

# Service Quality of Commercial Banks in Sivakasi

Selvakumar M.\*, Sathyalakshmi V.\*\* , Mohammed Abubakkar Siddique R.\*\*\*, Eswari M.\*\*\*, Packia Lakshmi P.\*\*\*

## Abstract

Indian banking industry in current scenario is booming and undergoing a rapid growth. Emergence of new generation private and foreign banks in Indian banking sector has raised competitiveness in the industry. The present study aims at identifying the extent to which the service quality of a bank affects its competitiveness. The outcome of the study reveals the current perception about banks, rooted in minds of customers which could be useful in formulating the strategies in future operations of the banks and for attainment of its goals in this competitive scenario.

**Keywords:** SERVQUAL, Commercial Banks, Expected Service Quality, Perceived Service Quality

of banking services provided to customers, is one of the most important requirements for the maintenance of the competitive position and it increases the market share.

In current literature, there are a number of key instruments available for measuring service quality performance. Though, the SERVQUAL model has been a major generic model used to measure and manage service quality across different service sector and various cultural backgrounds.

However, apart from its wide use, a number of theoretical and empirical criticisms of the measurement model have been pointed out. First of all, the validity of SERVQUAL model as a generic instrument for measuring service quality across different service sectors has been raised. Also, there has been an argument that a simple revision of SERVQUAL items is not enough for measuring service quality across different service sectors.

The SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) proposed a five dimensional construct with perceived service quality tangibles, reliability, responsiveness, assurance, and empathy as the instruments for measuring service quality. For this research work, the researcher has decided to use same instruments.

## 2. Statement of the Problem

The banking sector is passing through a period of rapid changes in response to changes in social, economic,

## 1. Introduction

Banking industry environment experiences rapid changes reflected in the intensification of competition between banks and increased awareness of current and potential customers. Therefore, quality of service and customer satisfaction are major challenges for banks as it is reflected on the growth and development of these institutions. It is imperative that the banks should strive to provide high quality services to meet the needs and desires of customers to enhance the positive relationship between the banks and their customers. The quality and continuous improvement

\* Assistant Professor, P.G. and Research Department of Commerce, Ayya Nadar Janaki Ammal College, Sivakasi, Virudhunagar District, Tamil Nadu, India. Email: professorselvakumar@gmail.com

\*\* Research Scholar, P.G. and Research Department of Commerce, Ayya Nadar Janaki Ammal College, Sivakasi, Virudhunagar District, Tamil Nadu, India. Email: vsathyalakshmi1092@gmail.com

\*\*\* Research Scholar, P.G. and Research Department of Commerce, Ayya Nadar Janaki Ammal College, Sivakasi, Virudhunagar District, Tamil Nadu, India.

political, and cultural spheres over the world. Banks are facing a major challenge of competition and greater awareness among the customers and their increased demands for special service. Banks have got human resources as their main assets and they are responsible for delivering the services to full satisfaction of the customers.

Customer service is an extremely dynamic concept. The good customer service today may become indifferent service tomorrow and bad service the next day. Thus, the static nature of offering has to be continuously reshaped to suit the ever-changing need of the customer. This is possible only through understanding the customer needs from all perspectives.

Gathering competitions and ever-changing technologies are changing the business profile of the banks. To meet the challenges and competition, two things absolutely important for the banks are quality and quickness in providing services. Here, the quality describes how the service of banks satisfies the customers. Therefore, it is necessary to all banks to examine their service quality to withstand in market and provide service to the nation. Hence, the researcher has undertaken this study to analyse the service quality of commercial banks.

### 3. Methodology

The objectives of the study are to identify the degree of importance attached to various dimensions of service quality, viz. reliability, responsiveness, empathy, tangibles, and assurance by the customer, to find the gap between the customers expectation and perceptions of quality of services of commercial banks, to analyse the association between socio economic status and service quality gap of commercial banks in Sivakasi, and to offer suggestions on the basis of findings of the study. In order to achieve the objectives of the study, the researchers have used both primary data and second data. Primary data have been collected by preparing a well-structured interview schedule. The questions are based on the objectives of the study. The data are collected directly from the customers of the commercial banks in Sivakasi during the period of five months from December 2015 to March 2016. The researcher has collected necessary secondary data from various sources like magazines, journals, websites and so on.

### 3.1. Sampling Size and Design

The primary data are collected by the researcher from the customers of commercial banks in Sivakasi. The data are collected from customers of both public and private sector banks customers in Sivakasi. As it is difficult to apply census method, sampling technique is used to collect the data. The convenient sampling technique has been adopted by the researcher to collect the primary data from 125 respondents.

### 3.2. Tools used for Analysis

For analysis and interpreting the data, the researchers have used the following tools:

- Percentage analysis
- Mean
- Standard deviation
- Chi-square

### 3.3. Hypothesis of the Study

On the basis of foregoing research objectives, the hypothesis that there is no significant association between the socio-economic profile of the respondents and service quality gap has been developed and tested by using chi-square test.

## 4. Results and Discussion

### 4.1. Socio Economic Profile of the Respondents

The researchers have examined the socio-economic profile of the respondents. The results are given in Table 1.

**Table 1: Socio Economic Profile of the Respondents**

S. No.	Particulars	No. of Respondents	Percentage
<b>Gender Wise Classification</b>			
1	Male	66	52.80
2	Female	59	47.20
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Age wise classification</b>			

S. No.	Particulars	No. of Respondents	Percentage
1	Under 30 years	65	52.00
2	30 to 40 years	26	20.80
3	40 to 50 years	21	16.80
4	Above 50 years	13	10.40
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Marital Status of the Respondents</b>			
1	Married	75	60.00
2	Unmarried	50	40.00
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Educational Status of the Respondents</b>			
1	Literate	113	90.40
2	Illiterate	12	9.60
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Educational Qualification of the Respondents</b>			
1	Primary level	14	12.39
2	High school	17	15.05
3	Graduate	41	36.28
4	Post graduate	33	29.20
5	Professional	8	7.08
<b>Total</b>		<b>113</b>	<b>100.0</b>
<b>Employment Status of the Respondents</b>			
1	Employed	77	61.60
2	Unemployed	48	38.40
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Occupation of the Respondents</b>			
1	Agriculturist	6	7.79
2	Hired servant	12	15.58
3	Government employee	17	22.08
4	Private employee	23	29.87
5	Business man	13	16.89
6	Professionals	6	7.79
<b>Total</b>		<b>77</b>	<b>100.0</b>
<b>Unemployment of the Respondents</b>			
1	Students	26	54.17
2	Housewife	12	25.00
3	Jobseekers	9	18.75
4	Retired	1	2.08
<b>Total</b>		<b>48</b>	<b>100.0</b>
<b>Income wise classification of the Respondents</b>			
1	Below Rs.10000	22	28.57
2	Rs.10001 to Rs.25000	29	37.66
3	Rs.25001 to Rs.40000	12	15.59
4	Above Rs.40000	14	18.18
<b>Total</b>		<b>77</b>	<b>100.0</b>

Source: Primary data

Table 1 shows that out of 125 respondents, 52.80 per cent are male, 52.00 per cent are in the age group of below 30 years, 60.00 per cent are married, 90.40 per cent are literate, 36.28 per cent are graduate, 61.60 per cent are employed, 29.87 per cent are private employees, 54.17 per cent are students, and 37.66 per cent are earning Rs.10001- Rs.25000 as monthly income.

## 4.2. Banking Profile of the Respondents

The researchers have also analysed the banking profile of the respondents. The results are given in Table 2.

**Table 2: Banking Profile of the Respondents**

S. No.	Particulars	No. of Respondents	Percentage
<b>The bank in which having Account</b>			
1	Private sector banks only	66	52.80
2	Public sector banks only	46	36.80
3	Both	13	10.40
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>No. of years deals with bank</b>			
1	Below 5 years	42	33.60
2	5 to 10 years	59	47.20
3	10 to 15 years	13	10.40
4	Above 15 years	11	8.80
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Frequency of visiting bank per month</b>			
1	Less than 4 times	82	65.60
2	4 to 6 times	29	23.20
3	More than 6 times	14	11.20
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Having the account more than one bank</b>			
1	Having	72	57.60
2	Not Having	53	42.40
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Operation of all the bank account</b>			
1	Operate	55	76.39
2	Not Operate	17	23.61
<b>Total</b>		<b>72</b>	<b>100.00</b>
<b>Reasons for Non operative account</b>			
1	Transfer	1	5.88
2	Low interest	5	29.41
3	Non convenient	4	23.53
4	Poor service	2	11.77
5	Purpose solved	5	29.41

S. No.	Particulars	No. of Respondents	Percentage
<b>Total</b>		<b>17</b>	<b>100.00</b>
<b>Types of bank accounts of the Respondents</b>			
1	Savings account	116	92.80
2	Current account	8	06.40
3	Fixed account	12	09.60
4	Recurring deposits	3	02.40
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Purpose of Account</b>			
1	Avail loan	20	16.00
2	Government benefits	19	15.20
3	Security	63	50.40
4	Business	12	9.60
5	Salary	5	4.00
6	Saving	6	4.80
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>ATM Cum Debit Card</b>			
1	Having	108	86.40
2	Not having	17	13.60
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Credit Card</b>			
1	Having	9	7.20
2	Not having	116	92.80
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Using Internet Banking by Respondents</b>			
1	Using	46	36.80
2	Not using	79	63.20
<b>Total</b>		<b>125</b>	<b>100.00</b>
<b>Using Mobile Banking by Respondents</b>			
1	Using	20	16.00
2	Not using	105	84.00
<b>Total</b>		<b>125</b>	<b>100.00</b>

Source: Primary data

Table 2 shows that out of 125 respondents, 52.80 per cent have accounts in private sector banks only, 47.20 per cent have accounts for 5 to 10 years, 65.60 per cent visit the bank less than 4 times per month, 57.60 per cent have more than one bank account, 76.39 per cent are operating all the bank accounts, 29.41 per cent do not operate all bank accounts because of low interest and purpose solved, 92.80 per cent have savings bank account, 50.40 per cent have account for security purpose, 86.40 per cent have ATM-cum-debit cards, 92.80 per cent have credit cards, 63.20 per cent are not using Internet banking service, and 84.00 per cent are not using mobile banking services.

### 4.3. Opinion Regarding Expected Service Quality of Respondents

To know the expected service quality of respondents about the various service rendered by the bank, the study has been made. For the purpose of the study, details are gathered from the respondents regarding various services like tangible services, reliability of services, responsiveness of bank employees, assurance provided by the bank and empathy of respondents about the bank are also computed. For this purpose, 5-point scaling technique is used. 5 points for “high important”, 4 points for “important”, 3 points for “neutral”, 2 points for “low important”, and 1 point for “very low important” is assigned. The computed details are presented in Table 3.

**Table 3: Expected Service Quality**

S. No	Elements of Quality factors	Expected How is important this from you				
		1	2	3	4	5
<b>Tangibles</b>						
1	Up-to-date equipment and instruments facilities	5 (4.00%)	12 (9.60%)	22 (17.60%)	25 (20.00%)	61 (48.80%)
2	Employees who have a neat professional appearance	4 (3.20%)	11 (8.80%)	22 (17.60%)	21 (16.80%)	67 (53.60%)
3	Bank's physical facilities should be visually appealing	4 (3.20%)	11 (8.80%)	20 (16.00%)	26 (20.80%)	64 (51.20%)

S. No	Elements of Quality factors	Expected How is important this from you				
		1	2	3	4	5
4	Easily to find a branch, easy to locate and contact	6 (4.80%)	8 (6.40%)	6 (4.80%)	27 (21.60%)	78 (62.40%)
<b>Reliability</b>						
5	Promise to do something by a certain time doing it	7 (5.60%)	15 (12.00%)	14 (11.20%)	20 (16.00%)	69 (55.20%)
6	Performing the service right and accurate at first time	7 (5.60%)	11 (8.80%)	18 (14.40%)	24 (19.20%)	65 (52.00%)
7	The bank sincere in solving problem and correct the mistakes and errors	7 (5.60%)	11 (8.80%)	17 (28.00%)	28 (22.40%)	62 (49.60%)
8	Keeping records correctly- error free records	8 (6.40%)	12 (9.60%)	18 (14.40%)	14 (11.20%)	73 (58.40%)
<b>Responsiveness</b>						
9	Being polite and kind especially when employees are very busy	5 (4.00%)	15 (12.00%)	9 (7.20%)	28 (22.40%)	68 (54.40%)
10	Employees in the bank give you prompt service	2 (1.60%)	13 (10.40%)	17 (13.60%)	32 (25.60%)	61 (48.80%)
11	Employees who are always willing to help	7 (5.60%)	11 (8.80%)	20 (16.00%)	19 (15.20%)	68 (54.40%)
12	Bank should arrange special care to special customers	6 (4.80%)	13 (10.40%)	23 (18.40%)	18 (14.40%)	65 (52.00%)
<b>Assurance</b>						
13	The employees of the bank are trustworthy	13 (10.40%)	9 (7.20%)	13 (10.40%)	27 (21.60%)	63 (50.40%)
14	You feel safe in your transactions with the bank	10 (8.00%)	5 (4.00%)	15 (12.00%)	15 (12.00%)	80 (64.00%)
15	Employees who have the knowledge to answer the customer questions	11 (8.80%)	7 (5.60%)	22 (17.60%)	27 (21.60%)	58 (46.40%)
16	The behaviour of employees in the bank instills confidence in you	2 (1.60%)	17 (13.60%)	27 (21.60%)	23 (18.40%)	56 (44.80%)
<b>Empathy</b>						
17	The bank gives you individual attention	6 (4.80%)	9 (7.20%)	12 (9.60%)	30 (24.00%)	68 (54.40%)
18	The bank has operating hours convenient to all its customers	4 (3.20%)	13 (10.40%)	19 (15.20%)	15 (12.00%)	74 (59.20%)
19	Employees of the bank should try to know your specific needs	2 (1.60%)	12 (9.60%)	28 (22.40%)	26 (20.80%)	57 (45.60%)
20	Bank charge reasonable service charge	5 (4.00%)	10 (8.00%)	21 (16.80%)	24 (19.20%)	65 (52.00%)
21	Bank offers competitive interest rates.	7 (5.60%)	11 (8.80%)	17 (13.60%)	22 (17.60%)	68 (54.40%)

Source: Primary data

Table 3 shows that most of the respondents give rating “very high important” for all 21 statements taken for the study.

#### 4.4. Opinion Regarding Perceived Service Quality of Respondents

To know the perceived service quality of respondents about the various service rendered by the bank, the study has been made. For the purpose of the study, details are gathered from the respondents about the satisfaction level of services rendered by the bank like tangible

services, reliability of services, responsiveness of bank employees, assurance provided by the bank and empathy of respondents about the bank are also computed. For this purpose, 5-point scaling technique is used. 5 points for “highly satisfied”, 4 points for “satisfied”, 3 points for “neutral”, 2 points for “dissatisfied”, and 1 point for “highly dissatisfied” is assigned and computed details are presented the Table 4.

**Table 4: Perceived Service Quality**

S. No	Elements of Quality factors	Perceived Level of Satisfaction with this items				
		1	2	3	4	5
<b>Tangibles</b>						
1	Up-to-date equipment and instruments facilities	4 (3.20%)	13 (10.40%)	36 (28.80%)	34 (27.20%)	38 (30.40%)
2	Employees who have a neat professional appearance	4 (3.20%)	15 (12.00%)	30 (24.00%)	27 (21.60%)	49 (39.20%)
3	Bank's physical facilities should be visually appealing	8 (6.40%)	16 (12.80%)	27 (21.60%)	33 (26.40%)	41 (32.80%)
4	Easily to find a branch, easy to locate and contact	4 (3.20%)	15 (12.00%)	22 (17.60%)	33 (26.40%)	51 (40.80%)
<b>Reliability</b>						
5	Promise to do something by a certain time doing it	6 (4.80%)	22 (17.60%)	33 (26.40%)	32 (25.60%)	32 (25.60%)
6	Performing the service right and accurate at first time	3 (2.40%)	22 (17.60%)	30 (24.00%)	33 (26.40%)	37 (29.60%)
7	The bank sincere in solving problem and correct the mistakes and errors	9 (7.20%)	16 (12.80%)	32 (25.60%)	28 (22.40%)	40 (32.00%)
8	Keeping records correctly-error free records	6 (4.80%)	14 (11.20%)	16 (12.80%)	31 (24.80%)	58 (46.40%)
<b>Responsiveness</b>						
9	Being polite and kind especially when employees are very busy	7 (5.60%)	21 (16.80%)	33 (26.40%)	33 (26.40%)	31 (24.80%)
10	Employees in the bank give you prompt service	3 (2.40%)	14 (11.20%)	37 (29.60%)	39 (31.20%)	32 (25.60%)
11	Employees who are always willing to help	3 (2.40%)	17 (13.60%)	36 (28.80%)	34 (27.20%)	35 (28.00%)
12	Bank should arrange special care to special customers	9 (7.20%)	11 (8.80%)	29 (23.20%)	43 (34.40%)	33 (26.40%)
<b>Assurance</b>						
13	The employees of the bank are trustworthy	4 (3.20%)	10 (8.00%)	31 (24.80%)	31 (24.80%)	49 (39.20%)
14	You feel safe in your transactions with the bank	8 (6.40%)	11 (8.80%)	17 (13.60%)	24 (19.20%)	65 (52.00%)
15	Employees who have the knowledge to answer the customer questions	6 (4.80%)	17 (13.60%)	20 (16.00%)	42 (33.60%)	40 (32.00%)

S. No	Elements of Quality factors	Perceived Level of Satisfaction with this items				
		1	2	3	4	5
16	The behaviour of employees in the bank instills confidence in you	5 (4.00%)	13 (10.40%)	28 (22.40%)	37 (29.60%)	42 (33.60%)
<b>Empathy</b>						
17	The bank gives you individual attention	6 (4.80%)	10 (8.00%)	28 (22.40%)	39 (31.20%)	42 (33.60%)
18	The bank has operating hours convenient to all its customers	5 (4.00%)	24 (19.20%)	16 (12.80%)	38 (30.40%)	42 (33.60%)
19	Employees of the bank should try to know your specific needs	3 (2.40%)	21 (16.80%)	38 (30.40%)	37 (29.60%)	26 (20.80%)
20	Bank charge reasonable service charge	6 (4.80%)	14 (11.20%)	32 (25.60%)	36 (28.80%)	37 (29.60%)
21	Bank offers competitive interest rates.	3 (2.40%)	14 (11.20%)	28 (22.40%)	28 (22.40%)	52 (41.60%)

Source: Primary data

Opinion regarding perceived service quality of respondents has been shown in Table 4. Most of the respondents highly satisfied for the statements numbered 1, 2, 3, 4, 6, 7, 8, 13, 14, 16, 17, 18, 20, and 21. Further most of the respondents satisfied with the statements numbered 9, 10, 12, 15 and most of the respondents neither satisfied nor dissatisfied with the statements numbered 5, 9, 11 and 19.

#### 4.5. Level of Service Quality Gap

To evaluate the customer expectation, the score is assigned in the order of 5 points for “high important”, 4 points for “important”, 3 points for “neutral”, 2 points for “low important”, and 1 point for “very low important”. To evaluate the customer satisfaction, the score are assigned in the order of 5 points for “highly satisfied”, 4 points for “satisfied”, 3 points for “neutral”, 2 points for “dissatisfied” and 1 point for “highly dissatisfied”. To find out the service quality gap, subtract the perceived score from expected score (E-P), for each respondents.

- E - Expected Score
- P - Perceived Score

$$\text{Service Quality Gap} = \text{Expected Quality} - \text{Perceived Quality}$$

Out of 125 respondents, only 84 respondents have the positive gap i.e. these sample customers feel that there is some deficiencies in the services of banks and the remaining 41 respondents feel well about banking services. Therefore, here only responses of such 84 respondents are taken into account.

The score value for every sample respondents is obtained. The level of service quality gap has been classified into three categories namely, low level, medium level and high level for analytical purpose. While the score value of the respondents  $\geq (\bar{X} + SD)$  and the score value of the respondents  $\leq (\bar{X} - SD)$  have been classified as high level service quality gap and low level service quality gap respectively and the score values between  $(\bar{X} \pm SD)$  and  $(\bar{X} - SD)$  have been classified as medium level service quality gap,  $\bar{X}$  and SD are the arithmetic mean and standard deviation of service quality of Commercial banks are 7.02 and 14.86 respectively.

$$\bar{X} + SD = 25.945 \text{ High}$$

$$\bar{X} - SD = 1.595 \text{ Low}$$

$$(\bar{X} - SD) \text{ to } (\bar{X} + SD) = 1.595 \text{ to } 25.945 \text{ Medium}$$

**Table 5: Level of Service Quality Gap**

S. No	Particulars	No. of Respondents	Per cent
1	Low	3	3.57
2	Medium	70	83.33
3	High	11	13.10
Total		84	100.00

Source: Primary data

From Table 5, it is clear that out of 84 respondents, 3.57 per cent have low level of service quality gap, 83.33 per cent have medium level of service quality gap, and the remaining 13.10 per cent respondents have high level of service quality gap.

#### 4.6. Socio-Economic Variables and Level of Customer Service Quality Gap of Commercial Banks by Using Chi-Square Test

In order to test the relationship between socio-economic variables namely gender, age, marital status, educational status, educational qualification, employment status, occupation of the respondents, unemployment status, income level and service quality gap of commercial banks. The hypothesis that there is no significant relationship between the socio economic status and service quality gap has been framed. The chi-square test has been applied by using SPSS.

#### 4.7. Chi-Square Test

Chi-Square test is one of the simplest and mostly widely used non-parametric tests in statistical work. The  $\chi^2$  symbol is Greek letter chi. The  $\chi^2$  was first used by Karl Pearson in the year 1900. The quantity  $\chi^2$  describes the magnitude of the discrepancy between theory and observation. The test statistics of  $\chi^2$  has been computed as follows.

$$\text{Chi-Square test} = \sum \frac{(O - E)^2}{E}$$

E = Row total X Column total

Grand Total

$$Df = (r-1) (c-1)$$

Where O = Observed Frequency

E = Expected Frequency

Df = Degrees of freedom

R = Row

C = Column

#### 4.8. Association between Socio-Economic Variables and Service Quality Gap of Commercial Banks in Sivakasi

Service quality gap may vary among customers based on their socio-economic status. The association between socio-economic variables and service quality gap of commercial banks has been analysed with the following hypothesis.

#### 4.8. Hypothesis

**H1:** There is no significant relationship between socio economic variables and service quality gap of commercial banks in Sivakasi.

To test the above hypothesis, Pearson's chi-square test is applied and the results are presented in Table 6.

**Table 6: Association between Socio-Economic Variables and Service Quality Gap of Commercial Banks in Sivakasi-Result of Chi-Square Test**

S. No	Socio-Economic Variables	Service Quality Gap			Total	Chi-Square	
		Low	Medium	High		Value	Asymp.Sig. (2-sided)
<b>Gender</b>		1 (2.30%)	36 (83.70%)	6 (14.00%)	43 (100%)	0.434	0.805
1	Male						
2	Female	2 (4.90%)	34 (82.90%)	5 (12.20%)	41 (100%)		
<b>Total</b>		<b>3 (3.60%)</b>	<b>70 (83.30%)</b>	<b>11(13.10%)</b>	<b>84 (100%)</b>		
<b>Age</b>		-	35 (87.5%)	5 (12.50%)	40 (100%)	10.870	0.092
1	Under 30 Years						
2	30 to 40 Years	1 (5.60%)	14 (77.80%)	3 (16.70%)	18 (100%)		
3	40 to 50 Years	2 (11.80%)	15 (88.20%)	-	17 (100%)		
4	Above 50 Years	-	6 (66.70%)	3 (33.30%)	9 (100%)		
<b>Total</b>		<b>3 (3.60%)</b>	<b>70 (83.30%)</b>	<b>11 (13.10%)</b>	<b>84 (100%)</b>		

S. No	Socio-Economic Variables	Service Quality Gap			Total	Chi-Square	
		Low	Medium	High		Value	Asymp.Sig. (2-sided)
<b>Marital Status</b>		3 (5.4%)	45 (80.4%)	8 (14.3%)	56 (100%)	1.860	0.394
1	Married						
2	Unmarried	-	25 (89.3%)	3 (10.7%)	28 (100%)		
<b>Total</b>		3 (3.60%)	70 (83.30%)	11 (13.10%)	84 (100%)		
<b>Educational Status</b>		2 (11.51%)	61 (75.22%)	10 (13.27%)	73 (100%)	1.238	0.538
1	Literate						
2	Illiterate	1 (9.10%)	9 (81.8%)	1 (9.10%)	11 (100%)		
<b>Total</b>		<b>3 (3.60%)</b>	<b>70 (83.30%)</b>	<b>11 (13.10%)</b>	<b>84 (100%)</b>		
<b>Educational Qualification</b>		1 (10.0%)	9 (90.0%)	-	10 (100%)	6.859	0.552
1	Primary level						
2	High school	-	10 (90.90%)	1 (9.10%)	11 (100%)		
3	Graduate	1 (3.80%)	22 (84.60%)	3 (11.50%)	26 (100%)		
4	Post graduate	-	15 (78.90%)	4 (21.10%)	19 (100%)		
5	Professional	-	5 (71.40%)	2 (28.60%)	7 (100%)		
<b>Total</b>		<b>2 (2.70%)</b>	<b>61 (83.60%)</b>	<b>10 (13.70%)</b>	<b>73 (100%)</b>		
<b>Employment Status</b>		2 (3.40%)	48 (82.8%)	8 (13.8%)	58 (100%)	0.085	0.958
1	Employed						
2	Unemployed	1 (3.80%)	22 (84.6%)	3 (11.5%)	26 (100%)		
<b>Total</b>		<b>3 (3.60%)</b>	<b>70 (83.30%)</b>	<b>11 (13.10%)</b>	<b>84 (100%)</b>		
<b>Occupation</b>		2 (40.0%)	3 (60.00%)	-	5 (100%)	28.653	0.001
1	Agriculturist						
2	Hired servant	-	9 (100%)	-	9 (100%)		
3	Government employee	-	10 (76.90%)	3 (23.10%)	13 (100%)		
4	Private employee	-	11 (73.30%)	4 (26.70%)	15 (100%)		
5	Business man	-	11 (100%)	-	11 (100%)		
6	Professionals	-	4 (80.00%)	1 (20.00%)	5 (100%)		
<b>Total</b>		<b>2 (3.40%)</b>	<b>48 (82.80%)</b>	<b>8 (13.80%)</b>	<b>58 (100%)</b>		
<b>Unemployment Status</b>		-	10 (83.30%)	2 (16.7%)	12 (100%)	11.424	0.076
1	Student						
2	Housewife	1 (11.1%)	8 (88.90%)	-	9 (100%)		
3	Jobseekers	-	4 (100%)	0	4 (100%)		
4	Retired	-	-	1 (100%)	1 (100%)		
<b>Total</b>		<b>1 (3.80%)</b>	<b>22 (84.60%)</b>	<b>3 (11.5%)</b>	<b>26 (100%)</b>		
<b>Income</b>		1 (5.90%)	14 (82.40%)	2 (11.80%)	17 (100%)	4.568	0.600
1	Below Rs.10000						
2	Rs.10001 to Rs.25000	1 (5.00%)	16 (80.00%)	3 (15.00%)	20 (100%)		
3	Rs.25001 to Rs.40000	-	10 (100.00%)	-	10 (100%)		
4	Above Rs.40000	-	8 (72.70%)	3 (27.30%)	11 (100%)		
<b>Total</b>		<b>2 (3.40%)</b>	<b>48 (82.80%)</b>	<b>8 (13.80%)</b>	<b>58 (100%)</b>		

Source: Computed data

The results of chi-square test have been shown in Table 6. The P value for the socio-economic variables such as gender, age, marital status, educational status, educational qualification, employment status, unemployment status, and income are not significant at 5 per cent level. Hence, the null hypotheses regarding these variables are accepted.

Moreover, the above analysis shows that the P value for the variable, occupation of the respondents is significant at 5 per cent level. Hence, the null hypothesis is rejected. Therefore, there is a significant association between occupation and service quality gap of commercial banks in Sivakasi. It is found that the service quality gap of commercial banks is varied among different occupational customers.

## 5. Suggestions

Following are the suggestions to improve the service quality of commercial banks in Sivakasi, made by the researchers based on findings of the study.

- The banks should try to increase the rate of interest for customer deposits. Because the customers feel it is very low.
- Educate the customer for using Internet and mobile banking services since most of the customers are not aware about e-banking services.
- If the bank employees promise to do something, it must be done at the prescribed time.
- The bank employees should speak politely with customer even when they are busy, and also help the customers in their banking activities.
- Employees of the bank should try to know their customer specific needs.

## 6. Conclusion

The service quality of commercial banks in Sivakasi is analysed through GAP analysis. The result of GAP

analysis shows that majority (84) of the respondents experience gap in service quality i.e. there exists gap between expectations and quality perceived by the customers with regard to service of the banks. Among the respondents who have the quality gap, 70 customers feel it is medium. As the banking industry is a service-oriented industry, the priority should be given to quality service. If there is any deficiency in the quality, it seriously affects the customer base and also the profit. Now, the banking industry in India is in strive global competition. Foreign banks are getting into business in India and large number of foreign banks plan to start their business in India. Therefore, the commercial banks in India should realise their position in the market and take a strategic decision to improve the quality of service and give a strong competition to foreign banks. For that purpose, the researchers give some suggestions which may be helpful for the banks in their improvement process.

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