Abstract:

The service sector in India is remarkably diverse. It comprises a wide array of industries that promote to individual customers and organizational customers, as well as to government agencies and non-profit organizations. The service sector in India is the most vibrating sector which is contributing above 54.0% of India’s GVA (Gross Value Added) in 2017-18 and employed more than 28.6% of the India’s total population. India’s Net Services exports in 2017-18 grew to 14.98% year by year to US$ 77,562.89 million. Both domestic factors and global factors significantly affect the services sector. The facilities management market of India is expected to grow at 17% compound annual growth rate (CAGR) between 2015 and 2020 and surpass the US$19 billion mark supported by growing sectors like retail, tourism hospitality, healthcare and real estate sectors.

Keywords: Service Quality, Customer satisfaction, SERVQUAL.

I. Introduction

The Indian Banking sector has seen tremendous changes after the independence. Different change measures, both subjective and quantitative, were acquainted with a goal with rejuvenate the Indian banking framework and to address future difficulties. In the competitive world, the banking system is a key factor to deliver quality services to meet the customer expectations. Now organisations are shifting from customer satisfaction to customer delight which is a primary function of quality management. Delight, satisfied and loyal customers bring stable income to banks. So organisations need to pay special focus on factors such as providing quality
service, educating customers, maintaining customer relationships etc. Banks identified that customer is most important asset of organisation. Usage of technology increased the customer expectations to receive quality service from organisation.

Banks offer many types of services that are spanning from creating a savings bank account to online banking, offering loans to providing insurance, offering locker facilities to remitting the money to those living in foreign countries. The customers of the banks are from all walks of life from uneducated peasants, company employees to global companies conducting the commercial activities all over the world. The banks should please all these types of customers who are from various social groups. Being a service provider, the roles of these banks are very crucial in creating a good perception in the customer’s minds about the banks.

II. Importance of Service Quality

Service Quality in banking sector is the most important criteria and asset for evaluating and satisfying customers and thereby increases customer loyalty and retention rate of customers. Increased competition, usage of Internet, highly educated customers and increase in standard of living forcing many organisations to rethink their customer service strategy.

While there has been impressive research in the territory of administration quality, there is various fields in which an intensive assessment of the administration holes has not been directed, for example, the subject examination that will address this significant measure from the viewpoint of observational investigations of discerments versus desires. Moreover, the gaps between customers’ expectations and actual services delivered are an area ripe for study.

III. Need and Importance of the Study

The services sector developed as the biggest supporter of the nation's GDP and became quicker than the agribusiness and industrial areas. The banking sector assumes a huge job in the monetary advancement of the nation, by furnishing settlement office with their immense branch systems, help in the free progression of assets to various pieces of the nation, any place there is a need, rather than permitting them to lie lethargic in stale pools. Undoubtedly the Banking Industry in India is experiencing a transitional stage. The principal period of money related changes brought about the nationalization of 14 significant banks in 1969 and brought about a move from Class banking to Mass banking. This, thusly, brought about huge development in the topographical inclusion of banks.

IV. Review of Literature

Detailed analysis is made on the existing literature with a view to understand most underlying dimensions of service quality, the various statistical tools applied for the analysis by the authors, the conclusions and findings emerged and its relevance in justifying the objectives.

Arasli et. al. (2005) has assessed the administration quality impression of Greek Cypriot bank clients utilizing the SERVQUAL model. Results uncovered that the desires for bank clients were not met where the biggest hole was acquired in the
responsiveness compassion measurement. Unwavering quality things had the most elevated impact on consumer loyalty, which thus had a factually huge effect on the positive informal exchange the investigation reaches out by taking a gander at the connection between service quality, consumer loyalty and positive informal [I].

Parasuraman et al. (1985) have recommended the SERVQUAL framework to evaluate the level of customer satisfaction. They proposed a SERVQUAL model that is based on five dimensional constructs of perceived service quality called as tangibles, reliability, responsiveness, assurance and empathy - with item reflecting both expectation and perceived performance. Parasuraman views that excellent customer service and excellent marketing are the two sides of the same coin [X].

Rohini (2006) have studied the perception of patients on service quality in five medical clinics in Bangalore city. Service Quality Model utilized for understanding assistance quality conveyance in social insurance service. The investigation uncovered that there is a general assistance quality gap between patients' discernments and their desires and administrations' impression of patients' desires and patients' desires for administration quality. The examination recommended that enhancements ought to be in each of the five components of administration quality - effects, unwavering quality, responsiveness, affirmation, and compassion [XI].

V. Objective of the Study

The main objective of the study is to evaluate and compare the Service quality dimensions such as tangibility, reliability, responsiveness, assurance, and empathy of Public and Private sector banks.

VI. Sources of Data

The study is based on both primary and secondary data. 
**Primary data:** The main sources of primary data are a structured questionnaire and personal observation done through physical visits to bank branches, opinions of customers and bank employees of various select branches in the Public and Private sector Banks are the main sources of primary data. 
**Secondary data:** The information is gotten from the yearly reports of RBI, yearly reports of Public and Private Division banks. Various other published documents on the Service quality and performance of Public and Private sector Banks, records and documents of select Banks of Public and Private in Warangal District are the major source of secondary data.

VII. Methodology

The methodology adopted to carry out the research to fulfil the objectives in terms of collection of data, analysis and presentation of data, statistical tools applied and hypothesis framed are presented.
VIII. Data Collection

Primary data from the Customers is collected through administering a structured questionnaire distributed among the respondents to elicit responses. The questionnaire consist of statements framed to analyze service quality dimensions of select commercial banks such as services offered by banks in terms of tangibility, reliability, responsiveness, assurance, and empathy.

Sample Design

For the purpose of selecting the sample of customers of Public and Private sector Banks, multi-stage purposive sampling method is used. In the first stage (3) Mandals of Warangal District such as Warangal, Hanamkonda and Kazipet are selected. These Mandals are selected because they have more number of Banks located in this region. At the second stage 4 Banks from Public sector such as SBI, Andhra Bank, Canara Bank and Indian Overseas Bank and from Private sector such as HDFC, ICICI, Axis and Kotak banks are selected. The data collected from 400 respondents, out of which 200 from Public sector banks and 200 from Private sector banks which are based on purposive sampling basis. Details are presented in the following table.

Table 1: Distribution of Sample Respondents from Select Public and Private Sector Banks

| Sl.No | Warangal                    | Total Branches | Warangal Mandal | Hanamkonda Mandal | Kazipet Mandal | Sample |
|-------|-----------------------------|----------------|-----------------|-------------------|----------------|--------|
| 1     | Andhra Bank                 | 20             | 4               | 10                | 2              | 16     |
| 2     | State Bank of India         | 52             | 14              | 28                | 3              | 45     |
| 3     | Canara Bank                 | 8              | 3               | 4                 | 1              | 8      |
| 4     | Indian Overseas Bank        | 7              | 1               | 2                 | 1              | 4      |
| 5     | HDFC Bank                   | 6              | 2               | 3                 | --             | 5      |
| 6     | ICICI Bank                  | 3              | 1               | 1                 | 1              | 3      |
| 7     | Axis Bank                   | 3              | 1               | 1                 | 1              | 3      |
| 8     | Kotak                       | 11             | 3               | 3                 | 1              | 7      |
|       | TOTAL                       | 111            | 29              | 52                | 10             | 91     |

Data Analysis

The study is mainly based on primary data generated from the responses from customers of public and private sector banks, the questions relating to customers expectations and their perceptions towards service performance. In order to quantify
these responses, scaling techniques are adopted. For measuring service quality, Likert type five point scales is used

Data Analysis and Results:

With view to understanding the gap between expectations and perceptions of customers of Public Sector banks on service quality, gap analysis is performed on the data collected and the results of the expectations and perceptions customers of Public and Private Sector banks on the service quality dimensions are compared.

Table: 2 Average Score of Service Quality Factors of Public Sector Banks

| Sl. No. | Dimension    | Overall Mean Score of Expectations E | Overall Mean Score of Perceptions P | Gap Score = P-E |
|---------|--------------|-------------------------------------|------------------------------------|-----------------|
| 1       | Tangibility  | 3.63                                | 3.52                               | -0.11           |
| 2       | Reliability  | 3.60                                | 3.29                               | -0.31           |
| 3       | Responsiveness | 3.66                              | 3.36                               | -0.30           |
| 4       | Assurance    | 3.65                                | 3.45                               | -0.20           |
| 5       | Empathy      | 3.62                                | 3.18                               | -0.44           |

Source: Compiled from Field Survey

The SERVQUAL (Overall) gap average (Table -2) for five dimensions was -.07. The result indicates that the doors open for the banks to improve service providing system. Negative average gap scores of five out of five dimensions indicate large gap between the expectations and perceptions. Hence, concluded that the service delivery in Public Sector banks is generating unsatisfactory perceptions among the customers of Public Sector Banks.

Table: 3 Average Score of Service Quality Factors of Private Sector Banks

| Sl. No. | Dimension    | Overall Mean Score of Expectations E | Overall Mean Score of Perceptions P | Gap Score = P-E |
|---------|--------------|-------------------------------------|------------------------------------|-----------------|
| 1       | Tangibility  | 3.72                                | 3.63                               | -0.09           |
| 2       | Reliability  | 3.62                                | 3.42                               | -0.20           |

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Responsiveness | 3.45 | 3.46 | 0.01
Assurance | 3.37 | 3.33 | -0.04
Empathy | 3.45 | 3.06 | -0.39

Source: Compiled from Field Survey

The overall SERVQUAL gap for each of the dimensions is presented in table-3 suggest a need for improved service quality in the dimensions of tangibility, reliability, assurance and empathy through legitimate correspondence, better client understanding, appropriate administration duty, great cooperation, objective setting and undertaking normalization. The outcomes show an extraordinary open door for the bank to improve the whole assistance giving component The negative average gap scores of four out of five dimensions indicate comparatively marginal gap between the expectations and perceptions. Hence, concluded that the service delivery in Private Sector banks are generating marginally better service quality in comparison with public sector banks yet there is a need for improvement in fulfilling the other 4 dimensions of service quality such as Tangibility, Reliability, Assurance and Empathy.

IX. Conclusions

The overall gap analysis revealed that, private sector banks have not fulfilled for the dimensions including tangibility, reliability, assurance and empathy. Public sector banks have not fulfilled the dimensions including tangibility, reliability, responsiveness, assurance and empathy dimensions.

The overall SERVQUAL gap average for all the five dimensions was -.07. These gaps suggest a need for improved service quality in the dimensions of tangibility, reliability, assurance and empathy through proper communication, better customer understanding, proper management commitment, good team work, goal setting and task standardization.

X. Suggestions

Despite the 5 dimensions of service quality analyzed for the study, the measures such as Service encounter, Service Efficiency, Service feedback will further help the banks to improve the quality, hence all the 8 select banks must practice the strategies to improve the quality right from the customer interact at the entry to the branch till he completes his service need.

XI. Scope for Further Research

The study specifically focused on the service quality with more in-depth study pertaining to 5 dimensions of service quality prescribed by Parasuraman et al. Model. The study does not take into consideration of the gaps in Parasuraman model.
such as Service encounter, Service Delivery rate and Service Feedback. Hence, there is a scope for further improvement by emphasizing on these dimensions.

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