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

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Keywords: Service, Quality, Reliability, Assurance, Tangibility, Empathy, Responsiveness.

I. Introduction


II. Need For The Study

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 The Statements 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**

**V. Service Quality**

**SERVQUAL Model**

- **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.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>SBI</th>
<th></th>
<th></th>
<th>ICICI</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
<td>Percentage</td>
<td></td>
<td></td>
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<td>17</td>
<td>23</td>
<td>23</td>
<td></td>
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<td>46-55</td>
<td>21</td>
<td>21</td>
<td>13</td>
<td>13</td>
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<td>Above 55</td>
<td>9</td>
<td>9</td>
<td>7</td>
<td>7</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
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<table>
<thead>
<tr>
<th>Gender</th>
<th>SBI</th>
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<td>59</td>
</tr>
<tr>
<td>Female</td>
<td>37</td>
<td>41</td>
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<tr>
<td>Total</td>
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<table>
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<th>ICICI</th>
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<td>8</td>
</tr>
<tr>
<td>Intermediate</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Graduate</td>
<td>52</td>
<td>62</td>
</tr>
<tr>
<td>Post Graduate</td>
<td>21</td>
<td>19</td>
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<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
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<table>
<thead>
<tr>
<th>Occupation</th>
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</thead>
<tbody>
<tr>
<td>Govt. Employee</td>
<td>18</td>
<td>27</td>
</tr>
<tr>
<td>Private Employee</td>
<td>33</td>
<td>56</td>
</tr>
<tr>
<td>Business</td>
<td>26</td>
<td>7</td>
</tr>
<tr>
<td>Student</td>
<td>17</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>8</td>
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<tr>
<td>Total</td>
<td>100</td>
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<table>
<thead>
<tr>
<th>Income</th>
<th>SBI</th>
<th>ICICI</th>
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<tr>
<td>&lt;10000</td>
<td>21</td>
<td>7</td>
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<tr>
<td>10001-20000</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>20001-30000</td>
<td>18</td>
<td>27</td>
</tr>
<tr>
<td>30001-40000</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>&gt;40000</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
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</table>

<table>
<thead>
<tr>
<th>Time Since Association</th>
<th>SBI</th>
<th>ICICI</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1year</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>1-3years</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>3-5years</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>5-10years</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>&gt;10years</td>
<td>19</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

This table shows different demographic factors and their preference towards banking activities. When we consider age groups, the group 36-45 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 10000-20000 Whereas Almost 53% Of The Respondents In The Income Group 20000-40000 In ICICI Are The Dominant Customers. Majority Of The Customers In Both The Banks Having Association With The Respective Bank From 1-4 years.

Sub Dimensional Analysis Of Service Quality In Both The Banks

<table>
<thead>
<tr>
<th>Table 2: Assessment of Service Quality</th>
<th>SBI</th>
<th>ICICI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tangibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up-to-date equipment &amp; technology</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>New, Convenient &amp; Visually appealing</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td>2. Image &amp; Professional appearance of</td>
<td>3.2</td>
<td>3.0</td>
</tr>
<tr>
<td>Customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintained as to service are visually</td>
<td>3.0</td>
<td>2.8</td>
</tr>
<tr>
<td>appealing (ornaments, colors etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Availability of sufficient courses</td>
<td>2.8</td>
<td>2.6</td>
</tr>
<tr>
<td>Totals</td>
<td>14.3</td>
<td>13.9</td>
</tr>
<tr>
<td>Mean Value</td>
<td>3.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Gap Value</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>4. Reliability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service not provided as promised</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>System in solving customer’s problem</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Performance is right the first time</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Perseverance in providing services</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Maintenance of error free records</td>
<td>2.0</td>
<td>1.7</td>
</tr>
<tr>
<td>Totals</td>
<td>13.0</td>
<td>11.3</td>
</tr>
<tr>
<td>Mean Value</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Gap Value</td>
<td>0.3</td>
<td>0.0</td>
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<tr>
<td>5. Assurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructions to customers as to when</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>services will be performed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prompting service promptly</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Willingness of bank employees to help</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability of bank for service</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Consistency of behavior and policies</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Totals</td>
<td>13.3</td>
<td>11.6</td>
</tr>
<tr>
<td>Mean Value</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Gap Value</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>6. Empathy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual attention to customers</td>
<td>2.7</td>
<td>2.5</td>
</tr>
<tr>
<td>Customer service to all customers</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Bank has customer’s best interest at</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>least</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees concerned the needs of</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perception of customers into providing</td>
<td>2.5</td>
<td>2.3</td>
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<tr>
<td>the specific needs of customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>13.3</td>
<td>11.6</td>
</tr>
<tr>
<td>Mean Value</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Gap Value</td>
<td>0.3</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Table 3: Service Quality Of SBI

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean Scores</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
<td>0.36</td>
<td>2</td>
</tr>
<tr>
<td>Reliability</td>
<td>0.62</td>
<td>1</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>0.18</td>
<td>5</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.28</td>
<td>4</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.30</td>
<td>3</td>
</tr>
</tbody>
</table>

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 ThePromised 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.

Table 4: Service Quality Of ICICI

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean Scores</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
<td>0.12</td>
<td>1</td>
</tr>
<tr>
<td>Reliability</td>
<td>-0.14</td>
<td>4</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>-0.26</td>
<td>5</td>
</tr>
<tr>
<td>Assurance</td>
<td>-0.11</td>
<td>3</td>
</tr>
<tr>
<td>Empathy</td>
<td>-0.04</td>
<td>2</td>
</tr>
</tbody>
</table>

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.

Table 5: Service Quality Comparison

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>SBI</th>
<th>ICICI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
<td>0.36</td>
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<td>-0.26</td>
</tr>
<tr>
<td>Assurance</td>
<td>0.28</td>
<td>-0.1</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.3</td>
<td>-0.04</td>
</tr>
<tr>
<td>Total</td>
<td>1.74</td>
<td>-0.42</td>
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</table>

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 episthical 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.

References


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