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Service Quality Gap in Public Sector Banks in Madurai

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Abstract

Customer choice and awareness have been increasing tremendously during this decade because of more transparency in the economy, the advent of information technology, media revolution and besides hectic competition for resources among banks. Service quality is a judgmental issue relating to the different between an individual's expectation of a service and the actual service performed. Many definitions are presented to the concept of service quality. In the present paper the customers' service quality gap in public sector banks is measured for each of the service items under the ten broad dimensions. A close perusal of the data provided in the table indicates that among the six broad categories, the average score for the service quality on the tangibility dimension was found to be the highest for the perceived level for "availability of bank stationery" and desired level for "adequacy of space and layout of counters.

Keywords: Perceptions; Banks; Customer; Service

Introduction

Customer choice and awareness have been increasing tremendously during this decade because of more transparency in the economy, the advent of information technology, media revolution and besides hectic competition for resources among banks. As markets have become increasingly competitive, customers can shift to some other bank which offers better service. Continuous improvements, gaining the competitive edge, increased market share, higher profits none of these are possible unless businesses can find new ways of maintaining the loyalty of the existing customers.

Above all, it has also been realized that the major strategy of withstanding the stiff competition is not only to retain the old customers but also to attract the new customers through the offering of better services. Hence, in recent times, the offering of better and quality services to customers has become one of the a priori policy in the service agenda of banks. It is only the quality of the services rendered could help the banks to attract more and more of customers in a competitive atmosphere.

It takes only a few stray incidents and direct experiences for the knowledgeable customers to form an opinion about the quality of the services and products offered. Hence, "customer service is not to be viewed as just a business strategy but should become a corporate mission".[1] In this competitive era, the banking industry has been undergoing a tremendous transformation in their functionalities.

Service quality is a judgmental issue relating to the different between an individual's expectation of a service and the actual service performed. Many definitions are presented to the concept of service quality. Phrases such as "meeting customers wants, when they want them at an acceptable cost" are well-known explanations of the meaning of quality.

Methodology

The present study is based on both primary and secondary sources. The primary data was collected from the customers of commercial banks by sample survey through structural interview schedule. The secondary data were collected from books, journals, newspapers, periodicals, reports, Internet and the like.

[1]A. Gauri Shankar, "Customer Service in Banks", IBA Bulletin, August 2004, Special Issue, p.5.

Period of the Study

The study covers a period of ten years from 2005-2006 to 2014-2015.

Sample design

The study entitled customer perception to the services of commercial banks in Madurai city is carried out in the Temple city which is the second largest one in Tamil Nadu. Twenty four public sector banks and fifteen private sector banks function in Madurai district. On the whole twenty branches were selected from public and private sector banks respectively.

Field work and collection of data

Field work for this study was carried out by the researcher himself. The researcher had used the interview schedule for collecting data from bank customers. After collecting the information through the interview schedule the data were verified and edited. The survey was conducted during the period from January 2015 to June 2015.

Frame work of analysis

After the collection of data, the filled in interview schedules were edited. A master table was prepared to sum up all the information contained in the interview schedule. The classification of tables had been made for analysis. While analyzing the data the following tools were applied:

- Coefficient of Variance
- Weighted Scoring Technique

Factors measuring customer service quality

To measure the opinion of the customers on the quality of services

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various factors which are germane to them were identified under ten broad dimensions. A five point scale was constructed for each of these parameters. The parameters identified are given below in Table 1.

In the present paper the customers' service quality gap in public sector banks is measured for each of the service items under the ten broad dimensions.

Service quality gap of public sector banks in tangibility dimension

The perceived and desired levels of average scores and the resultant service quality gap of the public sector banks in the case of tangibility dimension is shown in Table 2.

A close perusal of the data provided in the table indicates that among the six broad categories, the average score for the service quality on the tangibility dimension was found to be the highest for the perceived level for "availability of bank stationery (3.50)" and desired level for "adequacy of space and layout of counters (4.70)". The next highest score was attained by the factor on "adequacy of space and layout of counters (3.19)" in the perceived level and "upholstery and convenience (4.68)" in the desired level. The least score was found in the factor on "parking space in the bank premises (2.86)" in the case of perceived level and "sign boards indicating of timings at appropriate counters(4.30)" in the case of desired level. The coefficient of variation calculated for these individual variables on tangibility, pointed out that the factor on the "sign boards indicating of timings at appropriate counters" constituted the lower dispersion of 39.09% in the case of perceived level and 13.18% was least recorded in the case of the "adequacy of space and layout of counters" for the desired level [1-3].

The service quality gap was found to be the least for the factor on "availability of bank stationery (-1.11)". The next lowest score was seen in the factor on the "sign boards indicating of timings at appropriate counters (-1.22)". This was followed by the factors on "adequacy of space and layout of counters (-1.51), bank staff adequacy (-1.52), parking space in the bank premises (-1.58) and upholstery and convenience (-1.63)" which had recorded the highest service quality gap. In terms of coefficient of variation the factor on "availability of bank stationery (99.01%)" had the highest dispersion.

It can be concluded that the variable namely, "upholstery and convenience" constituted the highest service quality gap. In terms of coefficient of variation "availability of bank stationery (99.01%)" formed the highest variation.

Service quality gap of public sector banks in reliability dimension

The perceived and desired levels of average scores and the resultant service quality gap of the public sector banks regarding the reliability dimension can be seen vide (Table 3).

A study on the reliability dimension indicates that the mean score was the highest in the case of "safe bank transactions (3.45)". The second highest score was recorded in the case of the factor on "appropriate and updating of the account statements (3.27)". While the average score of the variable on uniform level of service at all times being 3.17, the score on clarity of entries in the pass book constituted 3.10. The least score of 2.98 was given to the variable on the "prompt services". As regards the coefficient of variation, the lowest variation was recorded by the factor "appropriate and updating of the account statements (29.60%)".

Among the various factors of reliability dimension of desired level, the highest average score was accorded to the variable on the "safe bank transactions". It had recorded an average score of 4.55. The next highest average score of 4.50 was obtained by the three individual variables namely, appropriate and updating of the account statements, clarity of entries in the pass book and uniform level of service at all times. The lowest average score was given to the factor rendering promised service (4.42). In terms of the coefficient of variation, the lowest variation was recorded by the variable on "clarity of entries in the pass book (14.93%)".

1	Tangibility	1. Parking space on the bank premises. 2. Adequacy of space and layout of counters 3. Availability of bank Stationery 4. Sign boards indicating of timings at appropriate counters. 5. Upholstery and convenience. Bank staff adequacy.
2	Reliability	1. Uniform level of service at all times. 2. Rendering promised service. 3. Clarity of entries in the pass book. 4. Safe bank transactions. 5. Prompt services. Appropriateness and updating of the account statements
3	Responsiveness	1. Interest and willingness of the bank staff to clarify doubts and queries. 2. Emergency and seriousness response. 3. Attitude of the bank staff if a scheduled appointment is not kept up by the customer. 4. Grievances care and the follow up actions. 5. Rendering of services on approach. Service without sulking.
4	Assurance	1. Skill of the bank staff to use computers and other modern technical devices. 2. Staff attitude and courtesy. 3. Conveying of information in customer known languages. 4. Instilling customer confidence. 5. Continuous service during business hours. Staff response to grievances.
5	Accessibility	1. Staff accessibility and contact. 2. Branch manager and higher officials' accessibility. 3. Staff accessibility over telephone. 4. Service counters accessibility. 5. Proximity of the bank location. Bank branch adequacy in other areas.
6	Empathy	1. Understanding the specific needs of customers. 2. Individual attention to the customers. 3. Convenient bank working hours. 4. Customer discrimination. 5. Bank's efforts to know the customer and his needs. Staff's polite approach with customers.
7	Financial	1. Reasonability of the rate of interest paid. 2. Justification of the rate of interest charged. 3. Fair draft commission. 4. Affordability of the safety locker rent. 5. Less commission for funds transfer. Reasonability of housing loan rate of interest.
8	Technology	1. Application of computer technology to provide service. 2. ATMs. 3. E-banking. 4. Core banking. 5. Mobile banking. Online banking security.
9	Agency	1. Payments and collection of subscriptions, dividends, salaries, pensions, etc., 2. Purchase and sales of securities. 3. Executor, administrator and trustee. 4. Attorney. 5. Cash exchanger. Financial planners, investment advisors and brokers.
10	Miscellaneous	1. Valuables safe custody. 2. Letter of credit. 3. Traveller's Cheques. 4. Foreign exchange business. 5. Leasing finance. Factoring.

Table 1: Parameters to measure quality of services.

Description of Factor on Tangibility	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Parking space in the bank premises	2.86 (715)	46.15	4.44 (1111)	19.23	-1.58 (-396)	80.51
Adequacy of space and layout of counters	3.19 (797)	40.03	4.70 (1174)	13.81	-1.51 (-377)	81.85
Availability of bank stationery	3.50 (875)	39.77	4.61 (1153)	17.90	-1.11 (-278)	99.01
Sign boards indicating of timings at appropriate counters	3.08 (771)	39.09	4.30 (1075)	23.33	-1.22 (-304)	79.18
Upholstery and convenience	3.05 (763)	41.15	4.68 (1171)	13.95	-1.63 (-408)	69.76
Bank staff adequacy	2.98 (745)	39.83	4.50 (1126)	14.93	-1.52 (-381)	92.11

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 2: Service quality gap of public sector banks in tangibility dimension.

Description of Factor on Reliability	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Uniform level of service at all times.	3.17 (792)	41.42	4.50 (1126)	15.71	-1.34 (334)	78.28
Rendering promised service	3.04 (761)	34.28	4.42 (1106)	19.62	-1.38 (-345)	63.12
Clarity of entries in the pass book	3.10 (776)	43.61	4.50 (1125)	14.93	-1.40 (-349)	94.71
Safe bank transactions	3.45 (862)	34.84	4.55 (1137)	15.76	-1.10 (-275)	71.64
Prompt services	2.98 (745)	31.04	4.44 (1111)	18.49	-1.46 (-366)	68.90
Appropriate and updating of the account statements	3.27 (818)	29.60	4.50 (1125)	16.93	-1.23 (-307)	76.75

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 3: Service quality gap of public sector banks in reliability dimension.

Regarding the service quality gap, the highest gap was found in the case of the variable on "prompt services with -1.46" as the average score. The order of the other service quality gaps were: clarity of entries in the pass book (-1.40), rendering promised service (-1.38), uniform level of service at all times (-1.34), appropriate and updating of the account statements (-1.23) and safe bank transactions (-1.10). In terms of coefficient of variation, the lowest variation was recorded in the case of the factor on "rendering service promised (63.12%)".

It can be concluded that the variable on "promptness of service" constituted the highest service quality gap (-1.46).

Service quality gap of public sector banks in responsiveness dimension

Table 4 reveals the perceived and desired levels of average scores and the resultant service quality gap that arises in the responsiveness dimension of the public sector banks under study.

A study on the responsiveness dimension indicates that the perceived level of satisfaction of the customers of public sector banks was higher in the case of the variable on the "service without sulking (2.96)". The next higher score was recorded by the category on the "rendering of services when approached (2.93)". While the variable on the attitude of the bank staff if a scheduled appointment is not kept up by the customer scored 2.83, other factors such as grievances care and the follow up actions scored 2.77, interest and willingness of the bank staff to clarify doubts and queries scored 2.75 and emergency and reflex response scored 2.54. In terms of dispersion, the lowest dispersion was recorded in the case of the variable on "attitude of the bank staff if a scheduled appointment is not kept up by the customer (30.85%)".

On the customers' desired level of service quality of the public sector banks, among the various factors of responsiveness dimension, the highest average score was held by the factor on "rendering of services when approached (4.69)". This was followed by the factor on "interest and willingness of the bank staff to clarify doubts and queries" with the average score of 4.65. The lowest average score was given to the factor on "service without sulking (4.56)". Regarding the measure on the coefficient of variation, the lowest value was being taken up by the variable on "rendering of services when approached (13.86%)".

In terms of service quality gap, the highest gap was seen in the case of the variable on "Emergency and reflex response with -1.98". The next highest gap was discerned in the factor "interest and willingness of the bank staff to clarify doubts and queries (-1.90)". The lowest gap was being recorded in the case of the factor on "service without sulking (-1.51)". For the coefficient of variation, the lowest value was found in the factor on "attitude of the bank staff if a scheduled appointment is not kept up by the customers (54.51%)".

It can be concluded that the variable on "Emergency and reflex response (-1.98)" had the highest service quality gap. In the case of coefficient of variation, the factor on "service without sulking" had recorded a highest value of 65.10 %.

Service quality gap of public sector banks in assurance dimension

The perceived and desired levels of average scores and the resultant service quality gap that arises in the case of assurance dimension is discussed vide (Table 5).

Among the various factors considered for measuring the perceived level of satisfaction of the customer on the services offered by public sector banks, the "conveying of information in customer known languages" constituted the highest score with 3.25. The second highest mean score was registered by the factor on "instilling customer confidence (2.99)". The third highest mean score was taken up by the factor on "staff's skill in computer technology (2.94)". In terms

Description of Factor on Responsiveness	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Interest and willingness of the bank staff to clarify doubts and queries	2.75 (688)	40.73	4.65 (1162)	15.83	-1.90 (-474)	57.68
Emergency and reflex response	2.54 (636)	37.68	4.52 (1130)	14.74	-1.98 (-494)	60.20
Attitude of the bank staff if a scheduled appointment is not kept up by the customer	2.83 (707)	30.85	4.56 (1139)	15.59	-1.73 (-432)	54.51
Grievances care and the follow up actions	2.77 (692)	35.63	4.58 (1146)	17.10	-1.82 (-454)	64.18
Rendering of services when approached	2.93 (732)	33.55	4.69 (1173)	13.86	-1.76 (-441)	58.41
Service without sulking	2.96 (741)	36.99	4.47 (1118)	15.93	-1.51 (-377)	65.10

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 4: Service quality gap of public sector banks in responsiveness dimension.

of the mean score, the variable on "staff attitude and courtesy" and "staff response to grievances." constituted an equal score of 2.90 each. The factor on "continuous service during business hours" was given the lowest average score of 2.82 and also in terms of the coefficient of variation the same factor had recorded the lowest variation of 32.59%.

The above study indicates that the highest score was given to the individual factor on "staff response to grievances". This variable scored the highest value of 4.63. This is being followed by "staff attitude and courtesy" factor. This had recorded the value of 4.62. The third highest average score went to the variable on "continuous service during business hours". It scored a value of 4.60. The least value in the average score went to the variable on "instilling customer confidence". It had a mean score of 4.42. In terms of the measure of the dispersion, the coefficient of variation, the lowest value of 14.10% was recorded by the individual variable on "staff response to grievances".

It can be seen that of the six individual factors that determine the total influence on the dimension on assurance, the factor on "continuous service during business hours (-1.77)" had recorded the highest service quality gap. The next highest gap was found in the factor on "staff response to grievances (-1.73)". The lowest gap was seen in "conveying of information in customer known languages (-1.33)". In terms of the coefficient of variation, the lowest dispersion was seen in the case of "staff response to grievance (50.41%)".

The factor on "continuous service during business hours" had recorded the highest gap while the factor on "staff response to grievances." constituted the lowest coefficient of variation of 50.41%.

Service quality gap of public sector banks in accessibility dimension

Table 6 examines the perceived and desired levels service quality gap and the average score that arises in the case of accessibility dimension.

Among the various factors, the factor on "bank branch adequacy in other areas (3.28)" bagged the highest average score. However, in the case of coefficient of variation the same factor had the least variation (34.27%). The next highest factor was "proximity of the bank location (3.09)". This was being followed by the factor on the "service counters accessibility (3.04)". The least value in the average score was being given to by the variable on the "staff accessibility over telephone (2.53)". In the case of coefficient of variation the same factor had recorded the highest variation of 53.64%.

On the data of desired level of service quality, the highest score of 4.75 had gone to the variable on "staff accessibility over telephone". The next highest mean score was given to the variable on "branch manager and higher officials' accessibility (4.74)". This was being followed by the variables on: proximity of the bank location (4.71), service counters accessibility (4.64), staff accessibility and contact (4.62) and sufficient of the branches (4.54). The coefficient of variation indicated that the lowest variation was ceded to "staff accessibility over telephone (9.92%)".

It can be seen from the above table that the gap was found to be highest in the case of the item on "staff accessibility over telephone (-2.22)". This was being followed by the factor on branch manager and higher officials' accessibility (-2.12), staff accessibility and contact (-1.98), proximity of the bank location (-1.62) and service counters accessibility (-1.60). The factor on "bank branch adequacy in other areas (-1.26)" formed the least service quality gap. In terms of the coefficient of variation, the lowest variation was found in the case of the factor on "staff accessibility and contact (46.16%)".

From the analysis, it can be concluded that the factor on "staff accessibility over telephone (-2.22)" recorded the highest service quality gap. In terms of coefficient of variation, the factor on "bank branch adequacy in other areas (89.21)" constituted the highest variation.

Service quality gap of public sector banks in empathy dimension

The perceived and desired level of average scores and the resultant service quality gap that arises in the case of empathy dimension is presented in Table 7.

In the case of the variable on empathy, among the various factors of perceived level of service quality, the factor on "customer discrimination (3.24)" formed the highest average score. This was being followed by the factor on the convenient banking hours (3.07), understanding the specific needs of customers (2.86), staff's polite approach with customers (2.82), individual attention to the customers (2.73) and bank's efforts to know the customer and his needs (2.58). In terms of coefficient of variation, the lowest variation was found in the case of the factor on "understanding the specific needs of customers (37.73%)".

It can be seen from the table that the highest score of 4.62 was given to the variable on the "convenient banking hours" in the desired level of service quality. The next highest mean score went to the variable on "staff's polite approach with customers (4.61)". This was being

Description of Factor on Assurance	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Staff's skill in computer technology	2.94 (735)	40.78	4.47 (1118)	22.71	-1.53 (-383)	75.95
Staff attitude and courtesy	2.90 (725)	38.00	4.62 (1156)	15.33	-1.72 (-431)	68.31
Conveying of information in customer known languages	3.25 (813)	35.60	4.58 (1145)	16.88	-1.33 (-332)	76.09
Instilling customer confidence	2.99 (747)	40.60	4.42 (1105)	21.88	-1.43 (-358)	80.21
Continuous service during business hours	2.82 (706)	32.59	4.60 (1149)	14.98	-1.77 (-443)	51.64
Staff response to grievances.	2.90 (726)	36.04	4.63 (1158)	14.10	-1.73 (-432)	50.41

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 5: Service quality gap of public sector banks in assurance dimension.

Description of Factor on Accessibility	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Staff accessibility and contact	2.63 (658)	41.75	4.62 (1154)	17.08	-1.98 (-496)	46.16
Branch manager and higher officials' accessibility	2.62 (655)	50.69	4.74 (1184)	12.57	-2.12 (-529)	59.48
Staff accessibility over telephone	2.53 (633)	53.64	4.75 (1187)	9.92	-2.22 (-554)	59.91
Service counters accessibility	3.04 (760)	39.87	4.64 (1161)	14.14	-1.60 (-401)	75.31
Proximity of the bank location	3.09 (773)	43.07	4.71 (1177)	12.31	-1.62 (-404)	72.90
Bank branch adequacy in other areas	3.28 (820)	34.27	4.54 (1136)	18.30	-1.26 (-316)	89.21

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 6: Service quality gap of public sector banks in accessibility dimension.

followed by the variable on individual attention to the customers (4.60), customer discrimination (4.58), understanding the specific needs of customers (4.57) and bank's efforts to know the customer and his needs (4.56). In terms of coefficient of variation, the lowest value of 14.43% was given to the "customer discrimination".

It can be seen from the table that the gap was found to be the highest in the case of the item on "bank's efforts to know the customer and his needs (-1.99)". The next highest score was given to the category on the "individual attention to the customers (-1.87)". Next came the factors on "staff's polite approach with customers (-1.78), understanding the specific needs of customers (-1.71) and convenient banking hours (-1.55)". The factor on "customer discrimination (-1.34)" formed the least service quality gap. In terms of the coefficient of variation, the lowest variation was found in the case of the factor on "bank's efforts to know the customer and his needs (53.37%)".

From the above analysis it is discerned that the factor on "bank's efforts to know the customer and his needs (-1.99)" recorded the highest service quality gap and in terms of coefficient of variation the same factor had plummeted to the lowest variation of 53.37%.

Service quality gap of public sector banks in financial dimension

The service quality gap of in the case of financial dimension is discussed vide (Table 8).

A close perusal of the data provided in table, indicates that among the six broad categories of service quality on financial dimension, the average score was found to be the highest in the case of the factor on "affordability of the safety locker rent (3.14)". The next highest score was given to the factor on "reasonability of the rate of interest paid (2.91)". The factor on "fair draft commission (2.90)" scored the third highest average. The lowest average score went to the factor on "justification of the rate of interest charged (2.71)". In the case of the coefficient of variations the factor on the "affordability of the safety locker rent" constituted the lower dispersion of 39.24%.

Regarding the desired level of service quality, the factor on "reasonability of housing loan rate of interest (4.69)" constituted the highest score. This was followed by the individual factor on fair draft commission (4.49), reasonability of the rate of interest paid (4.47), affordability of the safety locker rent (4.45), less commission for funds transfer (4.44) and justification of the rate of interest charged (4.29). In terms of dispersion, the lowest coefficient of variation was seen in the case of the factor on "reasonability of housing loan rate of interest (14.63%)".

The service quality gap was found to be the least in the case of the factor on "affordability of the safety locker rent (-1.31)". The next lowest score was given to the factor on "reasonability of the rate of interest paid (-1.56)". The third and fourth lowest service quality gap was found in the case of variables on justification of the rate of interest charged and fair draft commission. These factors had recorded the values of -1.58 and -1.59 respectively. The factor on "reasonability of housing loan rate of interest (-1.82)" recorded the highest service quality gap. In terms of coefficient of variation the factor on "affordability of the safety locker rent (91.99%)" formed the highest dispersion.

From the analysis it can be seen that the variable namely, "reasonability of housing loan rate of interest" constituted the highest service quality gap though the same factor had recorded the lowest variance.

Service quality gap of public sector banks in technology dimension

The perceived and desired levels of average scores and the resultant service quality gap in the case of technology dimension are shown vide (Table 9).

The mean score was the highest in the case of "adoption of computers technology to provide service (3.27)". The second highest score was seen in the case of the factor on the "provision of ATMs (3.25)". While the average score of the variable on provision of e-banking was 3.19, the score on provision of core banking constituted 2.94 and provision of online banking security constituted 2.72. The least score of 2.71 was given to the variable on provision of mobile banking. Regarding the coefficient of variation, the lowest was obtained by the factor on "provision of e-banking (37.30%)".

Regarding the customers' desired level of service quality of the public sector banks, the highest average score was accorded to the variable "provision of core banking". It had recorded an average score of 4.66. The next highest average score of 4.62 was netted by the variable "provision of online banking security". The third value of 4.60 was given to the individual factor "provision of ATM". The least score of 4.45 went to the variable "provision of mobile banking". In terms of

Description of Factor on Empathy	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Understanding the specific needs of customers	2.86 (715)	37.73	4.57 (1142)	15.65	-1.71 (-427)	66.67
Individual attention to the customers	2.73 (682)	43.04	4.60 (1150)	17.09	-1.87 (-468)	65.35
Convenient banking hours	3.07 (767)	40.85	4.62 (1154)	18.88	-1.55 (-387)	64.13
Customer discrimination	3.24 (809)	39.57	4.58 (1145)	14.43	-1.34 (-336)	102.99
Bank's efforts to know the customer and his needs	2.58 (644)	47.05	4.56 (1141)	16.29	-1.99 (-497)	53.37
Staff's polite approach with customers	2.82 (706)	40.21	4.61 (1152)	16.59	-1.78 (-446)	59.83

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 7: Service quality gap of public sector banks in empathy dimension.

Description of Factor on Financial	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Reasonability of the rate of interest paid	2.91 (728)	43.88	4.47 (1118)	18.81	-1.56 (-390)	74.87
Justification of the rate of interest charged	2.71 (678)	45.90	4.29 (1073)	24.36	-1.58 (-395)	66.27
Fair draft commission	2.90 (726)	39.45	4.49 (1123)	16.62	-1.59 (-397)	71.13
Affordability of the safety locker rent	3.14 (785)	39.24	4.45 (1112)	20.54	-1.31 (-327)	91.99
Less commission for funds transfer	2.82 (704)	42.48	4.44 (1110)	20.86	-1.62 (-406)	71.11
Reasonability of housing loan rate of interest	2.88 (719)	39.55	4.69 (1173)	14.63	-1.82 (-454)	66.21

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 8: Service quality gap of public sector banks in financial dimension.

the coefficient of variation, the lowest being recorded by the factor on "provision of e-banking (13.76%)".

In terms of service quality gap, the highest gap was witnessed in the case of the variable "provision of online banking security" with -1.90 on the average score. The order of the other service quality gaps were: provision of mobile banking (-1.74), provision of core banking (-1.72), provision of e-banking (-1.39), provision of ATM (-1.35) and adoption of computers technology to provide service (-1.26). In terms of coefficient of variation, the lowest was recorded in the case of the factor on "provision of mobile banking (68.16%)"

It can be seen that the variable "provision of online banking security" constituted the highest service quality gap (-1.90).

Service quality gap of public sector banks in agency dimension

Table 10 reveals the resultant service quality gap of that arises in the case of agency dimension.

The perceived level of satisfaction of the customers was higher in the case of the factor on "purchase and sales of securities (3.07)". The next highest score went to the category on "acting as cash exchanger (2.98)". The third highest value of 2.93 was taken up by two factors namely, "acting as executor, administrator and trustee" and "payments and collection of subscriptions, dividends, salaries, pensions, etc.,". The least score of 2.76 was vested with the factor "acting as attorney". The lowest dispersion was recorded in the case of the factor "acting as cash exchanger (38.62%)".

Tables explain the customers' desired level of service quality of the public sector banks. Among the various factors of agency dimension, the highest average score was recorded by the factor on "payments and collection of subscriptions, dividends, salaries, pensions, etc., (4.63)". This is followed by the factor on "acting as executor, administrator and trustee" with the average score of 4.56. The third highest average score had gone to the category viz., the "purchase and sales of securities (4.54)". The least score of 4.35 went to the variable on "acting as financial planner, investment advisors and brokers". In terms of dispersion, the lowest variation had been scored by the variable on "acting as executor, administration and trustee (13.86%)".

In terms of service quality gap, the highest gap had been netted by the variable on "payments and collection of subscriptions, dividends, salaries, pensions, etc., (-1.70)". The other service quality gaps in order were: acting as executor, administrator and trustee (-1.64), acting as attorney (-1.62), financial planner, investment advisor and brokers (-1.53), purchase and sales of securities (-1.47) and acting as cash exchangers (-1.43). In terms of coefficient of variation, the lowest variation had gone to the factor on "payments and collection of subscriptions, dividends, salaries, pensions, etc., (64.65%)".

From the analysis it can be concluded that the variable namely, "payments and collection of subscriptions, dividends, salaries, pensions, etc.," constituted the highest service quality gap though the same factor has got the lowest variance of 64.65%.

Service quality gap of public sector banks in miscellaneous dimension

The perceived and desired levels of average scores and the resultant service quality gap of that arises in the case of miscellaneous dimension is furnished vide (Table 11).

Among the various factors constituting the miscellaneous dimension of perceived level, the average score on "safe custody of valuables" constituted the highest with 3.04. This variable had also recorded the lowest coefficient of variation (37.90%). The second highest mean score had been given to the variable on "factoring (2.92)". This variable had registered the second least dispersion value of 42.06%. In terms of the mean score, the variable on "letter of credit" had the lowest average score of 2.75. This variable had registered a dispersion

Description of Factor on Technology	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Adoption of computers technology to provide service	3.27 (817)	40.61	4.53 (1133)	18.15	-1.26 (-316)	85.48
Provision of ATM	3.25 (812)	42.31	4.60 (1149)	16.76	-1.35 (-337)	94.44
Provision of e-banking	3.19 (798)	37.30	4.58 (1146)	13.76	-1.39 (-348)	83.74
Provision of core banking	2.94 (735)	43.74	4.66 (1165)	18.16	-1.72 (-430)	70.12
Provision of mobile banking	2.71 (677)	46.05	4.45 (1112)	17.66	-1.74 (-435)	68.16
Provision of online banking security	2.72 (680)	47.65	4.62 (1156)	14.70	-1.90 (-476)	70.42

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 9: Service quality gap of public sector banks in technology dimension.

Description of Factor on Agency	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Payments and collection of subscriptions, dividends, salaries, pensions, etc.,	2.93 (733)	40.34	4.63 (1157)	14.51	-1.70 (-424)	64.65
Purchase and sales of securities	3.07 (768)	42.15	4.54 (1136)	16.41	-1.47 (-368)	80.00
Acting as executor, administrator & trustee	2.93 (732)	45.39	4.56 (1141)	13.86	-1.64 (-409)	80.85
Acting as attorney	2.76 (689)	41.59	4.38 (1095)	19.13	-1.62 (-406)	71.54
Acting as cash exchanger	2.98 (744)	38.62	4.41 (1102)	20.05	-1.43 (-358)	82.10
Acting as financial planner, investment advisors and brokers	2.82 (705)	44.33	4.35 (1087)	18.81	-1.53 (-382)	86.73

Source: Computed from the primary data
Note: Figures in parentheses indicate the individual factor score

Table 10: Service quality gap of public sector banks in agency dimension.

Description of Factor on Miscellaneous	Perceived Level		Desired Level		Gap	
	Score	CV (%)	Score	CV (%)	Score	CV (%)
Safe custody of valuables	3.04 (761)	37.90	4.68 (1171)	13.80	-1.64 (-410)	65.55
Letter of credit	2.75 (688)	47.71	4.40 (1100)	20.07	-1.65 (-412)	81.76
Traveler's cheques	2.76 (689)	42.97	4.51 (1128)	20.78	-1.76 (-439)	78.41
Dealing in foreign exchange business	2.80 (700)	42.36	4.56 (1141)	17.76	-1.76 (-441)	65.34
Leasing finance	2.78 (695)	43.78	4.67 (1167)	14.33	-1.89 (-472)	66.98
Factoring	2.92 (731)	42.06	4.51 (1128)	20.58	-1.59 (-397)	79.56

Source: Computed from primary data
Note: Figures in parentheses indicate the individual factor score

Table 11: Service quality gap of public sector banks in miscellaneous dimension.

value of the highest value of 47.71%.

It can be seen that the highest score was taken up by the individual factor on "safe custody of valuables". This variable had scored the highest value of 4.68. The second highest value had been scored by the variable on the "leasing finance". This variable had scored the value of 4.67. The third highest average was taken up by the variable on "dealing in foreign exchange business". It had a mean score of 4.56. The least value in the average score had gone to the variable on the "letter of credit". It had a mean score of 4.40. In terms of coefficient of variation, the lowest value of 13.80% was recorded by the individual variable on "safe custody of valuables".

The six individual factors that determined the total influence on the dimension on miscellaneous aspects, the factor on "leasing finance (-1.89)" had recorded the highest service quality gap score. The next highest service quality gap of -1.76 had been taken up by two variables namely, "dealing in foreign exchange business" and "traveller's cheque". The lowest gap was recorded by "factoring (-1.59)". In terms of coefficient of variation, the variable that "dealing in foreign exchange business (65.34)" had the least value.

From the analysis it can be concluded that the factor on "leasing finance" had recorded the highest gap, while the factor on "dealing in foreign exchange business" constituted the lowest coefficient of variation of 65.34%.

Summary and Conclusion

On the dimension on tangibility, the factor on "upholstery and convenience", on reliability the factor on "prompt services", on responsiveness the factor on "emergency and reflex response", and in the case of assurance, the factor on "continuous service during business hours" had the highest gaps. In the case of accessibility, the factor on "staff accessibility over telephone", on empathy the factor on "bank's efforts to know the customer and his needs" and in the case of financial aspect the factor on "reasonability of rate of interest on housing loan" got the highest gaps. In the case of technology, the factor on "provision of online banking security", on agency the factor on "payments and collection of subscriptions, dividends, salaries, pensions, etc.," and in the case of miscellaneous the factor on "leasing finance" formed the highest gaps.

Suggestions

The employees of the public sector banks can show more interest and willingness to clarify doubts and queries, rise up in emergencies with reflex response, developing a patient attitude if a scheduled appointment is not kept up by the customer, grievance care and the follow up actions, rendering of services when approached and service without sulking.

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