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## SERVICE QUALITY IN BANKS: AN ANALYSIS

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### ABSTRACT

Banking plays an important role in the growth and development of the Indian economy in each and every aspect. The main aim of the study is to analyze the perceived and expected service quality of selected public and private sector banks and to find out the service quality gap using SERVQUAL model. The study was based on primary data. Questionnaire is used to analyze the service quality of banks. The study concludes that the highest gap was found in the empathy dimension followed by the responsiveness, assurance, reliability and tangibility.

**Keywords:** Service quality, perceived, expected, SERVQUAL, Service quality gap

### INTRODUCTION

Banking is an integral part of modern-day life. In the present scenario of competitive banking, excellence in customer service is the most important tool for sustained business growth. Customer service has been the challenging job in the banking industry, specifically, after the financial sector reforms and implementation of new age technology. Providing prompt and efficient service is on the top agenda of commercial banks to attract and retain the new customers. Making banks more customer-friendly has also the top priority of the Reserve Bank of India.

### SERVICE QUALITY

A business with high service quality will meet or exceed customer expectations whilst remaining economically competitive. Evidence from empirical studies suggests that improved service quality increases profitability and long term economic competitiveness. Improvements to service quality may be achieved by improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes.

A service is an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and service employees and/or systems of the service provider, which are provided as solutions to customer problems. The concept of service quality has recently gained attention in the sport and recreational literature over the last two decades. Quality of services is an elusive concept because of intangible nature of service offering, and the definition of quality may vary from person to person and situation to situation.

Service quality is the overall evaluation of a firm's service delivery system. Improved service quality will result in more customer satisfaction.

Service quality refers to the collective effort of service performance, which determines the degree of satisfaction of users of all the services. The degree of customer satisfaction bears a direct relation to quality of service where good quality of service gives better customer satisfaction and bad quality of service leads to dissatisfaction of the customers. Parasuraman, Zeithaml, and Berry have identified 5 dimensions of service quality, namely, assurance, empathy, reliability, responsiveness and tangibility.

Service quality is a prerequisite for the survival and development of any organization. It is a critical factor in achieving competitiveness in most service industries. Service quality is a key to long-term profitability, as it affects the repurchase intention of both existing and potential customers.

### Services Provided By Banks In India

In the modern world, banks offer the variety of services to attract customers. However, some **basic modern services offered by the banks** are Advancing of Loans, Overdraft, Discounting of Bills of Exchange, Cheque Payment, Collection and Payment Of Credit Instruments, Foreign Currency Exchange, Consultancy, Bank Guarantee, Remittance of Funds, Credit cards, ATMs Services, Debit cards, Home banking, Online banking, Mobile Banking, Accepting Deposit, Priority banking which include free checking, online bill pay, financial consultation, and information, private banking which includes personalized financial and banking services that are traditionally offered to a bank's rich, high net worth individuals (HNWIs) etc. For wealth management purposes, HNWIs have accrued far more wealth than the average person, and therefore have the means to access a larger variety of conventional and alternative investments.

### Dimensions of Service Quality

A customer will have an expectation of service determined by factors such as recommendations, personal needs and past experiences. The expectation of quality of service and the perceived service quality results may not be equal, thus leaving a gap.

Parasuraman, Zeithaml and Berry described ten determinants competence, courtesy, credibility, security, access, communication, knowing, tangibles, reliability and responsibility which may influence the appearance of a gap. After a certain period of time the above mentioned ten dimensions were found to be repetitive in nature and thus after reworking the dimensions were reduced to five.

**Table 1.1: SERVQUAL Dimensions**

Dimensions	Description
Tangibles	Physical facilities, equipment and appearance of personnel.
Reliability	Ability to perform the promised service dependably and accurately.
Responsiveness	Willingness to help customers and provide prompt service.
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence.
Empathy	Caring, individualized attention the firm provides to its customers.

**(Parasuraman et. al., 1988)**

## Service Quality Gaps

Parasuraman, Berry and Zeithamal (1985) developed a model and identified five types of service quality gaps which are explained below:



The interactions between the client and the service-providing organisation, just as the internal correspondence in the organisation are of fundamental significance for the degree and nature of the service quality being provided to the customer.

The SERVQUAL Model recognizes five gaps that can emerge between the client's necessities and the help that an organization offers. These five gaps are mentioned below:

**1. Knowledge Gap** It is a gap which emerges when a firm's information on consumer needs is not enough, keeping the firm away from precisely moving toward customers. This occurs as a result of insufficient and careless research. It hints towards a problem with market understanding. The main reasons for the Knowledge Gap are lack of quality marketing, poorly interpreted information, unfocused research on customer needs, too much miscommunication between frontline employees and top-level management, etc.

**2. Standards Gap** The firm has framed its thought regarding what the client anticipates from its administration. In the event that this thought isn't right from the beginning and doesn't relate to what clients expect, there is a huge danger that the firm will interpret it wrongly into a quality approach and comparing rules. It is also known as the quality specification gap. The main reasons for the Standard Gap are absence of proper goal, insufficient planning, absence of quality service, not estimating the feasibility of the service, overall inadequate approach towards task standardization, etc.

**3. Delivery Gap** A gap can likewise happen when the firm offers a service that is not the same as what the customer had anticipated. This additionally includes off-base usage. The main reasons for delivery gap are ineffective recruitment, role conflict, could not match demand and supply, lack of teamwork, employee technology fit ineffective, inadequate planning, etc.

**4. Communications Gap** It is a gap that occurs when the organization promises services that they are not capable to deliver. The communications that the firm sends out can create wrong expectations. It is the difference between consumer experience and expectations. The main reasons of communication gap are failure to manage consumer demand, failure to perform promised services, poor communication, over-estimating on behalf of the marketing team, etc.

**5. Satisfaction Gap** It is a combination of knowledge gap and communication gap. It is the overall difference between the perceived service by the customer and the experience of the customer with the service and the firm. The main causes of satisfaction gap are online information, reviews, feedbacks by other customers, word of mouth, cultural background, personality, and various other factors which create a satisfaction gap between the consumer and the provider.

While there are various solutions to filling these gaps, the first and foremost step is effective communication. The majority of the problems can be solved if the organization is clear with its agenda and communicates the same clearly with its consumers.

Another way to fill the gap is to ensure that proper feedback is taken from the customers and appropriate actions are initiated for better customer service.

## REVIEW OF LITERATURE

Review of literature presents the summary of various research studies on the subject which have already been carried out at national and international level. It shall lead to draw some important conclusions and serve as a guide for the present study. It helps in eliminating the repetition of work that has already been done. It is the basis for identifying the gaps that exists in the area of research. With the help of reviews, an effort has been made for better understanding of the objectives of the research.

**Yavas, Bilgin & Shemwell (1997)** surveyed the service quality in the banking sector in an emerging economy. The data was collected via drop off and pick up procedure from 200 residents of Istanbul, Turkey. It was found from the study that responsiveness and tangible elements were closely linked to customer's satisfaction with a bank and their commitment. There were visual signs that banks were improving their responsiveness. To enable their customers to do their transactions outside of branches banks had expanded their ATM networks and had taken actions to standardize their procedures. This study investigated the effect of service quality on customer satisfaction, complaint behaviour and commitment in Turkey. It was suggested that banks should make more efforts to deliver high quality services to their customer.

**Aurora and Malhotra (1997)** studied the customer satisfaction in case of public and private sector banks in India. The objectives of the study were to determine the factors affecting customer satisfaction and to compare both the banks performance on the basis of satisfaction level of customers. The study highlighted six factors in case of public sector banks. It was concluded in the study that the customers of private sector banks were more satisfied as compared to the public sector banks customer. It was further suggested in the study that public sector banks should develop strategies like proper training and development of staff, regular market survey, personalized services, avoiding long queues and very attractive environment in order to increase the level of customer satisfaction of the customers.

**Nagabhushanam (2002)** studied the customer service quality of banks in India. The objectives of the study were to identify the degree of importance attached with the various dimensions of service quality, to compare the public, private and foreign banks on the basis of customer expectations and perceptions, to find the gap between the customer's expectations and perception, to understand the perception of employees and to find out the challenges faces by them to deliver expected services and to evaluate the performance of these banks and to make suggestions for improvement of quality of service in these banks. The study was based on both primary and secondary data. The primary data was collected from 600 respondents and the sample comprises 150 customers each from 4 cities namely Delhi, Bangalore, Kolkata and Pune. It was found from the study that foreign banks were rated high in all service quality dimensions. Public sector banks were rated second except that of responsiveness and private sector banks rated last in all parameters. It was also found from the study that responsive gap was highest followed by reliability gap, empathy gap, assurance gap and tangibility gap respectively. It was suggested in the study that banks should keep the trust factor and improve on the other aspects of service quality.

**Kayis, Kim and Shin (2003)** conducted a comparative study of Australian and Korean banks. The objective of the study was to find quality management practices and its outcomes. The study revealed that organizations should focus on service quality as an input to customer satisfaction for getting long-term benefits. Further it was suggested that banks have to realize the importance of service quality for their success and survival in today's highly competitive business environment

**Al-Fazwan (2005)** assessed the service quality in a Saudi bank. The objectives of the study were to assess the quality of services provided to the customers by the bank and to measure the customers' satisfaction. The study was based on SERVQUAL model. The questionnaire method with sample size of 202 bank customers was used. Gap analysis was used for considering the mean scores of expectation and perception of the bank customers. It was found from the study that expectation level of bank's customer was high as compared to their actual experience. It was suggested that bank should concentrate on accessibility dimension which showed the major service gap in the analysis

**Khare (2011)** analysed the customer perception and attitude towards the service quality in multinational banks in Allahabad and Ghaziabad cities on two days basis only i.e. Monday and Tuesday during the working hours in the months of October 2009 to February 2010. The banks were taken for the study was ICICI, HDFC, SBI, Union Bank and Punjab National Bank. The sample size was 150 taken from each city. Questionnaire was used for collecting responses from the respondents. The objectives of the study were to understand customer's perception towards service quality of these banks. The main parameters of the study were tangibility, reliability, competence, personal interaction and convenience. It was found out from the study that there was a gap existing in the service quality in terms of service delivery and outcome. The respondents believed that the service quality was inferior in comparison to foreign banks. This difference stands out as the staff in Indian Banks did not exhibit professionalism and provide correct information. It was also found out that the ambience of Indian Banks doesn't give customers the impression of good service. The staff was not cooperative and doesn't give priority to customer needs.

**Paul (2013)** assessed service quality of commercial banks in Odisha with special reference to SBI, Mayurbhanj. The objectives of the study were to evaluate the service quality in SBI and to analyze the customer satisfaction and dissatisfaction that is related to the expected and actual service quality of the bank. The data was collected with the help of structured Questionnaire from a sample of 200 respondents who have their accounts in different branches of SBI, Mayurbhanj district. It was found that more than 75% of the respondents were not satisfied with the banking service quality provided by the bank. The customers who were not satisfied consider responsiveness and empathy to be more important than any other dimension, which was lacked by the bank. It was suggested that the bank should generate a strong confidence among the customers that its primary objective can be achieved through the provision of a good service quality level accurately and timely with a strong performance.

**Aggarwal, Tripathi & Seth (2014)** reviewed e-commerce quality in banking industry. The parameters of the study were reliability, responsiveness, ease of use, personalization, security and trust, website aesthetic, efficiency, fulfilment, contact etc. It was found out that there was a positive impact of different dimensions used for research on e-service quality. It was suggested that the findings would lead to build a proper scale to measure the e-service quality in Indian Banking Industry.

**Darmula & Rao (2018)** studied the service quality of public sector banks in Warangal district. The objectives of the study were to determine the perception of customers regarding the quality of service delivered by public sector banks, to determine the relevant dimensions of service quality for the banking sector, to identify the dimensions of SERVQUAL that ensure maximum satisfaction for customers in banking sector, to analyse and compare the service quality perceptions of the customers in public sector banks and to study customer's perception and their expectation level provided by public sector banks. The study was based on the primary data. State bank of India, Andhra bank and Canara banks were selected in which 10 branches from two banks and 6 branches for one bank were selected by convenience sampling technique. It was found from the study that 49% of the respondents were dissatisfied from the services and majority 51% were satisfied from the services offered by the banks. The dissatisfied customers found responsiveness and empathy dimension as the twin concept that was lacked by the banks. It was suggested in the study that bank should generate a strong confidence among the customers that its primary objective can be achieved through the provision of a good service quality level accurately and timely with a strong performance.

## OBJECTIVES OF STUDY

- To analyse the perceived service quality of public and private sector banks.
- To analyse the expected service quality of public and private sector banks.
- To examine the service quality gap.

**RESEARCH METHODOLOGY**

**Data:-** The study is based on primary data. The primary data was collected with the help of structured questionnaire based on SERVQUAL model of service quality.

**Scope and Sample: -** For the study, two major banks both from the public as well as private sector banks were taken. State Bank of India and Punjab National Bank were taken from public sector banks and ICICI and HDFC Banks were selected from private sector banks. The data was collected from 551 bank customers who are availing banking services from the 4 banks. The area selected for the data collection was Patiala, Chandigarh including Mohali and Ludhiana.

**LIMITATIONS OF THE STUDY**

- The study depends upon limited customers.
- The study takes into consideration only three parameters for measuring the performance of banks.
- The results are restricted to four banks only. So, it has limited scope.

**SERVICE QUALITY: AN ANALYSIS**

The organization, analysis and interpretation of data and formation of conclusions and generalizations are necessary steps to get a meaningful picture out of the fresh information found after analysing the collected data. The analysis and interpretation of data involves the objective and hypotheses material and its subjective reactions and desires to derive from the data the inherent meanings in their relation to the identified problem. Analysis of data, as understood, is studying the tabulated material in order to determine inherent facts or meanings. It involves breaking down the existing complex factors into simpler parts and putting the parts together in new arrangements for the purpose of interpretation.

**Table-1.2****Descriptive Analysis on the basis of Demographical Variables**

		Count	Column N %
Gender	Male	346	62.8%
	Female	205	37.2%
Age group	Less than 25 years	34	6.2%
	25 to 35 years	162	29.4%
	Above 35 years	355	64.4%
Marital Status	Married	453	82.2%
	Unmarried	71	12.9%
	Widow/Divorcee	27	4.9%
Occupation	Student	28	5.1%
	Business	108	19.6%
	Professional	72	13.1%
	Service person	187	33.9%
	Farmer	35	6.4%
	Housewife	82	14.9%
	Others	39	7.1%
Area	Rural	73	13.2%
	Urban	478	86.8%
Educational Qualification	UG	86	15.6%
	Graduate	254	46.1%
	Post graduate	204	37.0%
	Others	7	1.3%
Account type	Saving account	467	84.8%
	Current account	29	5.3%
	Term deposit	18	3.3%
	Load account	29	5.3%

	Dormant account	8	1.5%
Prime bank of transaction	HDFC Bank	140	25.4%
	ICICI Bank	141	25.6%
	Punjab National Bank	150	27.2%
	State Bank of India	120	21.8%
How long you have been an account holder in this bank?	0 - 4 years	73	13.2%
	4 - 8 years	172	31.2%
	8 - 12 years	158	28.7%
	More than 12 years	144	26.1%
	Missing Information	4	.7%

Table 1.2 shows that on the basis of gender majority of respondent's majority of respondents (62.8%) are male. On the basis of age maximum respondents i.e. 64.4% belonged to above 35 years age group and on the basis of marital status maximum number of respondents i.e. 82.2% were married. Further occupation wise distribution of the respondents reveals that majority of respondents i.e. 33.9 % were service persons whereas areas wise majority of respondents i.e. 86.8% belonged to urban area. On the basis of educational qualification it was found that majority of respondents i.e. 46.1 % were Graduate. Table further reveals that majority of respondents i.e. 84.8% had saving account. It is also found that maximum number of respondents (27.2%) had Punjab National Bank as Prime bank of transaction. Further, table also shows that maximum number of respondents i.e. 31.2% had their accounts in a particular bank for 4 to 8 years.

**Table-1.3**

**Descriptive Analysis on the basis of Awareness among Bank Customers regarding Service Quality**

Services	N	Minimum	Maximum	Mean	Std. Deviation
e-banking services (ATM, EFT/RTGS/NEFT/IMPS, Debit/Credit card)	551	1	5	3.92	.897
Various saving deposit schemes	551	1	5	3.90	.914
Different types of loans	551	1	5	3.67	.995
Cross banking services like insurance, mutual funds etc.	551	1	5	3.28	.963
Promotional materials like Logo, Punch lines, Pamphlets, Advertisements	551	1	5	3.19	1.017
<b>Overall Level of Awareness</b>	<b>551</b>	<b>1.00</b>	<b>5.00</b>	<b>3.59</b>	<b>.769</b>

Table 1.3 reveals the level of awareness regarding service quality of banks on the basis of various aspects. Mean scores were calculated for the same and it was found that awareness regarding e-banking services (ATM, EFT/RTGS/NEFT/IMPS, Debit/Credit card) got maximum mean scores i.e. 3.92 which means bank customers were most aware about e-banking services of the banks. It was also found that bank customers or respondents also had awareness regarding various saving deposits schemes as their mean value was found 3.90 followed by awareness about different types of loans which has a mean score of 3.67. The data further shows that customers had a lower awareness about cross banking services mean score of which was 3.28 and promotional materials with lowest mean score of 3.19.

**Analysis on the basis dimensions of Service Quality**

On the basis of 5 dimensions of service quality the analysis regarding the perceived service quality is as follows:-

**Perceived Service Quality on the basis of Reliability****Table-1.4****Perceived Service Quality on the basis of Reliability**

<b>Reliability Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Your bank insists on error free records	551	1	7	4.85	1.12
Bank promises to do something by a certain time it does so	551	1	7	4.83	1.18
Bank provide the service at the time it promises to do	551	1	7	4.80	1.18
Bank shows sincere interest in solving customer's problems	551	1	7	4.79	1.19
Bank performs the services right at the first time	551	1	7	4.72	1.23
<b>Perceived Reliability</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>4.80</b>	<b>1.04</b>

Table 1.4 depicts the information regarding perceived service quality of banks on the basis of reliability indicators. Mean scores were calculated for each indicator. It was found that highest number of responses with a mean score of 4.85 was in favour of 'Bank insists on error free. Another statement which have nearly same importance as the first statement is 'Bank promises to do something by a certain time it does so' with 4.83 mean score. These were closely followed by other reliability indicators like 'Bank provide the service at the time it promises to do' (mean score 4.80) and 'Bank shows sincere interest in solving customer's problems (mean score 4.79). The lowest response was for ' Bank performs the services right at the first time' (mean score 4.72).

**Perceived Service Quality on the basis of Responsiveness****Table-1.5****Perceived Service Quality on the basis of Responsiveness**

<b>Responsiveness Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Employees in banks tells you exactly when services will be performed	551	1	7	4.60	1.12
Employees provide prompt services	551	1	7	4.56	1.14
Employees are willing to help customers	551	1	7	4.53	1.11
Employees are never too busy to respond to customer's requests	551	1	7	4.48	1.13
<b>Perceived Responsiveness</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>4.54</b>	<b>1.02</b>

Table 1.5 reveal the information regarding perceived service quality of banks on the basis of responsiveness indicators. Mean scores were calculated for each indicator of responsiveness. It was found that on almost all the indicators, the respondents were satisfied about the services provided by the banks. The mean scores varied from 4.48 to 4.60. The highest mean score was found about 'when the services will be performed'(4.60) followed by 'Employees provide prompt services' (4.56).



**Perceived Service Quality on the basis of Assurance****Table-1.6****Perceived Service Quality on the basis of Assurance**

<b>Assurance Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Employees in banks have the knowledge to answer customers' questions.	551	1	7	4.94	1.16
Customers feel safe in transactions with banks.	551	1	7	4.78	1.03
Behaviour of Bank employees instil trust in customers.	551	1	7	4.67	1.10
Employees in bank are consistently courteous with customers.	551	1	7	4.61	1.05
Bank gives customers individual attention	551	1	7	4.56	1.10
<b>Perceived Assurance</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>4.71</b>	<b>0.95</b>

Table 1.6 depicts the information regarding perceived service quality of banks on the basis of Assurance indicators. Mean scores were calculated for Assurance indicator and it was found that majority of respondents feel that bank employees have the knowledge to answer customers' questions as mean value was found to be maximum 4.94. Other statements also have same importance as their mean scores were found different but close to each other. For example 'Customers feel safe in transactions with banks' had 4.78 mean score. The scores for various statements under Assurance varied from 4.56 (individual attention) to 4.94 (knowledge to answer queries).

**Perceived Service Quality on the basis of Tangibility****Table-1.7****Perceived Service Quality on the basis of Tangibility**

<b>Tangibility Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Bank has modern looking equipment	551	1	7	4.96	1.10
Bank has physical facilities visually appealing	551	1	7	4.88	1.12
Materials associated with service are visually appealing such as pamphlets, pass book, debit card etc.	551	1	7	4.87	1.17
Bank's reception desk employees have neat appearance	551	1	7	4.83	1.17
<b>Perceived Tangibility</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>4.88</b>	<b>1.06</b>

Table 1.7 reveals the information regarding perceived service quality of banks on the basis of Tangibility indicators. Mean scores of different indicators are very close to each other. The lowest mean score of 4.83 has been seen for 'Reception Desk' and highest for 'Modern looking equipment' (4.96). Other statements which fall in between are also quite important.

**Perceived Service Quality on the basis of Empathy****Table-1.8****Perceived Service Quality on the basis of Empathy**

<b>Empathy Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Bank employees understand the specific needs of customers	551	1	7	4.58	0.99
Bank's has customer's best interest at heart	551	1	7	4.56	1.05
Bank employees give customers personal attention	551	1	7	4.50	1.06
Banks having convenient operating hours	551	1	7	4.44	0.95
<b>Perceived Empathy</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>4.52</b>	<b>0.90</b>

Table 1.8 reveal the information regarding perceived service quality of banks on the basis of Empathy indicators. Mean scores were calculated for the same and it was found that respondents feel that their bank employees understand the specific needs of customers as mean value is maximum (4.58) for this indicator. Other statements are also close though with different mean scores. Various statements had mean scores ranging from 4.44 (convenient operating hours) to 4.58 (employees understand customer needs).

**Expected Service Quality****Expected Service Quality on the basis of Reliability****Table-1.9****Expected Service Quality on the basis of Reliability**

<b>Reliability Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
The bank will insists on error free records	551	1	7	6.16	1.26
Bank will perform the services right at the first time	551	1	7	6.06	1.33
Bank will provide the service at the time they promises to do so.	550	1	7	6.03	1.34
When a customer has a problem the bank will show sincere interest in solving it	551	1	7	6.02	1.34
Bank promises to do something by a certain time it does so	551	1	7	5.95	1.28
<b>Expected Reliability</b>	<b>550</b>	<b>1.00</b>	<b>7.00</b>	<b>6.04</b>	<b>1.23</b>

Table 1.9 depicts the information regarding expected service quality of banks on the basis of reliability indicator. Mean scores were calculated for various indicators and it is found that respondents feel that the bank insists on error free records as mean value for this indicator is found maximum to be 6.16. Other statements also have fairly high importance as mean value was found almost close to each other. For example "Bank will perform the services right at the first time" had a mean score of 6.06. The lowest mean score 5.95 was noticed in the case of 'Bank promises to do something by a certain time, it does so.'

**Expected Service Quality on the basis of Responsiveness****Table-1.10****Expected Service Quality on the basis of Responsiveness**

<b>Responsiveness Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Employees of banks will always be willing to help customers	551	1	7	6.11	1.34
Employees of banks will provide prompt services to customers	551	1	7	6.07	1.31
Employees in banks will tell its customers exactly when services will be performed	551	1	7	6.05	1.33
Employees of banks will never be too busy to respond to customer's requests	551	1	7	6.05	1.38
<b>Expected Responsiveness</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>6.07</b>	<b>1.26</b>

Table 1.10 reveals the information regarding expected service quality of banks on the basis of responsiveness indicators. Mean scores were calculated for the responsiveness. It is found that majority of respondents feel that "Employees of banks will always be willing to help customers" as mean value for this indicator is found maximum (6.11). Other statements also have same importance as mean value was found almost close to each other. For example "Employees of banks will provide prompt services to customers" had a mean score of 6.07. The lowest mean score of 6.05 was found in case of 'Employees tell the customers when services will be performed' and for 'Employees will never be too busy to respond to customers' requests.'

**Expected Service Quality on the basis of Assurance****Table-1.11****Expected Service Quality on the basis of Assurance**

<b>Assurance Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Employees of the banks will have the knowledge to answer customers' questions.	551	1	7	6.16	1.24
Employees of the banks will be consistently courteous with customers.	551	1	7	6.13	1.26
Customers of banks will feel safe in transactions with banks.	551	1	7	6.11	1.24
Bank will give customers individual attention	551	1	7	6.06	1.37
Behaviour of Bank employees will instil trust in customers.	551	1	7	5.97	1.37
<b>Expected Assurance</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>6.09</b>	<b>1.20</b>

Table 1.11 reveals the information regarding expected service quality of banks on the basis of Assurance indicators. Mean scores were calculated for the same and it is found that majority of respondents felt that "Employees of the banks will have the knowledge to answer customers' questions" as mean value is found maximum 6.16. Other statements also have fairly high importance but with different mean scores as mean value was found different for each other. For example "Employees of the banks will be consistently courteous with customers" had a mean score of 6.13. The lowest mean score (5.97) was noticed in case of 'Behaviour of employees will instil trust in customers.'

**Expected Service Quality on the basis of Tangibility****Table-1.12****Expected Service Quality on the basis of Tangibility**

<b>Tangibility Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Employees at the bank's reception desk will be neat appearing	551	1	7	6.14	1.20
Materials associated with service will be visually appealing such as pamphlets, pass book, debit card etc.	551	1	7	6.14	1.25
Banking companies will have modern looking equipment	551	1	7	6.10	1.29
Physical facilities at the bank will be visually appealing	551	1	7	6.07	1.28
<b>Expected Tangibility</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>6.11</b>	<b>1.19</b>

Table 1.12 depicts the information regarding expected service quality of banks on the basis of Tangibility indicator. Mean scores were calculated for the same and it is found that majority of respondents respond for 'Employees at the bank's reception desk will be neat appearing' and 'Materials associated with service will be visually appealing such as pamphlets, pass book, debit card etc' as mean value for both is found maximum 6.14. Other statements also have close importance but with different mean scores as mean value was found different to each other. The lowest mean score of 6.07 was noticed in the case of 'Physical facilities will be visually appealing.'

**Expected Service Quality on the basis of Empathy****Table-1.13****Expected Service Quality on the basis of Empathy**

<b>Empathy Indicators</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
The banks will have convenient operating hours	551	1	7	6.26	1.30
The bank's will have their customer's best interest at heart	551	1	7	6.14	1.31
The bank will have employees who give customers personal attention	551	1	7	6.11	1.30
Employees of the banks will understand the specific needs of their customers	551	1	7	6.09	1.31
<b>Expected Empathy</b>	<b>551</b>	<b>1.00</b>	<b>7.00</b>	<b>6.15</b>	<b>1.24</b>

Table 1.13 shows the information regarding expected service quality of banks on the basis of Empathy. Mean scores were calculated for the same and it is found that majority of respondents felt that their 'Banks will have convenient operating hours' as mean value is found maximum 6.26. Other statements also have close importance but the mean scores vary from indicator to indicator. For example "The bank's will have their customer's best interest at heart" had a mean score of 6.14. The lowest mean score was noticed in the case of 'Employees understand the specific needs of their customers.'

## Total Perceived and Expected Service Quality

Table-1.14

Dimensions	N	Minimum	Maximum	Mean	Std. Deviation
Perceived Reliability	551	1.00	7.00	4.80	1.04
Perceived Responsiveness	551	1.00	7.00	4.54	1.02
Perceived Assurance	551	1.00	7.00	4.71	0.95
Perceived Tangibility	551	1.00	7.00	4.88	1.06
Perceived Empathy	551	1.00	7.00	4.52	0.90
<b>Perceived Service Quality</b>	<b>551</b>	<b>1.00</b>	<b>6.95</b>	<b>4.69</b>	<b>0.87</b>
Expected Reliability	550	1.00	7.00	6.04	1.23
Expected Responsiveness	551	1.00	7.00	6.07	1.26
Expected Assurance	551	1.00	7.00	6.09	1.20
Expected Tangibility	551	1.00	7.00	6.11	1.19
Expected Empathy	551	1.00	7.00	6.15	1.24
<b>Expected Service Quality</b>	<b>550</b>	<b>1.00</b>	<b>7.00</b>	<b>6.09</b>	<b>1.15</b>

Table 1.14 shows that total perceived and expected service quality with their dimensions. It is found that mean score for total perceived reliability 4.80, for perceived responsiveness is 4.54, for perceived assurance 4.71, for perceived tangibility 4.88 and for perceived empathy 4.52. Total mean for perceived service quality is found to be 4.69. Further, the table also depicts the total expected service quality with their dimensions. It is found that mean score for expected reliability is 6.04, for expected responsiveness is 6.07, for expected assurance is 6.09 for expected tangibility is 6.11 and for expected empathy is 6.15. Total mean for expected service quality is 6.09.

## Gap between Perceived and Expected Service Quality

Table-1.15

Gap between Perceived and Expected service quality

Dimensions	Perceived	Expected	Gap
Reliability	4.80	6.04	-1.24
Responsiveness	4.54	6.07	-1.53
Assurance	4.71	6.09	-1.38
Tangibility	4.88	6.11	-1.23
Empathy	4.52	6.15	-1.63
<b>Overall Service Quality</b>	<b>4.69</b>	<b>6.09</b>	<b>-1.40</b>

Table-1.15 reveals Gap between perceived and expected service quality. It is found that the gap between perceived and expected service quality on the basis of reliability is -1.24. Similarly, the gap between perceived and expected service quality on the basis of responsiveness is -1.53, between perceived and expected service quality on the basis of assurance is -1.38 and the gap between perceived and expected service quality on the basis of tangibility is -1.23. The highest gap between perceived and expected service quality on the basis of empathy is found -1.63. The overall gap between perceived and expected service quality is found to be -1.40.

**CONCLUSION**

Service quality plays an important role in maintaining the customers of an organisation. A good service not only satisfy the customers but also make them loyal towards the services. With the increase in the service, the expectation of a customer rises. There always exists a gap between the service perceived and expected by a customer because needs are rising day by day. The study is based on perception and expectation of customers regarding the service quality in the banks. on the basis of dimensions of service quality given by Parasuraman et. al., 1988, it is found from the study that on the basis of perception, customers were more satisfied with the tangibility indicators as compared to other dimensions of the service quality followed by reliability, assurance, responsiveness and empathy. On the basis of expected service quality, the empathy indicators have the highest mean score followed by empathy, tangibility, assurance, responsiveness and reliability. And on the basis of gap that is difference between the perceived and expected service quality, the highest gap was found in the empathy dimension followed by the responsiveness, assurance, reliability and tangibility. So, expectations are more as compared to perceived services. Therefore, banks should try to eliminate the gaps by giving more attention towards the customer needs and preferences and should indulge themselves in satisfying more and more customers.

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