



ISSN: 0975-833X

REVIEW ARTICLE

SERVICE QUALITY GAP ANALYSIS IN INDIAN BANKING SERVICES: A CASE STUDY OF KK BANK

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ARTICLE INFO

Article History:

Received 24th August, 2015
Received in revised form
22nd September, 2015
Accepted 17th October, 2015
Published online 30th November, 2015

Key words:

Service quality,
Gap analysis,
Banking services,
Serqual model.

ABSTRACT

Increased competition, highly educated consumers, and increase in standard of living are forcing many businesses to review their customer service strategy. Public sector banks are sharpening their products and services while reasserting their strengths to cater to younger, savvier customers. The Foreign banks and private banks have already incorporated the concept of Service Marketing in their working. There is enough evidence that demonstrates the strategic benefits of quality in contributing to market share and return on investment. In view of the above mentioned facts, an analysis of service quality perceptions from customer's point of view may be sound and interesting at this juncture. Such an analysis will provide banks, a quantitative estimate of their services being perceived with intricate details such as whether banks are meeting the expectations of the customers or not. The test instrument called SERVQUAL was used to measure the service quality of banking services of one of the premier public Ltd. bank. It is found that the bank provides good services to its customers but with marginal negative service quality gap score minus 0.55. Customers' expectation as well as perception was very high with average score around 6 on 7 point scale. Though the bank provides good services there is lot of scope for innovation and improvement in delivering quality service.

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Citation: Dr. Ramanjaneyalu, N., Mr. Prakash Agasanahalli and Ms. Yashvi Mehta, 2015. "Service quality gap analysis in Indian banking services: A case study of KK bank", *International Journal of Current Research*, 7, (11), 22979-22988.

INTRODUCTION

Today, we are having a fairly well developed banking system with different classes of banks – public, private, foreign banks– both old and new generation, regional rural banks and co-operative banks with the Reserve Bank of India as the fountain Head of the system. The banks have shed their traditional functions and have been innovating, improving and coming out with new types of the services to cater to the emerging needs of customers. Massive branch expansion in the rural and underdeveloped areas, mobilization of savings and diversification of credit facilities to the either to neglected areas like small scale industrial sector, agricultural and other preferred areas like export sector etc. have resulted in the widening and deepening of the financial infrastructure and transferred the fundamental character of class banking into mass banking. There has been considerable innovation and diversification in the business of major commercial banks, such as consumer credit, credit cards, merchant banking, leasing, mutual funds etc. A few banks have already set up subsidiaries for merchant banking, leasing and mutual funds and many more are in the process of doing so.

Certain trends like growing competition, product innovation and branding, focus on strengthening risk management system, emphasis on technology have emerged in the recent past. With the emerging changes did spring up new challenges of commercial viability, cost effectiveness, effective marketing strategy, etc. Market oriented policies also gave birth to new players like foreign and private sector banks and subsidiaries offering varied high tech and cost effective service. There was an absolute shift from sellers into buyers' market, establishing the 'consumer' as the key factor in the market. The dictum "as the bank exists because of its customers, has become more pronounced and relevant in the present context". Thus, marketing constitutes the key strategy for banks to retain good customers and also anticipate their future demands. The Foreign banks and private banks have already incorporated the concept of Service Marketing in their working. Thanks to competition from these banks, Public Sector Banks have also started to effect some visible changes in their day to day working. The concept of service marketing includes new products, placement, price and promotion in their business development plan; they have taken a 360 degree turn. Public Sector Banks are sharpening their products and services while reasserting their strengths to cater to younger, savvier customers. From swank waiting rooms to glitzy lobbies and better service, they're pulling out all stops to attract customers.

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Importance of Service Quality in Banking Sector

Increased competition, highly educated consumers, and increase in standard of living are forcing many businesses to review their customer service strategy. Many business firms are channeling more efforts to retain existing customers rather than to acquire new ones since the cost of acquiring new customer is greater than cost of retaining existing customers. There is enough evidence that demonstrates the strategic benefits of quality in contributing to market share and return on investment. Maximizing customer satisfaction through quality customer service has been described as the ultimate weapon by Davidow and Vital (1989). According to them, in all industries, when competitors are roughly matched, those who stress on customer's service will win. In view of the above mentioned facts, an analysis of service quality perceptions from customer's point of view may be sound and interesting at this juncture. Such an analysis will provide banks, a quantitative estimate of their services being perceived with intricate details such as whether banks are meeting the expectations of the customers or not.

Measuring service quality in the service sector particularly in the banking sector is more difficult than measuring the quality of manufactured goods. The service sector as a whole is very heterogeneous and what is heterogeneous may hold true for one service and may not hold for another service sector. Each bank is having a variety of services. Due to this differentiation, services in this industry could not be standardized, moreover these services are intangible in nature which could not be compared or seen. The concept of customer satisfaction and service quality is interrelated with each other. Moreover satisfaction of customer depends upon service quality and service quality is increasingly offered as a strategy by marketers to position themselves more effectively in the market place. Due to the advent of e-banking, quality of service has been improved a lot as compared to traditional banking services. Internet banking, Mobile banking, automated teller machine, electronic fund transfer has totally changed the way of providing services by the banks.

Profile of the Bank

KK Bank was incorporated on 18 February 1924, and commenced business on 23rd May 1924 at Mangalore, Karnataka State. In the 1960s KK bank acquired 3 smaller banks. In 2000, KK bank developed a core-banking solution called 'FINACLE' with the main motto of "Anytime/Anywhere banking". Bank introduced the Moneyplant card that allows customers to withdraw money from any of their KK bank accounts. KK bank has been striving to keep pace with advances in banking technology by adopting core banking and Internet banking, and establishing its "Money Plant" automated teller machine system. The bank has the Best Bank Award for "Managing IT Risk" under small bank category for the year 2010-11, instituted by Institute for Development and Research in Banking Technology (IDRBT). In August 2008, this bank received the Sun and NDTV Green IT Award. Sun Microsystems and NDTV gave the award to in recognition of the bank's "green policies" and use of earth-friendly technology such as solar power.

With over 88 years' experience at the forefront of providing professional banking services and quality customer service, bank now has a national presence with a network of 642 branches spread across 20 states and 2 union Territories. Managed by a dedicated & professional management team, bank has over 6084 employees, 105099 shareholders and over 6.7 million customers.

Services Offered by the Bank

Personal Banking: Bank offers a total value package, a one-stop shop for all the banking needs. Bank does thoroughly research these needs and create the right solution at the right time, with speed and efficiency, for your maximum benefit. Bank committed to providing customer with customized services designed to suit requirement whether it be high earning deposits, easy and convenient loans, life insurance, utility bill payments or enabling customers to keep track of their finances, thereby saving time.

Business banking: Continuous improvement is the only business strategy that can provide a clear competitive edge and keep you ahead of the fierce competition. KK bank understands the dynamics of competition in today's fast changing world and the growth need of every business irrespective of the size. Bank offer a variety of carefully drafted tailor made Banking products to help business get that edge in this competitive environment. Bank provides Working Capital Finance, Term Loans and Infrastructure Finance to help your Business grow. With providing these types of finances to start an industry, to financing your working capital, bank has Business Finance Products both fund based and non-fund based suited to all sectors of Industry.

Internet banking: Internet banking facility money click lets you to manage customers' finances in the comfort of their home or office as per convenience. Money click is a self-service channel, which are available 24 hours and 365 days a year in an absolutely simple, friendly but secured environment. To enhance the security under Internet banking two factor authentications is activated with SMS/Email OTP (One time password), cooling period of 24 hours is introduced for addition of beneficiary.

Products and services: KK bank offers many innovative services such as Money click, KBL Mobile, Money Transfer, Online shopping, Online Trading, MoneyPlant ATM, Cards, Personal Banking, Multi Branch Banking, Deposit Products, Loans, Insurance Services, Demat Services, Mutual Fund, NRI Services, Forex Services.

Need of the Study

A business with high service quality will meet customer needs whilst remaining economically competitive. Improved service quality may increase economic competitiveness. This aim may be achieved by understanding and improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes.

Customer is vital for the development of trade, industry and service sector particularly in financial services. Therefore, the significance of customer service in the banking sector came to force to compete in a market driven environment. Banks have opening core systems to useful customer services, changing the product sales culture to a customer service culture. Increased competition, highly educated consumers, and increase in standard of living are forcing many businesses to review their customer service strategy. Many business firms are channeling more efforts to retain existing customers rather than to acquire new ones since the cost of acquiring new customer is greater than cost of retaining existing customers. When competitors are roughly matched, those who stress on customer's service will win. In view of the above mentioned facts, an analysis of service quality perceptions from customer's point of view may be sound and interesting at this juncture. Therefore it is very important to understand the end users perceptions and expectation. Service quality in the Indian banking services is very crucial because of increasing competition and customers' expectation. Since more number banks offering innovative services at the customers' door step customer are expecting better service quality. Banks which can offer superior services only can survive in the increased competition.

Objectives of Study

- To study the customers expectation and perception on service quality with reference to KK Bank, Dharwad city branches.
- To identify the service gap from the customer point of view.
- To know the bank's performance in meeting its customer's expectations.
- To understand the satisfaction level of the customers towards the services of the bank.
- To offer suitable solutions to fill up the service gap.

MATERIALS AND METHODS

SERVQUAL Model for Gap Analysis: The test instrument called SERVQUAL was used to measure the service quality. The questionnaire prepared in two parts, first part asks customers to indicate the level of service they would expect and second part asks customers to indicate their perception of service performance. Gap analysis involves evaluating service quality that involves subtracting a customer's perceived level of service received from what was expected.

The SERVQUAL service quality model was developed by a group of American authors, Parasuraman, Valarie Zeithaml and Len Berry, in 1988. It highlights the main components of high quality service. The SERVQUAL authors originally identified ten elements of service quality, but in later work, these were collapsed into five factors - reliability, assurance, tangibles, empathy and responsiveness - that create the acronym RATER. Businesses using SERVQUAL to measure and manage service quality deploy a questionnaire that measures both the customer expectations of service quality in terms of these five dimensions, and their perceptions of the service they receive.

Service quality is a comparison of expectations with performance. When customer expectations are greater than their perceptions of received delivery, service quality is deemed low. The study relies on both primary as well as secondary data.

Primary Data: Primary data was collected by conducting the survey using structured questionnaire of service quality model with personal interview. The questions prepared were mainly based on the dimensions of service quality, where in each question were given 7 point ratings scale and the customers had to tick any one rating based on their expectations and perceptions for the services provided by the organization.

Secondary data: The source of the secondary data is drawn from Bank publications and the sites of the banks to which respondents are customers. Various journal articles have been referenced to understand the background of the study.

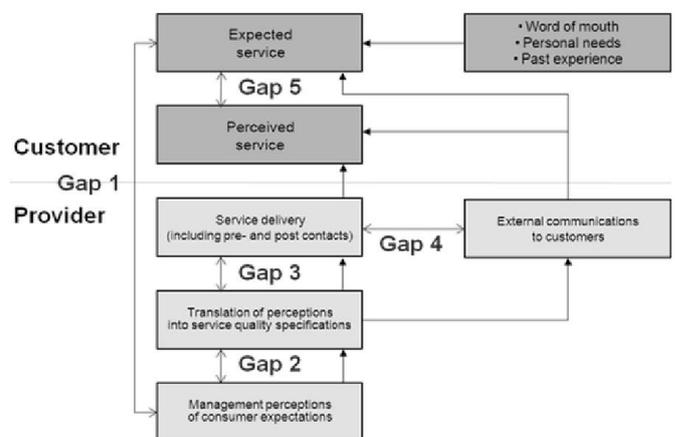
Sample size: The sampling method used is proportionate stratified Random Sampling. The total number of customers was 100, randomly selected for survey from the study area Dharwad city those who are customers of the Bank.

Data Analysis: The data is analyzed by finding the mean scores of the various Servqual dimensions both for expectations and perceptions. Such mean scores are compared with each other to find the gaps between expectations and perceptions. The service quality gaps based on customers' response of bank are identified.

Limitations of the Study: The findings of the study are entirely depends on the customers' response which may not be 100% correct. The study area is limited to the Dharwad city thus findings may not generalized for Bank as a whole. The perceptions and expectations of customers are limited to the time period of the study. The study is limited only to Dharwad city branches of KK Bank.

SERVICE GAPS

Customers compare the service they "experience" with what they "expect" and when it does not match the expectation a gap arise.



Gaps Model of Service Quality

CUSTOMER GAP

The customer gap is the difference between customer expectations and perceptions. This gap arises when the management does not correctly perceive what the customers want. Customer expectations are standards or reference points that customers bring into the service experience, whereas customer perceptions are subjective assessment of actual service experiences. Closing the gap between what customers expect and what they perceive is critical to delivering quality service; it forms the basis for the gaps model.

PROVIDERS GAPS

To close the customer gap, the gaps model suggests the four other gaps i.e. the provider gaps which occur within the service organization as follows:

Provider GAP-1: Listening gap: The listening gap is the difference between customer expectations of services and company understanding of those expectations. The primary reason that many firms do not meet customers' expectation is that the firms lack an accurate understanding of exactly what those expectations are.

Provider GAP-2: Service Design & Standards Gap: In this gap the difference between company understanding of customer expectations and the development of customer-driven service designs and standards. Customer driven standards are different from the conventional performance standards that companies establish for service in that they based on pivotal customer requirements that are visible to and measured by customers.

Provider GAP-3: Service Performance Gap: The service performance gap is the discrepancy between the development of customer-driven service standards and actual service performance by company employees. Even when guidelines exist for performing service well and treating customers correctly, high-quality service performance is not a certainty.

Provider GAP-4: Communication Gap: It is the difference between service delivery and the service providers' external communication. Promises made by a service company through its media advertising, sales force and communication may raise customer expectations, the standards against which customers evaluate service quality.

DETERMINANTS OF SERVICE QUALITY

Research suggests that customers don't perceive quality in unidimensional way but rather judge quality based on multiple factors. The five dimensions of service quality have been developed by P. Parsuraman, V. Zeithaml and L. Berry these are the five principles that a customer service needs to depend on to succeed.

- **Tangibles** are defined as the appearance of physical facilities, equipment, personnel and communication materials. Tangibles provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality.

- **Reliability** is defined as the ability to perform the promised service dependably and accurately which means the company delivers on its promises – promises about delivery, service provision, problem solution, and pricing.
- **Responsiveness** is the willingness to help customers and to provide prompt service. This dimension emphasizes attentiveness and promptness in dealing with customer requests, questions, complaints, and problems. A good customer service company makes responsiveness a top priority and sets measurable goals pertaining to customer responsiveness. Examples: how long it will take to respond to emails and calls and how long it will take to solve a customer's problem.
- **Assurance:** The amount of confidence a customer service company installs in the client. The customer service company must work to make the client trust them. This principle involves every touch point within an organization. From the people that answer the phone to the people that interact with the customer every day, assurance must be a priority. If the customer does not trust your organization to work in their best interests, they will not be a customer for long.
- **Empathy** is defined as the caring, individualized attention that the firm provides its customers. The essence of the empathy is conveying, through personalized or customized service, that customers are unique and special and that their needs are understood. If the customer service company can sense when a client is upset and can respond appropriately, it is easy for a company to keep clients.
- These five dimensions are further elaborated with 22 sub factors which are the bases for developing questionnaire and criteria for evaluating service quality.

DATA ANALYSIS AND INTERPRETATION

Tangibility: Tangibility dimension encompasses the appearance of the company representatives, facilities, materials, and equipment. It helps in creating a firsthand impression to the customer. If the company has a positive tangibility dimension the customer satisfied with respect to the appearance, physical facilities & modern equipment. This would make the customers to revisit the bank again. The overall tangibility gap scores is negative, -0.39, which means customers are not happy with the tangibility dimension as the bank particularly with the branch located little away from the main city, branch do not have all the up to date equipments in place. The other branch in the city located in first floor which causes little inconvenient for some old age customers to climb up where there is no lift facility. But other branches are well equipped and have necessary facilities. So the overall gap is not that high.

Modern equipment: Every bank definitely tries to upgrade with all the new equipments available so that they can give the best services to their customers. But the customers expect that the bank should have all the modern equipments so that their transaction time or processing time can be reduced. From the survey which we conducted for the customers of bank, we found that around 45% of the customers say that their expectations with regard to up to date equipment is very high, 7 points on a scale of 7 point scale i.e. customers want the bank should have the updated equipments.

Table 1. Source: data compiled from survey

TANGIBILITY DIMENSION FACTORS	Gap Scores		
	EXPECTATION	PERCEPTION	GAP
1.Up to date equipment	6.34	6.36	0.02
2.Physical facilities	6.33	5.70	-0.63
3.Well dressed & appear neat	6.06	5.60	-0.46
4.Physical facilities in keeping with the services	6.18	5.69	-0.49
Average service quality score of Tangibility dimension			-0.39

Table 2. Source: data compiled from survey

RELIABILITY FACTORS	Gap Scores		
	EXPECTATION	PERCEPTION	GAP
1. Keeping promises	6.32	5.81	-0.51
2. Sympathetic & reassuring	6.33	5.64	-0.69
3. Dependability	6.45	5.74	-0.71
4. Services at the promised time	6.38	5.96	-0.42
5. Records keeping	6.54	5.99	-0.55
Average service quality score of Reliability dimension			-0.58

Table 3. Source: Data compiled from the survey

RESPONSIVENESS FACTORS	Gap Scores		
	EXPECTATION	PERCEPTION	GAP
1. Perfect communication	6.25	5.76	-0.49
2. Prompt services	6.20	5.88	-0.32
3. Employees' willingness	6.27	5.38	-0.89
4. Employees' responsiveness	6.10	5.70	-0.40
Average service quality score of Responsiveness dimension			-0.52

Whereas around 45% of the respondents perceived the bank has the modern equipment and they are highly satisfied. Out of 100 respondents 79 respondents are satisfied with the equipments what the bank possesses. So when we see the overall gap with respect to modern equipment factor we find a positive gap of 0.02 which means customers' expectations are met.

Physical Facilities: Physical facility is one such attribute because of which the customer likes to visit any bank. So attractive physical facility like good building, good ambience will all lead the customer to revisit bank. From the survey it found that around 45% of the customers having very high expectations with regard to the physical facilities such as the ambience, physical appearance of the bank its building etc i.e. on a scale of 7 points they marked 7. But when we compare it with the actual perception about this factor we can see that only 11% are highly satisfied with the physical equipments of the bank.

Though there are 61 people who are satisfied by the service in terms of the physical facilities but yet we could find that there are 39 people whose expectation is very high but what they actually perceive is very low. So when we see the overall gap in this factor we could find that there is a gap of -0.6 which means that the bank needs to improvise their physical facilities like having air conditioner in all their branches and also they need to have good ambience so that the customers happy and highly satisfied by the services of the banks.

Employees' appearance and neatness: Good appearance of the employees is very important in any bank because by looking at employees' appearance we set our mind whether we can trust onto that bank or not.

From the survey we found that around 30% of the customers say that they expect that the appearance of the employees and neatness with good dressing sense is very important i.e. on a scale of 7 points they have marked 7. The customers' perception onto this factor is that only 12% of the customers say that the employees are very neat and they appear very decent. Though there are 59% customers who are satisfied with the appearance of their employees yet there are 41% who are not satisfied with the appearance of the employees. If bank need to have a good impact on the customers they need to focus on how their employees are presenting themselves. Coming to the overall gap with this factor we could see that there is a negative gap of 0.5 though 59% are satisfied the rest customers are having a big gap in their expectation and perception so the banks needs to concentrate onto the appearance and the dressing sense of the employees so that they look very professional and the customer likes to approach them.

Matching Physical Facilities with the Type of Service Offered:

From the survey we found that around 35% of the customers highly expect the appearance of the physical facilities should be in keeping with the services provided is very important i.e. on a scale of 7points they have given 7. Whereas, only 12% of the customers say that there physical facilities are strongly in matching with the services what they provide. Though there are 53% of customers satisfied with the appearance of the physical facilities matching with the services provided. But 47% of the customers are not satisfied. So when we compare this factor on the overall gap we could see that there is a negative gap of 0.5 so the bank should concentrate onto this factor and try to make the physical facilities like the furniture and fixtures, posters and brochures etc more

appealing and very much clear so that the customers understand it matches the image or the standard of service that bank offers.

RELIABILITY

Reliability dimension is one of those dimensions wherein we understand how the services firm is performing and keeping their promises, the quality of service given by the service provider and with what accuracy the services is provided. This helps in building a good relation between the customer and the service provider. This helps in creating a firsthand impression, because all the customer expects there service provider to be reliable and fulfill their set of requirements.

The overall gap in reliability dimension is also negative. That is many of the customer's expectations are higher than what they are actually perceived it. Especially in giving the services right at the first time bank is not keeping up to the mark. And they do not give the services when it is been promised which has led to overall gap of -0.58.

Keeping promises: Any bank to have a good relation with any of the customer needs to build a trust between them and to build that trust the services from the bank should be according to the promises made by them. From the survey we found that around 45% people expect that it is very important to have a good relation with the bank, employees should always keep up their promises so that they can build a trusty relation with them. But only 18% of the customers perceive that they get the services according to the promises made. So we may say that all the customers are not given equal importance. Comparing the total satisfied customers with the unsatisfied customers we could find that only 48% of the customers' expectations are met and rest, 52% customers' perception with regard to this factor is low and their expectation is high. Thus, the overall gap is a negative 0.51 so the bank has to deliver services according to promises made.

Sympathetic and Reassuring: For any bank to have good relation and long lasting relation with their customer should be very sympathetic and must be able to convince the customer about the services. From the survey we found that around 45% people expect that it is very important that the employees should be sympathetic and trust worthy and should be very polite towards the customer and they should be able to solve the problems of their customers. But in reality only 9% of the customers really feel that such services are provided. Hence we could say that all the employees do not have the same attitude towards work and they do not do their work with full dedication. Comparing the total satisfied customers with the unsatisfied customers we could find that only 43% of the customers' expectations and perceptions are matched and rest 57% customers' perception with regard to this factor is low & their expectation is high. Coming to the overall gap with this factor we could see that there is a negative gap of 0.69 though 43% of the customers are satisfied, the rest customers are having a huge difference in their expectation and perception so there is a negative gap and so the employees of the bank should be sympathetic and reassuring.

Dependability: Any bank if it has to provide good services to their customer should be dependable on themselves that is

whatever services they give they should give it right at the first time. From the survey, we found that around 57% people expect that it is very important that the banks should be dependable that is whatever services they are giving, it should satisfy the customers wants and they should not leave any scope for complaints from their end. But in reality only 25% of the customers really feel that such services are provided. Hence we could say that the employees are not giving the services right the first time and they customers are having lots of complaints from this bank. Comparing the total satisfied customers with the unsatisfied customers we could find that only 41% of the customers' expectations and perceptions are met and rest 59% customers' perception with regard to this factor is low and their expectation is high.

Coming to the overall gap with this factor we could see that there is a negative gap of 0.71 though 41% of the customers are satisfied, the rest customers are having a big gap in their expectation and perception so there is a negative gap and so the employees of the bank should try to give services right at the first time and be inter-linked so that the complaints from the customer ends are reduced.

Services delivered at the promised time: Services should be delivered whenever it is promised because it is one of the important factors as no customer has time to wait for a long time so providing services quick and at the time said by the employees will lead to more number of satisfied customers. From the survey, we found that around 52% people expect that it is very important that the banks should provide prompt services. But in reality only 23% of the customers really feel that such services are provided. Hence we could say that the employees are not giving the services promptly and the timely. Comparing the total satisfied customers with the unsatisfied customers we could find that only 51% of the customers' expectations and perceptions are matched and rest 49% customers' perception with regard to this factor is low and their expectation is high. Coming to the overall gap we could see that there is a gap of -0.42 though 52% of the customers are satisfied, the rest customers are having a huge difference in their expectation and perception so there is a negative gap and so the employees of the bank should try to give prompt and timely services to their customers. In selected branches for the study customers are satisfied with the promptness of the employees in 2 branches whereas in other 2 branches the employees do not do their work at the said time. The customers need to wait for longer time as the services are not given timely.

Records Keeping: Record keeping is one of the most vital elements of any bank. Without proper record keeping it is difficult to give proper services to the customer because if the customers wants any data about their transaction in past and if the banker is not able to produce it becomes difficult for the customers to continue with that bank. From the survey, we found that 60% people expect that it is very important that the banks should maintain proper records and whenever demanded it should provide those records. But in reality only 36% of the customers really feel that such services have been provided. Hence we could see that the large number of customers expectations are not met as the bank is not able to provide the

records whenever demanded. Comparing the total satisfied customers with the unsatisfied customers we could find that 51% of the customers' expectations and perceptions are matched and rest 43% customers' perception with regard to this factor is low & their expectation is high. Coming to the overall gap there is gap of -0.71 though 51% of the customers are satisfied, the rest customers are having a huge gap in their expectation and perception so there is a negative gap and this can be reduced by maintaining proper records.

RESPONSIVENESS

The responsiveness dimension refers to the willingness of the company to give quality, good and fast service to their customers. If the customers get these services he/she feels more valued and feels more satisfied by the services.

The survey finds that responsiveness of bank is lower than what customers expect with overall score of -0.52. Communication is very essential for service industry like bank but in one branch where villagers and uneducated customers are feeling difficult to have good communication. In all branches we had received a good response for the prompt service with score of -0.32. This means most of the customers trust employees services. Employee's willingness score is very low because they can't pay attention to each and every individual customer due to lack of adequate staff which affects overall employee's responsiveness also.

Perfect Communication: Communication is one of the most important factors in any service industry. Without proper communication neither the customer nor the banker can understand anything and fulfill the expectations of the customer. From the survey, we found that around 33% people expect that it is very important that the banks should very clear in communication with them. But in reality only 20% of the customers really feel that such services are provided. Hence we could say that the employees are not communicating properly and the customers do not understand what the bank people are intending to tell them. And also the employees should communicate to them in the language in which the customer is trying to communicate. Around 57% of the customers say that they are satisfied with the communication what the bank employees have with them but still 43% of the customers' expectations and perceptions are not matched and there is a communication gap. Coming to the overall gap we could see that there is a gap of -0.49 as the villagers coming from different villages do not understand some of the terms used by the bank employees so there is a gap in the expectation and perceptions of the customer.

Prompt Services: Promptness in the services is the important factor as no customer has time to wait for a long time so providing services as quick as possible and at the time said by the employees will lead to more number of satisfied customers. From the survey, we found that 38% people expect that it is very important that the banks should provide prompt services. But in reality only 18% of the customers really feel that such services are provided. Hence we could say that the employees are not giving the services promptly and the timely. 43% of the customers' are satisfied with this service and rest 57% are not satisfied. Coming to the overall gap we could see that there is a gap of -0.42 though 52% of the customers are satisfied, the rest

of them are having a huge gap in their expectation and perception so there is a negative gap and so the employees of the bank should try to give prompt and timely services to their customers.

Employees' Willingness: In any service industry it is very important that the employees should always be willing to help to the customers. Before any problem or inconvenience is been caused to the customer the employees of the bank should try to find and solve it and should always be willing to help them. We found that 92% of the customers expect that the employee's willingness to help the customers should be very high. Around 55% of the customers have a positive response with regard to the employees' willingness in helping their customers but because of 45% of the customers who felt that the employees are not willing to help them and they neither respond to them properly. So there is a gap of -0.89 which can be reduced if the employees show concern towards their customers and be sympathetic.

Employees' responsiveness: Employees should never be too busy to respond to the customers because employees should be responsive i.e. as and when the customers come up with any clarification i.e. or problems they should respond to them and do not make them to wait. From the study we found that 83% of the customers felt that the employees should be responsive to their queries and do not make them to wait a lot. Around 55% of the customers have a positive response on it i.e. they are satisfied whenever they visit bank they are given a good response but the 44% of the customers say that they are not given good response when they visit the bank. As they will have to wait for a long time and no employees respond to some of their queries so there is gap of -0.4.

ASSURANCE

Assurance refers to the knowledge and courtesy of staff, their ability to inspire trust and confidence. A customer wants employees be trustworthy, feel safe in transacting, competent, helpful, and polite. As research shows average assurance gap score is negative -0.54. Trustworthiness of employees is lowest that most of the customer trust employees but some villagers or uneducated customers fear to trust the employees. Customers experienced roughness in transaction so given negative score but some branches are good in transaction.

Trustworthiness of employees: Any customer needs to trust employees of bank for his/her transactions and records with bank. 89% of customers strongly expect bank employees must be trustworthy. Around 55% customers positively perceived and the trust employees but 44% of customers felt they don't trust employees in transaction. And -0.54 is the gap score and it is because of some villagers feel that they don't know how to do transaction so feel not trusting bank staff.

Safety in Transaction: Safety in transaction means customers feel safe in their transaction. As survey provides 93% strongly expect to be safe in their transaction. Only 69% customers strongly perceived about the safety in the transaction. Around 50% customers given positive feedback but because some customers feel they don't trust employees in transaction of high amount so 49% customer given negative response.

Table 4. Source: Data Compiled From the Survey

ASSURANCE FACTORS	Gap Scores		
	EXPECTATION	PERCEPTION	GAP
1.Trustworthiness of Employees	6.31	5.89	-0.42
2.Softness n transactions	6.36	5.82	-0.54
3.Employees' Politeness	6.31	5.68	-0.63
4.Support from bank	6.06	5.49	-0.57
Average service quality score of Assurance dimension			-0.54

Table 5. Source: Data compiled from the survey

EMPATHY FACTORS	Gap Scores		
	EXPECTATION	PERCEPTION	GAP
1.Individual attention	6.16	5.58	-0.58
2.Personal attention	6.13	5.59	-0.54
3.Understanding needs	6.10	5.57	-0.53
4.Consumers' interest	6.09	5.51	-0.58
5.Operating hours	6.10	5.73	-0.37
Average service quality score of Empathy dimension			-0.52

And- 0.42 is the gap score and it is because of some villagers feel unsafe due lack of awareness.

Politeness: Politeness is bank employees should interact smoothly with customers. It is found that 53% customers expect strongly politeness and only 43% customers perceived strongly that employees are polite. It is not that in all the branches it happens, in a branch which is located in engineering college camps students are not satisfied with behavior of the staff. So the overall gap score is -0.64.

Support From Bank: Bank employees should get adequate support from the bank to do their job well. 53% customers strongly felt that bank management must extend adequate support to render quality service to customers and around 40% customers perceived that bank supports their employees. Around 50% customers felt that bank is not supporting employees adequately. It is the general observation that public sector banks do not adequately support employees to help customers. KK bank is also publicly held bank so it might not get full support from bank management due to some rules. So it has got negative gap score 0.57.

EMPATHY

Empathy dimension is the one which can be addressed as the quality of social interactions between the customer and the service provider.

Empathy is something wherein a customer wants employees to understand his needs, to respect them as individuals and to provide clear and understandable information. This dimension includes manly treating customers as individual, the caring individualized attention that provider provides to his customer. This survey shows that bank is failed to reach the customers' expectations with empathy gap score of -.052. Operating hours has less negative score and individual attention has high negative score because some customers are unhappy with the service. Sometimes the employee fails to understand the needs of the customer till customer express their expectations. The employees of bank don't treat everyone equal this makes empathy gap wider.

Individual attention: Every bank definitely tries to give individual attention but problem is when the customers are more as staff will be limited so it can't always give individual attention. Customers always expect that they should be given individual attention. Here we can see that 49% people highly expect bank to give individual attention. 51% customers felt they were given adequate attention whereas 49% people rated negatively. In KK bank branches two are good with good space and staff who can give individual attention but in college campus branch its small branch with less staff and students will be more so there will be problem of giving individual attention and time. So its expectation average comes to 6.16 and perception received is 5.58 so there exists negative gap of -0.58.

Personal attention: Personal Attention is something which should be given to every customer it's very important when they are uneducated then a guide is required for them to do transaction. But as it is not possible to give personal attention to each and everyone when there are more customers and 55% customers perceive bank employees are not giving personal attention.45% people are satisfied with the employee. KK bank branch as u can see 56% people given score of 6 and 52% people perceived and given score of 6 and 13% people are scored 4 and 5 so they are ok with personal attention.

Understanding of Customer Needs: Understanding customer needs is very important for the bank but to understand each of customer needs is very difficult. Research found 84% customers strongly expect bank to understand their needs. Whereas only 59% customers strongly agree bank understood them and satisfied with bank's service and 41% customers negatively responded and not satisfied with the bank. In two branches of KK bank in Dharwad we got positive response for understanding customers' needs but negative from other two branches.

Customers' best interest at heart: Bank should take customers interest at their heart do the service. As you can see about 80% customers strongly agree that bank should take customer's interest at heart. And 54% customers strongly perceive it.

Only 49% given positive feedback about the bank's service but 51% customers given negative score on this. Because to every customer they try to give best service it's not possible when customers are more and time is less to provide the service due to inadequate staff. In one branch staff does it well but in other branch where student-customers are more and can't fulfill every student expectations.

Operating hours: Operating hours of bank should be flexible to the customer. Operating hours should be such that every customer of any profession can be able to come for transaction. As survey shows 82% customers strongly expect to have flexible operating hours. And 70% customers satisfied with current working hours. As we can see that only 37% customers given negative response but 63% customers satisfied and given positive feedback perceived that operating hours of bank is fairly good. Gap score is -0.37 is lowest in this dimension and bank's operating hours is good and for some customers who are working during office hours they expect bank should expand its working hours and not satisfied with current working hours, so there is little negative gap.

OVER ALL SERVICE QUALITY GAP

Overall gap score is negative score of 0.5512 as all dimensions are in negative with nearly same average score.

Table 6. Source: Data compiled from the survey

Service Quality Gaps	Gap Scores
1. Tangibility gap	-0.5950
2. Reliability gap	-0.5760
3. Responsiveness gap	-0.5250
4. Assurance gap	-0.5400
5. Empathy gap	-0.5200
Overall Service Quality Gap	-0.5512

It means that the expectations of customer have higher expectation level to the perception level for all dimensions in bank service. However, the overall gap is only minus 0.55 which can be overcome with little focus on improvement. Thus it can be interpreted that customers are not satisfied with good services, facilities, environment, and reliability of service, and empathy of the employees. During the survey most of the customers have given good response to the empathy dimension more to operating hours. In one branch staff are very polite, shown softness in the transaction compare to other branches and in other branch tangibility is having very low score because of small space and students had given complaint. In one branch customers are not satisfied with the service of the employees because they are not polite, but tangibility is scored well in this branch with sufficient space, equipments and visually appealing. Responsiveness is scored negative because in one branch villagers are not able communicate well with employees.

PERFORMANCE/IMPORTANCE MATRIX

The performance/importance matrix combines customers' perceptions and expectations and shows us the relative strengths and the areas of improvements of service quality.

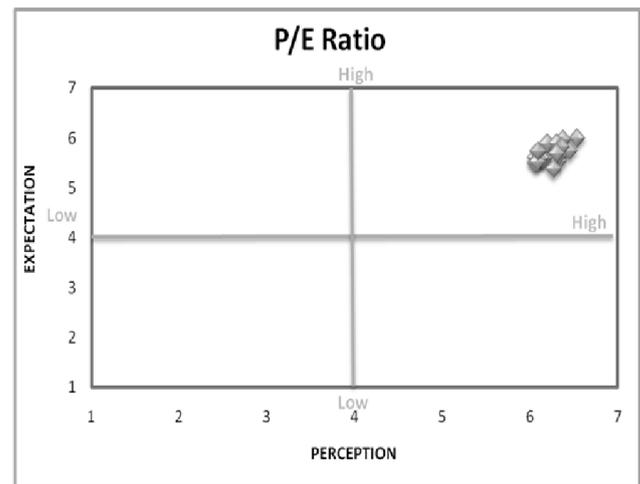


Chart 1. Source: Data compiled from the survey

From this matrix we could see that the perceptions and the expectations of the customers of bank are very high for all the 22 factors. All the factors fall in north east quadrant with high expectations and perceptions with marginal gap. KK bank has to maintain and try to improve all the factors to overcome marginal quality gap.

SUGGESTIONS

Tangibility: In the bank they have to name and number to each counter so that customer can easily identify the person and counter where they get particular service. And equipments like air conditioners, good furniture, glass doors should be used. They should put about the processing time for each service they provide so that customers know the time required for each service. Employees must be neatly dressed with uniform dress code, which develop better perception among customers.

Reliability: The bank does what it promises to do. But in some branches they are not polite and customers felt bad. There must proper training for employees to develop behavioral skills. Managers have to give personal attention and give proper instruction to employees, to interact with customers to avoid complaints regarding this factor.

Responsiveness: For the village customer communication is the biggest problem so bank people should be communicative in local language so that customers should understand. By this customers will be dependable and they will trust the bank more. Employees should always be willing to help customers and attend them.

Assurance: Employees should be trustworthy but sometime customers felt that they were not treated properly or not responded for their queries quickly. And some customers felt that employees give more time for few known customers and not the same treatment for others, who actually waiting for quick response. There should not bias in delivering service to the customers.

Empathy: Employees should take the customers interest at their heart and deliver the service. It needs proper internal

marketing that boosts the employees' morale and motivates them. About the working hours gap is not that much but competitors give service from 10.30am to 5.30pm, so the bank can extend working hours at least till 5 30pm so that this gap can be eliminated.

Conclusion

From the findings of the study it is very much clear that the customers are not completely satisfied with any of the dimensions of the service quality delivered by the bank. Slightly negative gap that exists in all the service quality dimensions, the customers are having high expectation level than what they perceive; therefore there is wide scope for the bank to improve as the services provided by the bank should be up to the mark.

Finally from the study it can be concluded that the organization is having an average negative score, - 0.55, for all the dimensions such as Tangibility, Reliability, Assurance, Empathy, Responsiveness as the customers are not satisfied by the service quality delivered for all these dimension though few of the customers are satisfied by the services of few branches but when we compare that with the overall service of the bank we can conclude that they need to improvise in all these dimensions.

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