

# Measurement Of Service Quality In Government Bank In Indore

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## Abstract

*In present scenario service firms or industries are phasing the problem of customer satisfaction and they are moving toward the quality management approaches and processes. The major aim of this paper is to measure the quality of service offered by the Punjab National Bank and highlighted the gap between customer expectation and management perception. The aim of this paper is to evaluate the service quality of Punjab National Bank and identify the factors responsible for customer satisfaction level. To measure the service quality the SERVQUAL model is used. This model is adopted by A. Parasuraman et al (1988). The gap score is measured on the basis of five dimensions Tangibility, Reliability, Responsiveness, Assurance, and Empathy.*

*Keywords: Service Quality, Expectation, Perception, Satisfaction, Banks.*

## 1. Introduction

Service quality is an approach to manage the business processes in order to ensure the full satisfaction of the customer which help to increase the effectiveness of the firms. Now a day the customer is able to choose the bank from a number of bank offering the wide range of services. Providing excellent service quality and high customer satisfaction is the important issue and challenge facing the contemporary service industry (Hung et al., 2003). Service quality can be defined as “ The difference between customer expectation’s for service performance prior to the service encounter and their perception of the service received” . Service quality is determined by the difference between customer’s expectations o service provider’s performance and their evaluation of the service they received (Parsuraman et al. 1985 1988). There are two

main lines of thoughts on measuring service quality (Kang and James 2004): an American and European perspective. The focus on functional quality attributes is referred to as American perspective of service quality and service quality considers two more components which include functional and technical.

Gronroos(1984) noted that the quality of service as perceived by customers consists of three dimensions: functional means the process of service delivery to the customers, technical means the outcomes generated by the service to the customers, and image means how the customers view the company. Hayes (1997) describe that the process of identifying customer’s attitudes begins with determining customer’s requirements or quality dimensions. There are number of researchers who provide the lists of service quality determinants, but the best determinant given by Parasuraman and his colleagues from USA, who found five dimensions of service quality namely Tangibility, Reliability, Responsiveness, Assurance, Empathy (Parasuraman et al. 1988; Zeithmal et al. 1990). They develop the SERVQUAL model based on gap model. Service quality is the function of gap between expectation and perception.

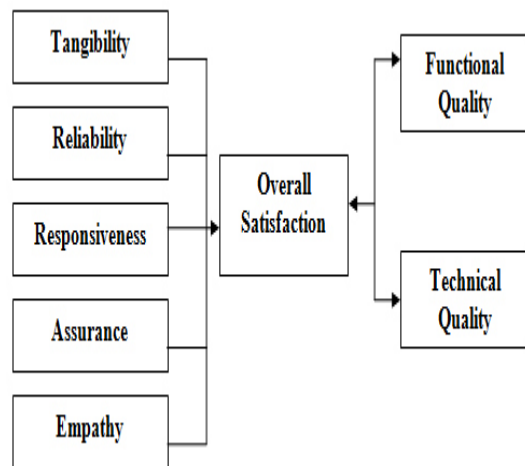


Fig. Two dimensional aspect of service quality

## 2. Literature review

Quality is major part for survival of firms in present economy. The organizations are turning toward the customer focused approach. The exact definition of service quality is difficult due to different services offered by different firms. Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski 2001). Service quality is the extent to which a service meets customers' need or expectation (Lewis and Mitchell 1990; Dotchin and Oakland, 1994; Asubonteng et al., 1996; Wisniewski and Donnelly, 1996). To measure the service quality SERVQUAL instrument (Parasuraman et al. 1985, 1988 and 1991) is used. There are 22 questions which include almost all the services of Punjab National Bank. The gap score is calculated by five dimensions of service quality are describe below:

### 2.1. Tangibility

It means the service which are physically observed by the customer in the bank which include modern looking equipment, neat appearing of employee physical facilities materials associated with the service such as pamphlets, statements, etc. These qualities

represent the tangibility and evaluate the capability of service providers.

### 2.2. Reliability

It refers to the ability to perform the service at designated time. Reliability is to convey the trust to performing services and show the sincerity to solve the problem of customers. It include the performance of services right at the first time and error free records and perform the promised services dependably and accurately.

### 2.3. Responsiveness

Responsiveness means service provider's willingness to help the customers and provide prompt services. It refers to the respond to the customers request and inform to customers about the services and latest technology.

### 2.4. Assurance

Assurance is related to behavior of employee, the employee should have ability to inspire the trust and confidence . It include safe transaction, employee should have knowledge to answer the customer's questions and consistently courteous with customers.

### 2.5. Empathy

It refers to the caring individual attention provide to customers. The customers in bank are related to different social background so employee should emphasize personal attention to customers and understand the specific need of customers. It also include operating time convenient for all customers.

## 3. Gap analysis

Gap analysis were used to identify the causes of service quality shortfalls in each or all of the dimensions. Generally the gap is generated between service providers and service receivers. Measuring the gap between service providers and service receivers is a routine customer feedback process. There are five gaps are describe below:

**GAP 1:** This gap is the discrepancy between customer expectation and management perception of these expectations. This gap is arises from lack of management, inadequate

communication and too many levels of management. This gap is known as market research gap. This gap is reduced by reducing the level of management, better communication between management and its contact employee and improving the market research.

**GAP 2:** This gap is also known as design gap. Design gap is generated between management perception and service specification. This arises from lack of management commitment to service quality, a perception of unfeasibility and absence of goal setting. This gap can be reduced by setting goals and standardizing service delivery tasks.

**GAP 3:** The gap occurs between service specification and service delivery. This gap is also known as conformance gap. Conformance gap arises from lack of team work, poor employee selection, inappropriate supervisory control system and poor technology job fit. It can be reduced by proper training to employee and improve the selection process of employee.

**GAP 4:** This is the discrepancy between service delivery and external communication. Gap 4 is known as communication gap. This gap is arises from lack of information and provided to contact personnel. Communication gap is reduced by providing the information to contact personnel.

**GAP 5:** This gap is occurs between customers perception and customer expectation. It is also known as customer satisfaction gap.

#### 4. Methodology

The present study is concerned with the quality of service rendered by Punjab National Bank in Indore. This study is based on the following steps:

**4.1. Selection of Bank:** The Punjab National Bank (Choithram Mandi Branch) is select to measure the service quality, because almost 90% customers are merchant, who has daily transaction.

**4.2. Selection of Customers:** The customers, who has current account in Punjab National Bank, because the current account holders have daily transaction.

**4.3. Sample size:** The sample size is 50. 50 customers are used for survey.

**4.4. Design of Questionnaire:** 22 question are in questionnaire which are based on bank services. The customer fill the questionnaire according to their expectation and perception. This questionnaire under five dimensions of service quality.

#### 5. Calculation and Result

To calculate the gap score Likert 7 point scale is used. Point 1 is given to strongly disagree and point 7 is given to strongly agree. After survey of 50 customers we calculate the average gap score of each dimensions and then calculate the overall gap score. The gap score is described below in table:

Sr.No.	Dimensions	Average gap score
1	Tangibility	2.085
2	Reliability	2.034
3	Responsiveness	2.342
4	Assurance	1.65
5	Empathy	2.137
	Average gap score	2.0496

#### Limitations of the study

- The study is concentrates on qualitative aspect.
- The survey is based on the perception of customers of only Punjab National Bank in Indore.

## 6. Conclusion

The average gap score is **2.0496**. As the gap score is less the customer satisfaction level is more. The Assurance services in Punjab National Bank are better as compare to other services. The Responsiveness services in Punjab National Bank are poor. Responsiveness service include willingness to help the customer, provide prompt service to customers etc. In order to improve the

service quality it is necessary to contact employee regularly, provide adequate training, knowledge of the latest technology. The organization should judge how employee of Knowing how customers perceive the service quality and being able to measure service quality can benefit industry professionals in quantitative and qualitative ways.

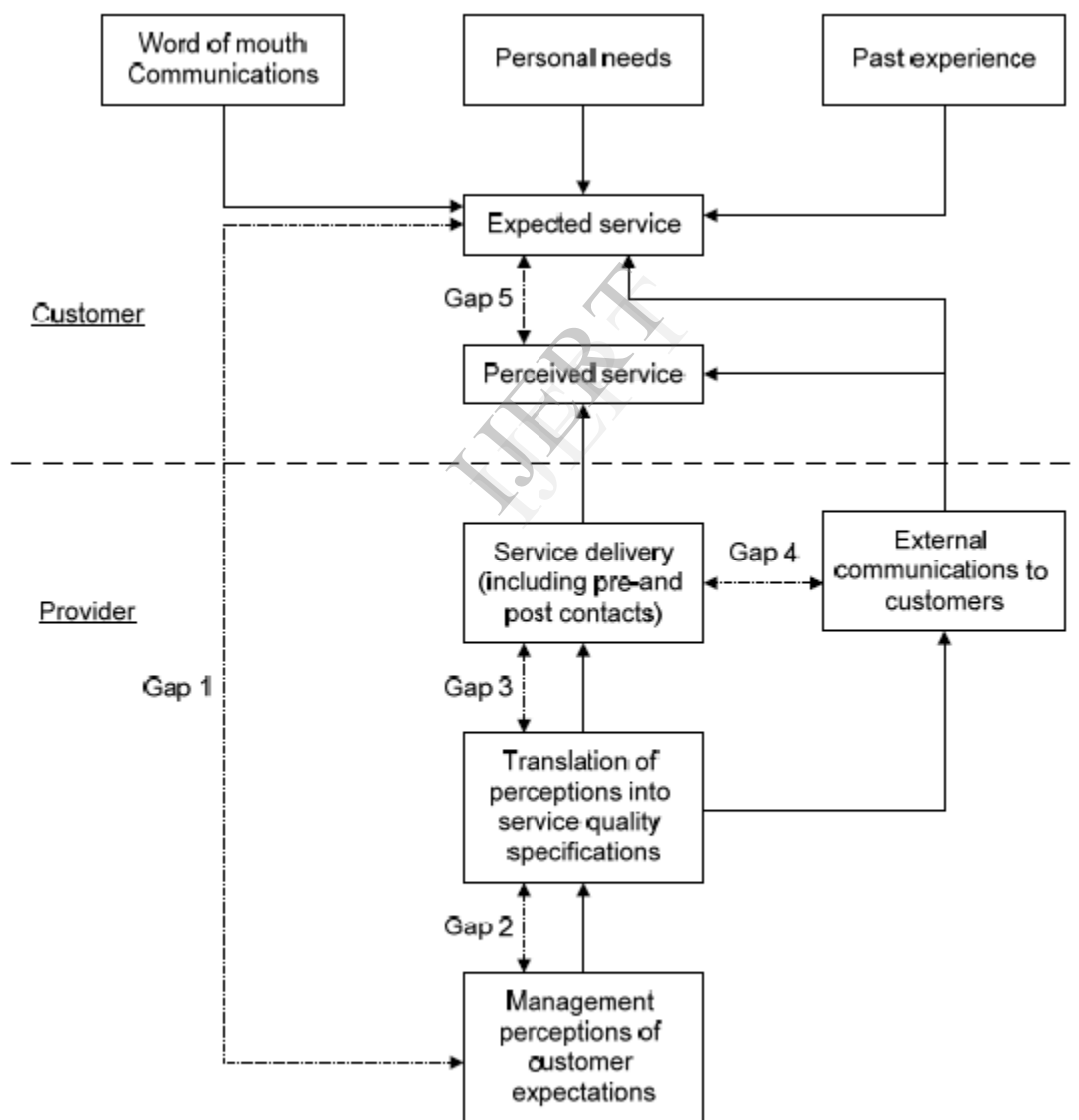


Figure 1. Model of service quality gaps by Parasuraman et al. (1985).

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