

# Service Quality Gap Analysis in Indian Banking Industry: A Perspective from Customer and Officials

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## Abstract

*The present study assesses the perceptions of service quality in Indian banking industry from the perspective of both customers and bank officials. A questionnaire was used to survey a sample of 253 customers and 253 bank officials who linked with the various bank branches at Madurai District in Tamilnadu. The statistical analysis was used (factor analysis, one way analysis of variance) to evaluate the service quality in the Indian Banking industry from both the customers and the bank officials perspectives and to investigate the four gaps: between customers expectations and their actual perception; between bank officials perceptions of customers expectations and the actual expectations of customers; between bank officials perceptions of a banks service delivery and customers actual perceptions of the service; and between bank official's perceptions of customers expectations and bank officials perceptions of their banks service delivery. The results showed that customers perceptions of service quality provided in the Indian Banking Industry were consistently lower than their expectations. The bank officials over estimated about their service delivery in meeting customers expectations of service quality. From the result of gap analysis, it might be concluded that the service quality gap and delivery gap were the main reasons contributing to the service quality shortfalls in the Indian banking industry.*

## Introduction

Delivering quality service to customers is a must for success and survival in today's competitive banking environment (Samli and Fronhlich, 1992). Provision of high quality services enhances customer retention rates, helps to attract new customers through word of mouth advertising, increases productivity, leads to higher market shares, lowers staff turnover and operating costs, and improves employee morale, financial performance and profitability. (Julian and Ramaseshan 1994, Lewis 1993). Financial institutions which are acknowledging the customer needs, in designing and delivering services and technical superiority of services will get success. (Zeithaml and Bitner, 1996). New marketing concepts and strategies (Ennew et al., 1993) are paying greater attention to identifying customer needs and expectation (Morgan, 1989) and offering high levels of

service quality (Lewis, 1993; Thwaites and vere, 1995).

Service quality must take its cues from what customers want (BMA, 1991), that is, through customer perception. Perceived service quality is defined as the extent of discrepancy between expectation and perception of performance (Zeithaml et al., 1990). Consequently, effective management of the determinants of quality expectation and perception is required (Berry et al., 1985). Although Zeithaml and Bitner (1996); Sharma and Mehta (2005) and Peter et al., (1997) suggest that Customers might hold similar levels for a spectrum of service firms in the same industry, if service expectation are similar with the service perception in different groups of commercial banks.

There are so many empirical evidences on the service quality in commercial banks and customer satisfaction (Soterion and Yiannos, 1997; Ugur et al., 1997; Neconi, 1994; and Niki, 2006). There is only little empirical evidence on the analysis of the gap between customers' perception and expectation; employees' expectation on customers' demand and their perception on the services provided to them in commercial banks. Since this analysis requires the expectation and perception on the services offered by the commercial banks as per the customers and managements' point of view in commercial banks. Coyle and Dale (1993) examined the evaluation of service quality in the hospitality industry from both the customers' and the providers' view points. The study identified a number of gaps existing between the perception of customers' and service provider namely management perception, service quality strategy, service design and service quality specification interms of customers' expectation, service gaps, quality supportive financial function, internal communication, integration/co-ordination, co-ordination of other people and /or organisations in the value system, service delivery, external communication, contact personnels' perception of customers' expectation, contact personnels' perceptions of customers experiences and customers perceptions (Clement, 2005; Garvin, 1987; Candido and Morris, 2000). Hence, the purpose of this study is to identify the service quality gaps in Indian commercial banks. The specific objectives of this study were to:

- Identify the important service quality factors in Indian Banking industry,
- Assess the current expectations and perceptions held by the customers with respect to the quality of services in Indian

Banking Industry,

- Assess the current expectations and perceptions held by bank officials in India with respect to quality of banking services provided;
- Identify any gap between the perceptions of customers and bank officials, with respect to the quality of bank service provided.

### **Perceptions of Service Quality Received**

Perceived service quality has been defined as the consumer's global attitude or judgment of the overall excellence or superiority of the service. It results from comparisons by consumers of expectations with their perceptions of service delivered by the suppliers (Lewis et al., 1994; Takeuchi and Quelch, 1983). The four major factors influencing customer perception of service: In service encounter (Gronroos, 1990; Bitner et al., 1990), Evidence of service (Wong and Perry, 1991), Image and reputation (Keller, 1993) and price (Kangis and Passa, 1997). In service encounters, the verbal and non-verbal behaviour are as important determinants of quality as tangible cues such as the equipment and physical setting. The evidence of service reveals the simultaneity of production and consumption; Customers are searching for cues to help them to determine the level of service. Image and reputation reflect the associations held in the memory of the consumer.

### **Service Quality Gap Model**

The service quality model has been developed by various researchers from the original work of Parasuraman et al., (1985, 1988 and 1991). The service quality model was derived from the magnitude and direction of five gaps refer Figure 1.

## 1. Understanding

Understanding is the difference between consumer expectations and management perceptions of consumer expectations.

## 2. Service Standards

Service Standards is the difference between management perception of consumer expectations and service quality specifications.

## 3. Service Performance

The difference between service quality specifications and the service actually delivered.

## 4. Communications

The difference between service delivery and what is communicated about the service to consumers.

## 5. Service Quality

Service Quality is the difference between customer expectations of service quality and customer perceptions of the organisation's performance.

The first four gaps (Gap 1, Gap 2, Gap 3 and Gap 4) affect the way in which service is delivered, and the existence of these four gaps leads to the extent of Gap 5. In other words, the extent of Gap 5 depends on the size and direction of the first four gaps. However, Gap 2, Gap 3, Gap 4 are not relevant to the research scope of the present study since these gaps are related to the management aspects alone namely the estimation of customers' expectation by the management, translation of their estimation into the service delivery and also the communication related to that service delivery. The principal focus of the present research is Gap 5, Gap 1 and the two additional gaps (Gap 6 and Gap 7) which are identified in the model. Each of these gaps

(Gap 5, Gap 1, Gap 6 and Gap 7) is presented in Figure 2.

## Gap 5: Customer Perceptions of Service Quality

Measurement of the gap (Gap 5) between customers' expectations and their perception of service quality delivery has become the principal focus of research recently (Verma and Vohra, 2000; Joshma and Koshi, 2005). This analysis may provide management with important insights about how well actual service performance is when compared with the expectations of the customers. Therefore, study of Gap 5 is extremely useful for management in monitoring the service delivery in Indian banking sector. Thus it was important to test customers' perceptions (actual experience) to see whether service quality provided by the banks in India was meeting, exceeding or falling below customers expectations.

## Gap 1: Management's Perceptions on Customer Expectation and actual Customers Expectation

This gap is pertinent to a critical question: "Do the Indian Bank Managers understand what their customers expect from service quality in the bank industry in India?" Management perceptions about what customers expect from service quality should ideally be congruent with the expectations expressed by customers. Most senior management executives have the authority and responsibility for setting service priorities and for designing and developing service quality standards, so if they do not fully understand what customers' expects they might trigger a chain of bad decisions, resulting in poor perceived service quality. A number of studies (Nightingale, 1986; Lewis, 1987; Nel, 1993; and Kang and Fames, 2004) have revealed that there were some considerable

differences in the managements' estimation on customers' expectations and actual expectations of the customers.

### **Gap 6: Customers and Management Perception on Service Delivered**

This gap is the difference between customers' perception of service delivery and what management believes that they delivered. This gap is pertinent to the simple question, "Do managers overestimate their organisations' service delivery in meeting customer expectations of service quality in Indian banking industry? As mentioned in the literature review, some studies (Lewis, 1987; Coyle and Dale, 1993) found that managers tended to be very self-assured and they believed they knew best. Thus, they perceived their service delivery as being more successful than customer perceived it to be, in most cases.

### **Gap 7: Management's Perceptions of Customers' Expectation and their Perception on the Service Delivered**

It is the difference between management perception on customers' expectation and the services delivered to the customers. This gap measures the internal situation: Does management believe that they have delivered as much as their estimations on customers' expectation? Measuring management perceptions of service quality is just as important as measuring customer perceptions, because management perceptions of service quality directly affect service quality standards. The measurement of the gap could help us to know whether or not management has confidence in meeting customers' expectations.

These four gaps (Gap 5, Gap 1, Gap 6 and Gap 7) could provide better insights for bank managers to evaluate and identify service quality problems. By understanding the

extent and direction of these four gaps, managers would be able to identify whether their service was exceeding, meeting or falling below customers expectations, and would gain clues about how to close any gaps.

## **Methodology**

### **Construct Development**

Service quality was operationalised by using Parasuraman et al., (1988) widely known 22 item, five components (i.e. Tangibles, Reliability, Responsiveness, Assurance and Empathy) of SERVQUAL instrument. SERVQUAL is criticized by Bala and Boller (1992), Cronin and Taylor (1994) and Mc Alexander et al., (1994). They revealed the importance of SERVPERF scale to measure the service quality. In the Indian context, Elango and Gudep (2006) and Zillur Rahman (2005) used 21 statements to measure the service quality in Public, Private and Foreign Banks. Prabharan and Satya (2003) used seven dimensions of banks namely Service dimension, Service attributes, Reliability, Responsiveness, Assurance, Empathy and Tangibles to measure the service quality of commercial banks. In the present study, 21 statements have been used to measure the service quality in commercial banks. The respondents were asked to rate the 21 statements at five point scale in two different dimensions namely according to their expectation and perception on the service offered by banks (Brown et al., 1993; and Carman 1990).

Co-efficient alphas (Peterson, 1994) were computed to assess the reliability of SERVQUALS five components as well as the overall instrument. Coefficient alphas for all five dimensions as well as the overall instrument were well above Nunally's (1978) guidelines (Coefficient alpha > 0.70). At the dimensional alphas ranged between 0.8939

and 0.7091. Likewise, dimensional, alpha for the overall instrument was a very respectable 0.91. Convergent validity of the overall score was checked by correlating it with a single-item service quality measure obtained on a seven point scale. The measure demonstrated sound convergent validity ( $r = .79$ ;  $p < .02$ ).

The targeted populations of the present study were all customers and bank officials who are having accounts and working at various commercial banks at Madurai City. The Madurai City consists of 62 Nationalized banks, 16 State Bank Groups and 28 private sector banks. In total, 3 customers and bank officials from each bank are purposively selected for the study. In total 318 customers and 318 bank officials have been selected for the study. Only 253 customers and 282 bank officials responded the interview schedule in a useable manner. In order to maintain an equal representation of customers and bank officials, the number of customers and bank officials are taken as 253 in each.

## Result

### Demographic Profile of Customers and Bank Officials

The sample of customers contained more male (78%) than female (22%). More than 54 per cent of the respondents had a university, college or graduate education. About 46.00 per cent of the customers were professional, executive or salesman, and nearly 50 per cent earned an annual income of Rs.1.5 lakhs or above. The majority of the customers' age group was 36 to 45 (40%) followed by 25 to 35 (28%) and 46 to 55 (21%).

The sample of bank officials contained more males (69%) than females (31%), and more than 81.00 per cent were aged above 35-45 years. More than 91 per cent of the bank officials had a university, college or graduate education whereas the remaining 9 per cent had professional education. More than 64 per

cent of the bank officials have an experience of above 20 per cent years in banking.

### Service Quality Factors in Commercial Bank

To identify the important service quality factors in banking, the score of 21 service quality variables have been taken into account. The factor analysis has been executed to summate the service quality variables into important service quality factors.

Before conducting factor analysis, the validity of data for factor analysis has been conducted with the help of KMO measures and Bartlett's test of sphericity. The computed KMO measures and chi-square value satisfy the validity of data for factor analysis. The factor analysis results in five important service quality factors. The factor loading of the service quality variables, its reliability coefficient, the Eigen value and the percent of variance explained by the service quality factors are given in Table 1.

The narrated five important dimensions of service quality explain the variables in service quality to the extent of 67.80 percent. The important factors are 'Reliability' and 'Responsiveness' which have an Eigen value of 3.8541 and 3.3019 respectively. The percent of variation explained by these two factors is 18.48 per cent, and 16.07 percent respectively. The 'Reliability' factor consists of five variables with the reliability co-efficient of 0.7149 whereas the 'Responsiveness' factor consists of four variables with the reliability co-efficient of 0.7944. The most important variables in the above two factors are improving service as promised and customers informed about service performance.

The third and fourth factor extracted from the factor analysis are 'assurance' and 'tangible' factors which consist of four variables each

with the reliability co-efficient of 0.8936 and 0.7331 respectively. The eigen value and the percent of variation of the above said two factors are 2.4542 and 2.0696; and 13.14 per cent and 10.45 per cent respectively. The most important variables in the above said two factors are trustworthiness in employees and up - to - date equipment. The last factor is 'empathy' which consists of four variables with the reliability co-efficient of 0.6891. The Eigen value and the percent of variation explained the factors are 1.5462 and 9.66 per cent respectively. The most important variable in this factor is individual attention. The narrated five factors namely Reliability, Responsiveness, Assurance, Tangibles and Empathy are included for further analysis on the identification of service quality gap (difference between perception and expectation). The score on each service quality factor has been computed from the mean score of the service quality variables included in each service quality factor among each customer.

### **Service Quality Gap (Gap-5)**

The service quality gap is assessed with the difference between the customers' perception and expectations (SERVQUAL Score) on various dimensions of service quality in banks. The mean score of customer's perception and expectation on five different dimensions of service quality in Nationalized banks, State Bank Groups and Private sector banks have been computed initially. The 'F' statistics has been calculated to find out the significant difference among the three groups of banks regarding the SERVQUAL scores. The negative SERVQUAL score indicates that the customers' perceptions on various dimensions of ESQ are not up to their level of expectation. The computed SERVQUAL scores and their respective 'F' statistics are given in Table 2.

In almost all cases, the SERVQUAL scores are in negative. It reveals that the customer's perceptions on various service quality dimensions are not upto their level of expectation. In Nationalized banks, the gap is higher in case of 'assurance' since the mean of SERVQUAL score is -1.2764 whereas in State Bank groups and private sector banks, these are responsiveness and empathy since their means of SERVQUAL scores are -1.2687 and -1.3941 respectively. The significant differences among the three groups of banks are identified in the SERVQUAL scores on Reliability, Responsiveness, Assurance since their respective 'F' statistics are significant at 5 per cent level. The results indicated that, overall the banks were not doing a good job in meeting customers' expectations. The biggest-gaps were on service quality factors namely assurance, responsiveness and empathy. Those attributes were the most services short falls and require significant attention by bank managers in terms of making improvement efforts. And the overall Gap 5 was -0.9318 in NBs (significant 0.05), -0.8808 (Significant 0.05) in SBGs and -0.5163 (Significant 0.05) in PSBs, which would indicate the overall service quality provided by the commercial banks in India fell below customers expectations.

### **Understanding Gap (Gap-1)**

The management may estimate the customer's expectation on various service qualities correctly. But the correct estimation leads to customer's satisfaction and creates customers' loyalty. In order to analyse the actual customer's estimation and the managements' expectation on the customer expectation are studied with the help of SERVQUAL scores. The difference between the management expectation and the customers' expectations on various dimensions of service quality is treated as the SERVQUAL scores on service

quality factors. The negative SERVQUAL scores indicate that the management is underestimating the customers' expectation. It is not good for the service industry. In the present study, the difference between the managements' expectations and customer's expectation are found and illustrated in Table 3.

In Nationalized banks, the managements estimation on customer's expectations is lesser than the actual customers expectation in the case of reliability, responsiveness and assurance since their respective SERVQUAL scores are  $-0.04676$ ,  $-0.5064$  and  $-0.290$ . In the case of State Bank groups, it is identified only in assurance whereas in private sector banks, these cases are identified in reliability, responsiveness and empathy. In total, the SERVQUAL scores in this aspect, among the management in NBs, SBGs and PSBs are  $-0.083$ ,  $0.0843$  and  $-0.0464$  respectively. The significant differences among the three group of banks are identified regarding the SERVQUAL scores in few dimensions of service quality namely responsiveness and assurance since their respective 'F' statistics are significant at five per cent level.

In addition, the overall Gap-1 (understanding gap) scores were  $-0.083$ ,  $0.0843$  and  $-0.0464$  in NBs, SBGs and PSBs respectively. It would indicate that the managers in SBGs tend to have a reasonable understanding of their customer expectations since the understanding gap is positive. In other two banks, even though the SERVQUAL score is negative, the understanding gap is not too wider. However, the findings contrast with past studies (Wei et al., 1986; Choy, et al., 1986). Generally, from the results of positive gap 1 scores and negligible negative gap-1 scores, it can be concluded that Gap 1 did not seem to be a major problem area of service quality gap in the Indian banking industry.

## Delivery Gap (Gap 6)

The customer's perception on service quality provided by the banks and the respective managements' perception on it have been calculated to understand the difference between these two. If customers perceive more than the managements' perception on the various dimensions of service quality, it is good but of the management perceive more than the customers' perception on various service quality dimensions it is not good. The difference between the customer's perception and managements' perception on various dimensions of service quality has been computed with the help of SERVQUAL scores. The resulted SERVQUAL scores are given in Table 4.

The SERVQUAL scores in all five dimensions of service quality in all three group of banks are in negative. It reveals that the managements perceive too much about their service quality provided to their customers. But in reality, the customers perceive only lesser on that service quality supplied to them. The higher SERVQUAL scores are identified in Assurance in NBs whereas in SBGs, it is identified in Responsiveness. In the case of PSBs, it is identified in Empathy. The overall SERVQUAL scores indicate that this degree of negative SERVQUAL scores is lesser in PSBs compared to others. But there is no significant difference among the three groups of banks regarding their SERVQUAL scores on five dimensions of SQ. It infers that irrespective of banks and dimensions of SQ, the management are over perceiving about their SQ offered to their customers. The overall Gap 6 score would indicate that the managers were very self-assured, and over-estimated about their organizations service delivery in meeting customers' expectations of service quality in the banking Industry in India.

## Internal Evaluation Gap (Gap-7)

The management expectation of customer expectation need not be supplied by the banks; So that they may perceive either more or less than their expectation. If the managers' perception on the service quality offered to the customers is lesser than their expectations, it is the fault on the side management. It is caused by either the management expectation is not properly communicated or the higher management is not accepting the views of the management. Both are not good for the banks. Hence an attempt is made to analyse the difference between mean of management perception on the service quality offered by the banks and the mean of their estimation on it with the help of SERVQUAL scores. The computed means of SERVQUAL scores on five dimensions of service quality in three groups of banks are illustrated in Table 5.

In all dimensions of service quality in all three groups of banks, the SERVQUAL scores are positive except in a few cases. It reveals that the management perception on the service quality offered by banks is better than their expectation. The negative SERVQUAL scores are identified in Tangible and Empathy in Nationalized Banks whereas in SBGs, it is identified in Empathy only. There is no significant difference among the three groups of banks regarding the SERVQUAL scores on all five dimensions. The analysis infers that the management perception on the service quality is better than their expected level. The results indicated that managers believed that they were doing a good job in meeting customers' expectations. The overall Gap 7 scores are positive which would indicate that the bank managers perceived that the level of service quality in banking industry in India met the customers' expectations.

## Discussion and Conclusion

From a practical aspect, the study attempted neither to test existing theory nor to develop new research instruments. The study simply tried to present the findings of assessing the expectation and perception of service quality for customers and bank officials in banking industry; showed the gaps (Gap 5, Gap 1, Gap 6 and Gap 7) that could arise from inconsistent expectations and perceptions of service quality between customers and management (bank officials); and illustrated how the gaps between the customers and management could be bridged.

The result of Gap 5 analysis showed that customers' expectation were consistently higher than their perceptions. These negative gaps indicated that the delivered service level was falling below customers' expectations of service quality in Indian banking industry. According to the findings, the biggest gaps related to 'empathy' and 'responsiveness'. The overall negative score is higher among the customers in Nationalized banks followed by State Bank Groups. The negative Gap 5 scores across these service quality factors clearly show that there is a room for service quality improvement in the Indian banking industry. The managers in banking industry should solve the service problems or service failure points in banking industry regularly so that they can understand more about the customers' expectation more consistently.

Assessment of Gap 1 helps us to know whether management has the perceptions of what customer expect of service quality in Indian banking industry. The result of overall Gap 1 score is positive in SBGs and with a very minimum negative score in NBs and private sector banks which shows that managers have a reasonable understanding of their customers' expectations. Generally, it might be concluded that Gap 1



(understanding gap) is probably not the major problem area in contributing to the extent of Gap 5 (service quality gap).

Examining Gap 6 helps us to identify whether management over estimates its service delivery in meeting customers' expectations of service quality in the Indian Banking industry. The result of overall Gap 6 score for this study were  $-0.9305$ ,  $-0.9687$  and  $-0.6821$  in NBs, SBGs and PSBs, which shows that the managers are too self-assured. And they failed to deliver the services what their customers expected. It might be concluded that Gap 6 is one of the principal causes in contributing to the extent of Gap 5. Therefore, the necessary first step in improving the service quality is for managers in the Indian Banking industry to acquire information about the driving forces behind Gap 6. First of all, one of the principal responsibilities of senior management is constant contact with customers, in order to gain first-hand knowledge of customers' expectations and perceptions which was also mentioned by Coyle and Dale (1993) and Zeithaml et al. (1990).

Infact, the service delivery problem (Gap 6) in the Indian banking industry is related to the service performance gap (Gap 3), which was not measured in the study. The Gap 3 was the discrepancy between the service performance standards and actual service delivery which is caused by poorly qualified employees, inadequate internal system to support contact personnel, and insufficient capacity to serve. Because of these constraints, staffs are unwilling or unable to perform the service at the level required by management. It also contributes to management over estimating its service delivery (Gap 6). Therefore, in order to narrow the gap, managers in Indian Banking industry should conduct regular investigation to assess whether their staffs are able to meet the service

standards set by management.

The result of Gap 7 helps us to evaluate the internal situation, i.e., whether managers believed they were doing a good job in meeting customers' expectations. The overall score in Gap 7 for this study were 0.09, 0.00 and 0.21 in NBs, SBGs and PSBs, which indicates that the bank managers in Indian banking industry perceive that the level of their service delivery is satisfactory in meeting customer expectations. Hence, it might be concluded that Gap 7 (internal Evaluation Gap) is probably not the major problem in contributing to the extent of Gap (service quality gap).

The result of this study shows that gap analysis is a meaningful and appropriate way to identify the gaps between customers' and managers' expectations and perceptions of service quality in the Indian banking industry. While management perceptions most directly affected the design, development and delivery of the services offered, customers perceptions more directly determined the evaluation of services consumed. Hence, it is important to better understand the perception of the managers in relation to the perceptions of the consumers. Brown and Swartz (1989) stated: ". . . from a marketing perspective, both parties are very important and must be considered if a more thorough understanding of service quality is to be gained. . . . the provider (management) would design, develop, deliver the service offering on the basis of their customers' expectations. Therefore, identifying these gaps can provide management with a clear direction on how to address service quality shortfalls in the Indian Banking industry.

### Limitations

The present study is subjected to some limitations. First, the sample sizes of customers and staffs were relatively very

small. The other sector banks were excluded from the study. Secondly, the study identified only the urban customers' and managers' expectations and perceptions of bank service quality in Madurai City only. So the findings may be limited to these type of cities and might not be applicable, to the metro cities and the rural areas in India. Thirdly, the service gap analysis was carried out on the basis of the service quality factors narrated by the factor analysis and hence the quality gap of the individual service quality variables might not be focused.

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## Appendix A

**Table 1 Factor Loading of the Variables in Service Quality**

Factors	Variables in Service Quality	Factor Loading	Reliability Co-efficient	Eigen Value	Per cent of Variation explained
Reliability	Providing service as promised	0.8683	0.7149	3.8541	18.48
	Sincere in Solving the problem	0.8104			
	Performing service right the first time	0.7523			
	Providing service at the promised time	0.7088			
	Maintaining error – free records				
Responsiveness	Customers informed about service performance	0.9027	0.7944	3.3019	16.07
	Providing prompt service to customers	0.8633			
	Willing to help customers	0.7396			
	Employee’s readiness to customers request	0.7161			
Assurance	Employees are trust worthy	0.8608	0.8936	2.4542	13.14
	Customers feel comfortable interacting with employees	0.7911			
	Employees are knowledgeable	0.6994			
Tangible	Up – to - date equipment	0.8668	0.7331	2.0696	10.45
	Visually appealing facilities	0.8143			
	Neat and professional appearance of employees	0.7346			
Empathy	Communication material	0.6961	0.7091	1.5462	9.66
	Banks give individual attention	0.9114			
	Convenient operating hours	0.7862			
	Employees understand the needs of customers	0.7417			
	Employee has the best interest at heart	0.6069			
KMO measure of sampling adequacy: 0.7337		Bartlett’s test of sphericity: Chi-square: 102.29*			

\* Significant at zero percent level

**Table 2 Servqual Score in Gap-5**

Sl. No.	Factors in SQ	Mean of SERVQUAL Scores			F-statistics
		NBs	SBGs	PSBs	
1.	Reliability	-1.1051	-06.6035	-0.2898	3.8843*
2.	Responsiveness	-1.1767	-1.2687	-0.5898	3.0692*
3.	Assurance	-12764	-1.1648	-0.6892	3.1141*
4.	Tangible	0.1503	-0.1798	0.3815	2.4046
5.	Empathy	-1.2060	-1.1874	-1.3941	1.8183
	Overall	-0.9318	-0.8808	-0.5163	3.1021*

\*Significant at 5 per cent level.

**Table 3 Understanding Gap (Gap-1)**

Sl. No.	Factors in SQ	Mean of SERVQUAL Scores			F-statistics
		NBs	SBGs	PSBs	
1.	Reliability	-0.4676	0.0501	-0.2847	2.3862
2.	Responsiveness	-0.5064	0.0844	-0.0808	3.1148*
3.	Assurance	-0.2690	-0.1215	0.2613	3.2691*
4.	Tangible	0.6507	0.3827	0.2240	3.6973
5.	Empathy	0.1771	0.0258	-0.03517	1.8771
	Overall	-0.0830	0.0843	-0.0464	0.8604

\*Significant at 5 per cent level.

**Table 4 Delivery Gap (Gap-6)**

Sl. No.	Factors in SQ	Mean of SERVQUAL Scores			F-statistics
		NBs	SBGs	PSBs	
1.	Reliability	-0.9672	-0.9696	-0.4695	1.9084
2.	Responsiveness	-0.8862	-1.3969	-0.6438	2.0691
3.	Assurance	-1.5500	-1.3049	-0.9817	1.3317
4.	Tangible	-0.2964	-0.6627	-0.0431	0.9691
5.	Empathy	-0.9527	-0.5093	-1.2723	2.6576
	Overall	-0.9305	-0.9687	-0.6821	0.8304

\*Significant at 5 per cent level.

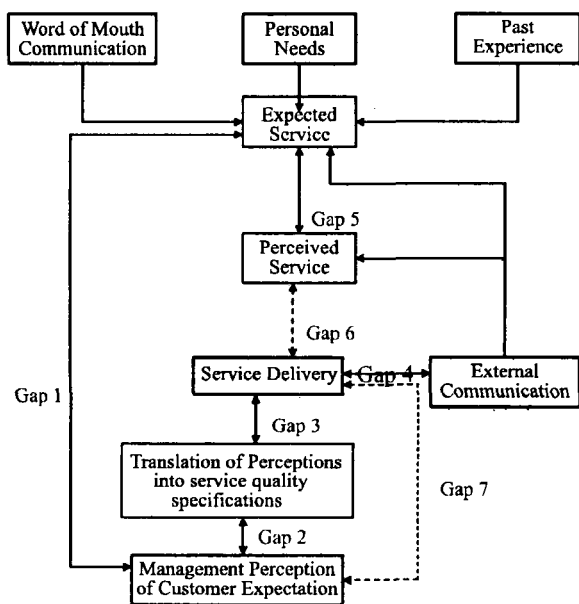
**Table 5 Internal Evaluation Gap (Gap-7)**

Sl. No.	Factors in SQ	Mean of SERVQUAL Scores			F-statistics
		NBs	SBGs	PSBs	
1.	Reliability	0.3297	0.3160	0.4644	0.7087
2.	Responsiveness	0.2159	0.0438	0.1348	0.8562
3.	Assurance	0.5426	0.2616	0.0312	0.9637
4.	Tangible	-0.2040	0.1002	0.2006	1.4409
5.	Empathy	-0.4304	-0.7099	0.2299	1.2163
	Overall	0.0908	0.0023	0.2122	0.7671

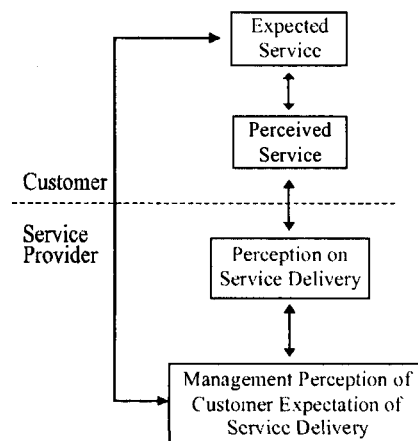
\*Significant at 5 per cent level.

## Appendix B

**Figure 1 Conceptual Model of Service Quality**



**Figure 2 Research Model**



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