Management of Customer Services in Indian Banks using GAP Model

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Abstract: In present days banks are offering technological embedded facilities to customers to enhance banking services easy and quickly. Each and every customer have their own expectations and perceptions towards banking services, electronic banking is not an exception. The attempt has been made to assess the Service quality by banks in terms of customers' perceptions and expectations. The growth of electronic banking has transformed the essence of customers and banking alliance that shows a huge advantage beyond classical banking services. Banks are offering various services to customers, but the customers are unaware of these services, and the practice of these facilities does not go with customers' expectations. Knowledge about electronic banking helps to get maximum satisfaction in banking services. This paper made an effort to analysis the GAP among customers' expectations and perceptions of electronic banking facilities. 85 samples have been collected and analyzed using a gap analysis.
Keywords: Technological, Service Quality, Expectations, Knowledge

I. INTRODUCTION

The post-liberalization of the Indian Economy shifted a paradigmatic change in most sectors, out of which, one of them is the financial sector. The financial sector which involves the banking and non-banking financial companies. Where, Commercial banking, merchant banking, and investment banking have the main classification for banking services. Commercial banks offer primary and secondary functions to customers and it helps in Savings of users' money and contributes towards economic development and sustainable growth. In banking technological development has become an integral part of the reforms process in the banking sector with the development of various useable tools and innovations. In present days banking business is highly dependent on information technology and innovation in their sectors which supports effective delivery channels to meet the need for enhanced customer service for survival in the competitive era. Electronic banking has provided numerous benefits like customized, quick services and friendly interface. Now the customers of banks are more quality conscious for good quality services. Innovative products, branding and increasing competition focus on consolidation of risk management and importance on information technology have grown in present. The quality of banking

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products is assessed by the customers with the way they get services from the banks. The system based quality promises and predicts values of procedures that manage the interface between merchandises, people and processes. This moved focus to customers and its relationship management, with the irresistible understanding that the customer is the king. Based on that the banker should concentrate on the several extents of service quality based on customers' views. Internet facility has allowed banks to deliver desired products faster and cheaper, using electronic channels the customers enhance the banking facility has to challenge for the banker and it is necessary for customer retention. It created competition among public and private sector banks as they putting efforts to advance the service quality of internet banking. The Banks must innovate and differentiate their internet banking products from competitors and also need to increase their market capture and values through their products and services.

II. LITERATURE REVIEW

Kesavapriya R, Kirubagaran K., (2018) in their studies, the banks have to pay attention to service quality and have to give more training to the employees for providing quality services to customers. P Gisha, (2017) in their work they mentioned that the bankers have to motivate the customers to use online banking and provide a demo for better operation. In electronic banking, the Banks have to offer local language for customer interface. Neha Dixit, Saroj K Datta, (2010) in their work, they investigated the factors which affect the receipt of electronic banking facilities between adults and other customers, privacy and security issues are the common factor in Indian context. Tooraj Sadeghi, Atefeh Bemani, (2011) the investigation shows that service quality has been always more than service quality expected by the customers. The bank customers received the highest service than they expected earlier. Sandip Gosh Hasra, Srivastava, (2009) in their study, based on various GAP dimensions the banks should give extra care towards assurance and empathy for increase loyalty, customer trust, and commitment. Santhiyavalli (2011) in their investigation, concentrated on service quality of select branches of SBI and finally the results show that the customers of SBI are satisfied and factors like empathy, reliability, tangibility, and responsiveness stood more than 90 percent. Singh, Khurana, (2011) studies on gap analysis on customers satisfaction in private banks, the results show that customers' expectations were not met with respect to their perception, customers are not satisfied with private banks' service quality.

Rupa Rathee, Pallavi rajain, in their results it was found that customers special male and female of banks had similar perception on attributes of the service quality, Ananth, Ramesh, Prabaharan, (2011) their study shows that reliability, empathy, and assurance has positively influenced the quality of services and also study implies that banks should concentrate on reducing service gap to provide a quality service to retain existing customers and to attract new customers. Ramanjaneyalu, Prakash Agasanahalli, yashvi metha (2015) in their investigation it was found that banks are delivering a good service to its customers with negative service quality gap, it can also found that bank customers perception and expectations are very high, suggested that banks have to improve in innovation and providing services. D S Chaubey, Rishikesh G C, Rajkrishan, (2014) in their study banks are making strategies because of huge competition between services offered by banks and products offered by banks. It was found that bank customers are gratified with some products and services and few of them are given negative feedback. Al-Fazwan (2005) in their work, they revealed that the banks should focus on accessibility dimensions. Every bank should put effort to increase the level of facilities in order to meet customer expectations.

III. OBJECTIVES

The objective of the paper is to identify the gap between customer expectation and their perception of service quality provided by banks on electronic banking services.

IV. RESEARCH METHODOLOGY

The present study used descriptive and exploratory research design, the data was collected through a survey with the help of a structured questionnaire, and questions include expectations and perceptions of banks customers based on electronic banking services. The study is carried out in Davangere and Shivamogga district from April 2019 to June 2019 from the customers. The interview was conducted with bank managers and senior managers to collect information from them. The study covers four banks (SBI, Canara bank, corporation bank, and Bank of Baroda) for the calculation purpose totally 85 customers were filled questionnaires out of 90 questionnaires by adopting a simple random sampling technique. The data were analyzed using mean score, average, and difference of GAP. The study is limited only to Davangere and Shivamogga District. The output is based on locational specific and it is not related to other districts.

V. DATA ANALYSIS AND INTERPRETATION

Table: 1 Shows The Expectations And Perceptions Of Customers Of Electronic Banking Products Offered By Banks (out of 10 point scale)

Electronic banking Products or services	Mean score Expectation	Mean score Perception	GAP difference
ATM amount withdrawal facility	8.45	7.8	0.65
Verifying account balance	8.52	8.25	0.27
Bill payments	8.9	8.35	0.55
Fund transfer through online	8.88	8.1	0.78
Telebanking services	8.15	7.6	0.55
Mobile banking services	8.9	8.5	0.4
IMPS	9.1	8.2	0.9
Credit card Payments	8.5	7.75	0.75
Online loan application and its details	8.25	7.5	0.75
Missed call enquiry	8.5	8	0.5
SMS banking services	7.5	7.1	0.4
Internet banking services	9	8.5	0.5

The above table shows that the customers' expectation on IMPS and Internet banking is too high i.e., 9.1 and 9 respectively, and its perceptions are 8.5 each based on this the gap between in IMPS is high i.e. 0.9 compare to all other services offered by banks. There is the least expectation in telebanking services than any other services and the GAP difference of Verifying account balance is very low i.e. 0.27. We can observe that GAP between expectation and perception of various services is less than 1, which indicates that now banks are improving their service quality to meet the customers' requirements.

Table : 2 Factors Affecting Electronic Banking Products (out of 10 point scale)

Factors of Electronic banking Products	Mean score Expectation	Mean score Perception	GAP difference
Accurate information is available on the bank website	8.53	7.75	0.78
Quality of internet banking service	8.35	7.59	0.76
Convenience in bill payments	9.47	8.25	1.22
Functions of online banking	9.25	8.25	1
Safety measures taken by banks	8.75	8.27	0.48
Easy to use of bank website	8.52	7.75	0.77
Banker and customers relationship	8.54	7.25	1.29

Point of sale service	8.25	8.1	0.15
Transaction speed	9.7	8.25	1.45
Login and logout speed	8.5	7.9	0.6
Accuracy in bank operations	9.15	7.5	1.65
Confidentiality of website	9.35	8.1	1.25
24/7 services	9.16	8.25	0.91
Vast coverage	8.58	8.25	0.33
Flexibility in online banking transaction	8.75	8.25	0.5
Saves time	8.57	8.12	0.45

From the above table, customers are having more expectations on transaction speed i.e., 9.7 and its perception is 8.25 and the GAP difference is 1.45. Convenience in bill payments (9.47), functions of online banking (9.25), transaction speed (9.7), accuracy in bank operations (9.15), confidentiality of website (9.35), 24/7 services (9.16), expectations are more than 9 out of 10 point scale, it indicates that customers are more expectations on such services than other services. Point of sale shows the least GAP difference i.e, 0.15 and whereas accuracy in bank operations having more GAP difference i.e., 1.65. The banks have to take necessary actions to improve the service quality as customers ' expectations are high in the majority of the factor.

Table : 3 GAP Difference Of Expectations And Perceptions Based On Average Score

Average	Average score - Expectation	Average score - Perception	Average GAP difference
Electronic banking Products or services	8.55	7.97	0.58
Factors of Electronic banking Products	8.84	7.99	0.85

From the above table, the average score of expectation on electronic banking products or services and factors of electronic banking products is 8.55 and 8.84 respectively, and its perceptions are 7.97 and 7.99 respectively. The average gap between expectation and perception for electronic banking products or services is 0.58 and for factors of electronic banking products is 0.85. It can also be observed that the average GAP difference is less than 1, overall it indicates that customers are satisfied with the products offered by banks and factors of electronic banking products.

Table: 4 Customers Perceptions On Overall Service Quality About Banks Using SERVQUAL Model (out of 10 point scale)

Servqual dimension	Mean score -SBI	Mean score Canara - Bank	Mean score Corporation - Bank	Mean score - Bank of Baroda
Tangibility				
Physical facility	8.83	8.25	8.12	8.73
Innovative equipment's	8.92	8.15	8.19	8.85
Material available in banks	8.54	8.24	7.75	8.15
Reliability				
Promise to do on time	8.54	8.82	8.71	8.16
Keep error-free records	8.63	8.25	8.38	8.46
Interest in solving problems	8.27	8.17	8.62	8.28
Responsiveness				
Helping customers	7.78	8.27	7.85	8.36
Employees responding to customer request	7.82	8.14	7.32	7.95
Providing quality and prompt services	7.97	8.1	7.65	8.23
Assurance				
Safety felling in banking transactions	8.73	8.45	8.61	8.5
Instills confidence	8.42	8.58	8.38	8.63
Sufficient knowledge to answer the questions	8.54	8.65	8.42	8.71
Empathy				
Personal attentions	7.85	7.25	8.31	7.7
Flexibility in operating hours	7.95	8.13	7.05	7.65
Understanding the needs of the customer	7.5	7.6	7.3	7.45

From the above table, based on customers perception on **Tangibility factor**, for physical facility SBI (8.83) is having more mean score followed by bank of Baroda (8.73) and corporation bank (8.12) is having least mean score out of four nationalized banks, for innovative equipment SBI (8.92) having more mean score and Canara bank (8.15) shows less mean value, for material available in banks SBI (8.54) stands highest mean value and corporation bank (7.75) shows least value of mean score. Based on **Reliability factor**, for promise to do on time Canara bank (8.82) shows highest mean value and bank of Baroda (8.16) having least score value, keep error-free records SBI (8.63) shows highest and Canara bank (8.25) having least mean score value, for interest in solving problems corporation bank (8.62) and Canara bank (8.17) having highest and least mean value respectively. Based on

Responsiveness factor, for helping customers, Bank of Baroda (8.36) shows more and SBI (7.78) shows less mean score value, for employees responding to customer request, Canara bank (8.14) and corporation bank (7.32) shows higher and lower mean score values, for providing quality and prompt services bank of Baroda (8.23) and corporation bank (7.65) is values which customers considered their preference based on service quality. Based on **Assurance factor**, for safety felling in banking transactions, SBI (8.73) and Canara bank (8.45) indicate higher and lower mean score, for instils confidence, bank of Baroda (8.63) and corporation bank (8.38) is the most and least customers preference, for sufficient knowledge to answer the questions, customers preferred bank of Baroda (8.71) as most suitable and corporation bank (8.42) as the last choice for their service quality. Based on **Empathy** factor, for personal attention, corporation bank (8.31) and Canara bank (7.25) as most and least mean score value can be observed, for flexibility in operating hours Canara bank (8.13) is higher preference and corporation bank (7.05) is lower preference given by customers, for understanding the needs of customer almost all banks are showing means score value is less than 8, it indicates the bank has to take necessary steps to understand the customers need.

TABLE : 5 SUM OF SERVQUAL DIMENSIONS BASED ON SERVICE QUALITY

Servqual Dimension	Total - Mean score of SBI	Total - Mean score of Canara Bank	Total - Mean score of Corporation Bank	Total - Mean score of Bank of Baroda
Tangibility	26.29	24.64	24.06	25.73
Reliability	25.44	25.24	25.71	24.9
Responsiveness	23.57	24.51	22.82	24.54
Assurance	25.69	25.68	25.41	25.84
Empathy	23.3	22.98	22.66	22.8

The above table shows that, the highest total mean score of SBI based on servqual dimension is tangibility (26.29) and empathy (23.3) is least total mean score, based on Canara bank assurance (25.68) is having more total mean score and empathy (22.98) is least total mean score, based on corporation bank reliability (25.71) shows the highest total mean value and empathy (22.66) is least total mean score, based on bank of Baroda assurance (25.84) shows the highest total mean value and empathy (22.8) least total mean score. Based on the above total mean score empathy is the major cause of concern for all banks and needs to concentrate on empathy-related aspects.

VI. CONCLUSION

From the preceding, it can be stated that now banks are slowly understanding the customers' expectations and trying to creating values-based services to customers. For the purpose of achieving growth and the steadiness in banking profession, human resources are playing a significant role hence, banks should develop strong customer relationship management that will help in getting customers' needs and wants of internet banking. In recent days the banks are having an old designed website and having a fear of hacking and virus attack, so banks should improve the websites for online banking transactions and it should design based on customer-centric. Finally, based on study we can state that overall customers are not satisfied with service quality which offered by bankers.

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