8	3.3	0.5	3.2	2.9	-0.3
8	Performing services right the first time.	2.4	3.1	0.7	2.8	2.7	-0.1
9	Provides services at the promised time.	2.8	3.6	0.8	2.9	2.8	-0.1
10	Maintenance of error free records.	2.7	3.4	0.7	3.2	3.2	0
	Totals	13.7	16.8	3.1	15.1	14.4	-0.7
	Mean Values	2.74	3.36	0.62	3.02	2.88	-0.14
	Responsiveness						
11	Intimation to customers as to when services will be performed	2.5	2.9	0.4	3.3	3.2	-0.1
12	Providing services promptly	2.7	3.1	0.4	2.8	2.7	-0.1
13	Willingness of bank employees to help customers	2.5	2.7	0.2	2.9	2.7	-0.2
14	Availability of staff for your service	3	2.9	-0.1	3	2.7	-0.3
15	Courteous behavior and Patience	2.8	2.8	0	3.8	3.2	-0.6
	Totals	13.5	14.4	0.9	15.8	14.5	-1.3
	Mean Values	2.7	2.88	0.18	3.16	2.90	-0.26
	Assurance						
16	Feeling safety in transactions	4	3.6	-0.4	3.2	3.1	-0.1
17	Comfortable interaction with employees	2.5	2.8	0.3	3.3	3.3	0
18	Employees to build confidence among customers	2.2	3.5	1.3	3.2	2.8	-0.4
19	Employees provide clear & precise answers for inquiries	2.8	2.7	-0.1	3.1	3.2	0.1
20	Employees are polite	2.5	2.8	0.3	2.8	2.7	-0.1
	Totals	14	15.4	1.4	15.6	15.1	-0.5
	Mean Values	2.8	3.08	0.28	3.12	3.02	-0.1
	Empathy						
21	Individual attention to customers	2.7	3.3	0.6	2.9	2.6	-0.3
22	Convenient operating hours to all customers	3.6	3.7	0.1	2.9	2.8	-0.1
23	Bank has customer's best interest at heart	3	2.9	-0.1	3.4	3.3	-0.1
24	Employees understand the needs of customers	2.9	3.6	0.7	2.9	2.8	-0.1
25	Recognition and understanding specific needs of customers	3.1	3.3	0.2	3.1	3.5	0.4
	Totals	15.3	16.8	1.5	15.2	15	-0.2
	Mean Values	3.06	3.36	0.3	3.04	3.00	-0.04

The Above Table Depicts The Basic Service Quality Of The Selected Banks Using Servqual Model. The Mean Scores Of The Dimensions Of Service Quality Viz., Reliability, Assurance, Tangibility, Empathy And Responsiveness Arecomputed. From The Analysis The Mean Perceptions Of Tangible Factors In Sbi (3.16) Is More Than The Expectations(2.82). It Is Evident That Few Elements Among Tangibles Are Beyond The Expectations Of The Customers. Up To Date Equipment And Technology Plays A Significant Role And Has Highest Contribution In Tangibility Factor. At The Same Time The Perception Towards Tangibility (3.40) Is Higher Than The Expectations (3.28) In Icicialso. When We Compare Reliability Factor, The Mean Perception Score Of Sbi Is 3.34 Is Higher When Compared With Expectations 2.74. In Case Of Icici, The Mean Scores Of Expectations (3.02)Is More Than The Perceptions 2.88. It Means Factors Under Reliability Are Fall Short Of Expectations From The Customers. Maintenanceof Error Free Records And Performing Right Services First Time Play A Significant Role In Both The Banks In Reliability Factor. The Perceptions Of Responsiveness In Sbi(2.88)Is Beyond The Expectations Of The Customers (2.7) Whereas The Perceptions (2.90) Of Responsiveness Is Fall Short Of Expectations (3.16) In Icici. Coming To The Assurance Factor, Perceptions Of The Customers (3.08) Is Beyond The Expectations (2.8) In Sbi Whereas Perceptions Of Assurance Dimension In Icici(3.02) Is Less Than The Perceptions(3.12) Which Again Fall Short Of Expectations Of The Customers. Finally In Empathy Dimension, The Perceptions Of Sbi Customers (3.36) Is Beyond The Expectations (3.06). The Perception Of Customers Of Icici (3.00) Is Less Than The Expectations Of The Customers (3.04) Which Is Just Fall Short.

Service Quality OfSBI

Table-3: Service Quality Of Sbi		
Sbi	Mean Scores	Rank
Tangibility	0.36	2
Reliability	0.62	1
Responsiveness	0.18	5
Assurance	0.28	4
Empathy	0.30	3

Table 2 Shows The Mean Gaps Among The Dimensions Of Service Quality In Sbi. The Highest Contribution For Service Quality Is Reliability Whose Mean Difference Is 0.62. Providing Services At The Promised Time(0.8), Providing Right Servicesfor The First Time(0.7) And Maintenance Of Error Free Records (0.7) Plays A Significant Role In Reliability. Tangibility Plays Second Role Whose Mean Difference Is 0.36. Empathy Is The Next Contributor To The Service Quality Of Sbi Whose Mean Difference Is 0.30. Understanding The Needs Of Customers (0.7) And Individual Attention To The Customers (0.6) Are Playing A Major Role In Empathy. Next Level Of Contributor For Service Quality In Sbi Is Assurance With The Mean Difference 0.28. The Final Dimension Is Responsiveness With Mean Difference 0.18.

Service Quality InICICI

Table-4: Service Quality Of Icici		
Dimensions	Mean Scores	Rank
Tangibility	0.12	1
Reliability	-0.14	4
Responsiveness	-0.26	5
Assurance	-0.1	3
Empathy	-0.04	2

Table-3 Depicts The Service Quality Dimensions Of Icici. Tangibility Plays A Significant Role In Service Quality Of Icici Whose Mean Difference Is 0.12. Availability Of Sufficient Teller Counters (0.6), Visual Appearance Of Materials Associated With Service (0.10), Neat And Convenient Facilities(0.10) Plays Major Tangible Elements In IciciBank.Next To Tangibility, Empathy Playing A Significant Role In The Service Quality Of Icici With The Mean Score -0.04 Where Customer Expectations Have Dominated Perceptions. Though Mean Scores Of Expectations Are More Than The Mean Perception Scores, The Gap Is Very Minute. It Means The Perceptions Of The Customers Almost Closer To The Expectations. Responsiveness Is Another Dimension Which Has Got Higher Expectations Than The Perceptions. More Gap(-0.26) Was Observed Between The Mean Perceptions(2.90) And The Mean Expectations(3.16) In Responsiveness Dimension. Among Other Three Dimensions, Viz Empathy, Assurance And Reliability, The Mean Difference Scores Are -0.04,-0.1 And -0.14 Respectively. Among All These Three Dimensions The Mean Perceptions Of The Customers Are Just Fall Short Of Mean Expectations.

Comparison Of The Service Quality

Table-5: Service Quality Comparison		
Dimensions	Sbi	Icici
Tangibility	0.36	0.12
Reliability	0.62	-0.14
Responsiveness	0.18	-0.26
Assurance	0.28	-0.1
Empathy	0.3	-0.04
Total	1.74	-0.42

This Table Compares The Dimensions Of Service Quality Among The Selected Banks. The Perceptions Of The Customers Are Positive When Compared With The Expectations Among The Selected Private And Public Sector Banks. The Mean Difference Score Of Tangibility Of Sbi(0.36) Is When Compared With Icici(0.12). In Case Of Reliability, The Mean Difference Of Customers Of Sbi (0.62) Is More Than The Mean Difference Of Icici (-0.14). The Mean Difference Score Of Perceptions And Expectations Of Customers In Responsiveness Dimensions Of Sbi(0.18) Is More When Compared With Icici(-0.26). Much Difference Is Also Found In Assurance Dimensions As The Mean Difference Scores Of Sbi Is 0.28 And Icici Is -0.1. The Mean Difference Score Of Empathy Dimension If Icici Is -0.04 When Compared With Mean Difference Score Of Sbi(-0.04). When We Compare Mean Empathy Scores Of Sbi And Icici, The Score Of Sbi Is 0.3 Is More When Compared With Icici Which Is -0.04. Though We Observe The Mean Difference Scores Of The Dimensions Of Service Quality Of Icici Is Found Negative, The Perceptions Are Just Fall Short Of Experience Among The Sub Dimensions Of Every Dimension. It Means The Perceptions Of Customers Are Almost Closer To The Expectations Of The Customers. Finally When Compare The Total Service Quality Of Both The

Selected Banks, The Mean Service Quality Score Of Sbi Is 1.74 When Compared With Mean Service Quality Of Icici Which Is -0.42. This Analysis Shows The Service Quality Of Sbi Is More In Comparison With Icici As Selected Banks Among Public And Private Sector Banks Respectively.

VII.   Conclusion

The Technological Development And Modernization Of Banking Industry Provides Lot Of Scope To Improve The Attributes Of Customer Service. The Banks Should Be More Concerned Towards Customer Needs And Should Be Epithetical To Listen To The Customers. The Environment Of Bank Should Be Pleasant, Tension Free And A Banker Should Provide A Hassle Free Service Encounter To The Customer. Customer Satisfaction Is The Outcome Of Consumer Behavior Service Quality Is The Raw Material For That. This Study Shows That There Is A Clear Divide Between The Expectations And Perceptions Of The Customers Among Private And Public Sector Banks. But There Is Positive Sign That Public Sector Banks Exceed In Delivering Quality Than The Private Sector Banks Whereas The Selected Private Sector Banks Has Just Fall Before The Expectations Of The Customers. While Reliability And Tangibility Forms The Basis For Service Quality In Sbi Whereas Tangibility And Empathy Are Important Elements For Service Quality In Private Sector Bank Icici.Reliability, Responsiveness And Assurance Are The Factors To Be Considered Carefully In The Selected Private Sector Bank. Basing On The Analysis Of The Sample Results The Service Quality Provided By The Private Sector Banks Is Better Than The Service Quality Of The Selected Private Sector Bank. As There Is A Very Small Gap Between The Perceptions And Expectations Among Majority Of The Variables In The Private Sector Banks, With Emphasis On The Specified Factors, The Gap Can Be Minimized.

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