

MEASURING THE SERVICE QUALITY GAP BETWEEN THE PERCEIVED AND EXPECTED SERVICES IN RETAIL BANKING

G P GANESH

Regional Product Manager, ICICI Bank Ltd,
Coimbatore. gpganesh@hotmail.com

ABSTRACT

Today banks have to look much beyond just providing a multi-channel service platform for its customers. With the Phase in which the banking sector is growing, Banks concentrate more on Product designing, Technology advancement, Expanding, Recruitment, etc, forgetting one main factor - Customer Satisfaction/ Expectation.

The banking industry is highly competitive, with banks not only competing among each other; but also with non-banks and other financial institutions. Most bank product developments are easy to duplicate and when banks provide nearly identical services, they can only distinguish themselves on the basis of price and quality.

Analyzing markets based on customer perceptions, designing a service delivery system that meets customer needs, and enhancing the level of service performance are all pertinent objectives for banks seeking to gain and retain a competitive advantage. Service quality has received much attention because of its obvious relationship with costs, financial performance, customer satisfaction and customer retention.

Study was conducted to measure the service gap between the perceived and expected services provided by the retail banks in the top five cities of Tamilnadu. The study confirms that there is significant gap between the customers expected service and perceived service level in retail banking across all service quality dimensions, which leads to dissatisfaction and non-committal approach towards the service provider.

A customer is not just money in the cash register. He is a human being with feelings and deserves to be treated with respect. Any business without a focus on customer satisfaction is at the mercy of the market. Without loyal customers eventually a competitor will satisfy those desires and your customer retention rate will decrease.