



# A STUDY ON SERVICE QUALITY GAPS IN THE STATE BANK OF INDIA - TIRUNELVELI CITY

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## Introduction

It is a combination of two words, Service and Quality where we find emphasis on the availability of quality services to the ultimate users. The term quality focuses on standard or specification that a service generating organisation promises. We can't have a clear-cut boundary for quality. Sky is the limit for quality generation. Scientific inventions and innovations make the ways for the generation of quality. More frequency in innovations, less gap in the process of quality up-gradation.

The technical measures draw our attention on the inventions and innovations in the field of technologies that help to improve the quality of services. It focuses on the use of technology or prefer to have a technology-driven service. The functional measures gravitate our attention on improving the quality of services offered by the employees, which pave ways for style of functioning, work culture, formulation of a profitable package, behavioural profile of employees or so. The service generating organisations are required to identify the reasons entailed behind mounting dissatisfaction amongst the users and to activate appropriate measures (technical or functional) to minimise it.

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The functional quality of employees can be improved by strong emphasis on behavioural areas such as attitudes, service-mindedness, accessibility, interpersonal relations, appearance, and commitment. It is right to say that poor quality of services or service failures are not designed into the system by the choice of the senior management.

The top management and the senior executives bear the responsibility of shaping the perception of service quality by promoting the use of sophisticated technologies and increasing the number of personally-committed employees. This makes it essential that the service generating organisations prefer to practise the principle of making things happen which focuses on quality generation.

SERVQUAL is based on a set of five dimensions which have been consistently ranked by customers to be most important for service quality, regardless of service industry. These dimensions defined by the SERVQUAL measurement instrument are as follows:

- **Tangibles:** appearance of physical facilities, equipment, personnel, and communication materials.



- **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 convey trust and confidence.
- **Empathy:** the caring, individualized attention the firm provides its customers.

These five SERVQUAL dimensions are used to measure the gap between customers' expectations for excellence and their perception of the actual service delivered. The SERVQUAL instrument, when applied over time, can help you understand both customer expectations, perceptions of specific services, and areas of needed quality improvements.

SERVQUAL has been used in many ways, such as identifying specific service elements that need improvement, and targeting training opportunities for service staff.

Proper development of items used in the SERVQUAL instrument provides rich item-level information that leads to practical implications for a service manager.

The service quality dimensions evaluated by SERVQUAL should be adjusted for optimal performance in different industries, including public and private sector applications.

SERVQUAL scores are highly reliable, but when used in different industries may fail to produce a clear delineation of the five basic dimensions. Other measures, such as the Six Sigma model should be considered for applicability in quantifying the gap between service.

#### Review of Literature

Jagadeesan and Chinnadurai, (2017)<sup>1</sup> investigated correlation between service quality and account owner contentment and focused at pertaining SERVQUAL model to validate the connection among e-banking services and bank account possessors' contentment. Some of the past research was conducted to analyze the impact of service excellence on account possessor satisfaction but no such research was done to establish

the conception of e-banking relevance. Therefore, an endeavour has been made to seal the space in review by implementing SERVQUAL model to examine the value of the e-banking functions delivered by the banking organizations in the country. The examiner has included bank account possessor contentment as the reliant element and five aspects of service values; i.e., physical aspect, dependability, receptiveness, guarantee and empathy, as an autonomous elements. The objective of the study is to analyze the consumer contentment and its association with service quality. Nature of research is applied with survey conducted with the help of questionnaire with a sample size of 960 respondents.

Suhair and Nagasanthi, (2017)<sup>2</sup> examined the service quality in public and Private Banks in the state of Kerala and pointed that Electronic banking is regarded as the chief rising drift in India's banking segment. Though, not much of the deep studies have been conducted so far in the context of electronic banking. The successful consumption of diverse electronic banking methods like Mobile Banking, telephone banking and internet banking, etc. will facilitate to evade the conventional banking obstacles in terms of long wait, excess time and unnecessary outlay. It is being analyzed that many people regardless of their salary or occupation, are now using electronic banking system. The key attribute of e-banking is the increased security level and clearness which also provokes the customers to use e-banking services. There is no doubt regarding the efficient working of various banks in India, in relation to the performance of e-banking functions. All the segments of banks are doing well. But, still there are certain issues in e-banking operations like, banking charges, system of treatment, risks in sharing online information, etc. The study proposes to make out the way these elements affect the eminence of e-banking. Research was performed with the questionnaire with a

sample size of 300 clients in the particular state.

#### **Dimensions of Service Quality:**

The various dimensions of service quality are:-

- **Understanding:** This dimension of service quality helps a service provider to know what are the needs and requirements of a customer regarding the services provided to them. It is about how well a service provider is able to know his customers' and their needs, the specific requirements of the customer's, providing them personalized attention, paying special attention to the regular customers. For example – Providing e-banking service to customers by banks as each person can't go to banks to get their work done.
- **Security:** Security is a very important dimension of service quality. Security here means the physical wellbeing of the client or protection of customer data. It includes freedom from threat, hazard, or uncertainty, physical wellbeing, money related security and confidentiality of information. For example – Keeping records of client's financial history safe and confidential, guaranteeing the repair work done by the mechanic, it's safe to use debit and credit card, etc.
- **Reliability:** Reliability means the capacity to imitate a similar level of service time and again. It includes consistency of execution and trustworthiness, exactness in billing, keeping records accurately, giving right service at the right time. If the service providers do not provide right services at the right time, then that service will not be of any use.
- **Credibility:** Credibility means that the service provider is trustworthy. It includes dependability, acceptability, genuineness, organization reputation, having the client's interests at heart, contact work force be congenial and patient. For example – News reported by the newspaper are based on facts and figures rather than emotions, financial advisors providing all options to invest rather than telling only those which give him maximum commission.
- **Competence:** Competence means having ability and technical expertise to provide the service. It includes ownership of the required aptitudes and learning to perform services, information and expertise of the contact and support executives. For example – A taxation consultant must have knowledge of tax regulations.
- **Tangibility:** Tangibility means the physical appearance of the office, facilities and infrastructure. It includes physical evidence and portrayals of the service, different clients in service quality. For example – Service providers should have modern looking equipment and advanced technology to serve customers.
- **Responsiveness:** Responsiveness means the speed with which questions are dealt with. It includes eagerness of workers to provide service, convenience of service, for example, mailing an exchange slip instantly, getting back to the client rapidly, and giving quick services. For example – how quickly queries are responded to, how feedback is handled.
- **Access:** Access means how simple is it to approach service provider, by telephone or geographically. It includes receptiveness and ease of contact, the service is effortlessly open by phone, waiting time is not large, convenience to customers about providing services timely, convenience of location. For example – How easily customer service can be used, how convenient is the location of the service provider.
- **Communication:** Communication means the understand ability and clarity of the information given to the customer. It includes keeping clients educated in dialect they can comprehend and tuning in to them, clarifying the service itself and its cost, guaranteeing the purchaser that the issue will be taken care of. For example, Manager giving time to clients

telling them about their financial risks and securities.

- **Courtesy:** Courtesy means service provider's attitude and manner of dealing with customers. It includes affableness, regard, thought, and amicability of contact work force, thought for the customer's property, perfect and slick appearance of open contact staff. For example – Receptionist should be friendly, polite and amicable.

These are the various dimensions of service quality which helps in knowing whether the expectations and perceptions match or not.

#### **Customer Expectation and Perception towards Service:**

According to the GAP framework proposed by Persuraman & Zeithaml, there is a gap among the customers' perception & customers' expectation. This gap is known as customer gap. Customer Expectations are the actual expected services by the clients while Customer Perception is the actual service which is received by the customer. Customer expectations are the principles adjacent to which the perceived services are measured for assessing the quality of services. It essentially provides what is expected by the customers & what the customer actually receives. If there is any difference among these two categories i.e. the expected service and the received service then that variation is called the gap, which is required to be reduced in order to provide satisfaction to the customers.

#### **Service Quality in Banks**

A research was conducted in India and found that satisfaction level of customers is depending upon the perception of delivery process of service along with employee's quality of service and bank services. Similarly (Saravanan & Rao 2007) also did a study in India and examined both service delivery factors i.e. technological and people-oriented factors and found that they both help in identifying customer service quality. Another investigation was done, which helped in measuring various proportions of service quality and in addition to it helped in

identifying which dimension requires improvement. Another research was done which have assisted in knowing the drastic changes in Indian banking after progress in IT in the past 10 years. Correspondingly, a research exposed that foreign banks are at the pinnacle in giving customer service of best quality when compared with other banks in the world including India. Also, private banks in India are performing quite well in this race by providing competitive service quality as per the changing global competitive state of affairs.

#### **Measurement of Service Quality**

The quality of real goods can be evaluated by means of inspecting the goods (Tanwar, 2012) Quality control comforts in examining specifications and discard substandard goods. This guarantees that output is as per the benchmark stated. But service quality is somewhat different from quality control. It cannot be evaluated in the similar fashion as a tangible good. The reason behind it could be the nature of the service:

- The impalpability of major services causes the assessment and calculation of service quality difficult. Since widely-held services are difficult to count, measure and validate until and unless sale happens. Therefore, the service provider might face hitches in understanding the way customers recognize their facility in order to assess service worth.
- Since service and service provider are the two things that always go hand-in-hand. Again, when the service is delivered, the way the quality has been perceived is quite reliant on the capacity of service provider. Sporadically, the involvement of the consumer in the delivery of the facility might add to complicate quality matters.
- An assortment of services illustrates the inconsistency of the service which makes it very challenging to fix the benchmarks.

The consumer is the one who is finally responsible for assessing the procedure of the facility, over and above, its result. The service supplier, until and unless delivers the service to the consumer, cannot commence value check. Now here comes in picture two types

of service qualities namely, expected service quality and perceived service quality. Finally, to evaluate service quality the above mentioned qualities are required in the sense that the consumer evaluates the expected service quality in contrast to the perceived one. There is a comparison being done amongst the two on receipt of the service to estimate service quality. The two service qualities are discussed in detail below:

**Expected Service Quality:** Consumer expectations are basically the opinions about service delivery on the basis of which the performance of the service is evaluated. A consumer feels that the facility supplier should offer as per his/her needs, demands or wants which is nothing but the consumer's expectations. Multiple factors have been known which have an impact over expected service:

- **Personal Needs:** These are those needs that are indispensable for maintaining physical and mental health of the consumer. These needs are generally not the same for different customers and typically are determined by individual factors.
- **External Communication of the Service Provider:** There are various means of communication by which consumers can be fascinated such as publicity, advertisements etc.
- **Word of Mouth:** Statements either personal or non-personal coming from people other than the service supplier have a huge impact over the expected service as they carry a message to the consumer regarding how the service would be.
- **Past Experience:** The consumer's earlier exposure of the facility will too put a major effect over the hopes of upcoming facilities from the service organization.

**Perceived Service Quality:** It may happen that within the same firm people may have different expectations and experiences of a service. They might admire the service provider for his services. From company to company or from banks to banks the prospect as well as experiences of service of consumers

can differ. How the service is perceived varies from consumer to consumer. Many of the consumers will love the quality of service wherein many would consider it as a shock story. So, it is the insight of every consumer which should be taken into consideration. In all the service is dependent upon the consumer's perception.

Perception as defined by (Kamble,2008) is "a set of internal sensational cognitive processes of the brain at the subconscious cognitive function layer that detects, relates, interprets, and searches internal cognitive information in the mind". Perceptions are thus considered as judgments of consumers over the real service presentation by a company or bank. (Zeithaml, 1988) has defined perceived value as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given". Thus, it can be said that perceived value is the customers on the whole evaluation of the company's or bank's service depending upon the overall understanding of the service delivery procedure. Therefore, these values are subjective in nature. Since the services provided by the banks or companies are elusive or virtual, consumers look for proof of service in any kind of communication that they manage to have with the company or the bank that provides services. Such proofs of services which are experienced by the consumers are procedures, people and physical proofs. These proofs are discussed in detail below:-

- **People:** The ones who are included in people are contact employees, consumer or other consumers. Herein, the consumer is the one who himself or herself contributes in the procedures of delivery of service. The forefront employees are expected to be amicable, competent and should have good outgoing skills. These qualities of forefront staff show that he or she is having qualities such as consistency, guarantee, compassion and receptiveness.
- **Process:** It is defined by the actual order of the activities. This order helps in

showing that whether the process is reliable or not and whether the service is promptly delivered or not.

- **Physical Evidence:** It helps in reflecting the tangible dimension of service quality. For example, machines, tools, leaflets etc. which reflects the quality of service. The perceived service quality is not only affected by tangible dimensions, it is also influenced by the brand image of the service provider, over and above, price of the service has major influence over it.

**Objectives of the study**

- To study the demographical profile of the customers of State Bank of India in Tirunelveli city
- To analyse the service quality expectation of the customers of State Bank of India
- To analyse the experience of the customers towards the service quality of State Bank of India
- To identify the service quality gap between the expectation and experience of the customers of State Bank of India
- To recommend suggestions to fill the gap based on the findings of the present research

**Methodology**

In this study the researcher has used the Descriptive research design in single cross sectional research. Primary and secondary data has been used for the specific objectives of the study which has been stated earlier. Methods used for the collection and analysis of data were provided in this section. Specific tools of analysis and empirical models were also presented.

**Data Analysis and Interpretation**

The current study was aimed at evaluating the service quality Gap of State Bank of India. To support the objective of the study SERVQUAL technique was adopted by using 22 variables grouped under five dimensions, Tangibility, Reliability, Responsiveness, Assurance and Empathy using 5 points Lickert scale. This was based on the SERVQUAL tool developed by A.Parasuraman et al (1988). To support the main objective the following also formed part of the study. The data were analysed using percentage , Weighted Average analysis and Exporatory Factor analysis too.

**Table No1  
Gender**

S.No	Particular	Frequency	Percent
1	Male	150	65.0
2	Female	81	35.0
<b>Total</b>		<b>231</b>	<b>100</b>

**Table No 2  
Age Group**

S.No	Particular	Frequency	Percent
1	Below 30	63	27.0
2	31 – 45	111	48.0
3	Above 45	57	25.0
<b>Total</b>		<b>231</b>	<b>100.0</b>

With respect to the age group of the respondents, majority of the respondents

(48%) are between the age group of 31 - 45. In the next place are the respondents (27%)





who are below 30 years of age. In the final place are the respondents (25%) are the respondent who are above 45 years.

**Table No. 3**  
**Educational Qualification**

S.No	Particular	Frequency	Percent
1	School Level	30	13.0
2	UG	136	59.0
3	PG	65	28.0
<b>Total</b>		<b>231</b>	<b>100.0</b>

With respect to the educational qualification of the respondents, majority of the respondents (59%) have studied under graduation. In the next place are the respondents (28%) who have completed their postgraduation. In the final place are the respondents (13%) who have studied only up to school level.

**Table No. 4**  
**Types of Account**

S.No	Particular	Frequency	Percent
1	Saving	183	79.0
2	Current	48	21.0
<b>Total</b>		<b>231</b>	<b>100</b>

With regard to the type of account held by the respondents, majority of the respondents (79%) hold a savings account. In the next place are the respondents (21%) who hold a current account.

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**Table No. 5**  
**Responsiveness**

Sl. No.	Responsiveness	Weighted Average	Result
1	Staff telling customers exactly when services will be performed	4.01	High
2	Staff providing prompt service	4.33	High
3	Staff willingness to help	4.27	High
4	Staff never too busy to respond to customers' needs	3.78	High

The above table talks about the expectation of the customers towards the service quality of the State Bank of India with particular focus on responsiveness. The customers most expected responsiveness factor is Staff providing prompt service with the weighted average score of 4.33. In the next place is the Staff willingness to help with

the weighted average score of 4.27. In the next place is the Staff telling customers exactly when services will be performed with the weighted average score of 4.01. In the final place is the Staff never too busy to respond to customers' needs with the weighted average score of 3.78.

**Table No. 6**  
**Assurance**

Sl. No.	Assurance	Weighted Average	Result
1	Behaviours of staff instils confidence in customers	4.48	High
2	Customers feel safe in their transactions	4.72	Very High
3	Courtesy of staff	4.33	High



4	Staff having knowledge and being competent to answer questions	4.67	Very High
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The above table talks about the expectation of the customers towards the service quality of the State Bank of India with particular focus on assurance. The customers most expected assurance factor is Customers feel safe in their transactions with the weighted average score of 4.72. In the next place is the Staff

having knowledge and being competent to answer questions with the weighted average score of 4.67. In the next place is the Behaviours of staff instils confidence incustomers with the weighted average score of 4.48. In the final place is the Courtesy of staff with the weighted average score of 4.33.

**Table No. 7  
Empathy**

Sl. No.	Empathy	Weighted Average	Result
1	Individual attention given by the bank	4.03	High
2	Convenient operating hours	3.75	High
3	Special attention given by the staff	4.11	High
4	Staff giving customer best interest at heart	3.98	High
5	Understanding of specific needs	4.36	High

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The above table talks about the expectation of the customers towards the service quality of the State Bank of India with particular focus on empathy. The customers most expected empathy factor is Understanding of specific needs with the weighted average score of 4.36. In the next place is the Special attention given by the staff with the weighted average score of 4.11. In the next place is the Individual attention given by the bank with the weighted average score of 4.03. In the next place is the Staff giving customer best interest at heart with the weighted average score of 3.98. In the final place is the Convenient operating hours with the weighted average score of 3.75.

**Conclusion**

Banks have become an indispensable part of the society. Especially in the present scenario where the government is pushing

towards digital economy and the government expects each and every citizen to have bank account in order to get the benefit of direct transfer of the cash benefits provided by the government, the importance of the banks is ever increasing. The banks are providing various kinds of services and the customers are expecting a lot particularly from the State Bank of India which is considered to be one of the leading banks in the public sector. The present research tried to bring out the fact that there is a huge gap between the expectation of the customers and the experience of the customers that they get from the banking services. It is the responsibility of the banks to make sure that all the expectations of the customers are met and the present research have provided many other suggestions.

