Chapter 4:

Conclusions
art I: Observations

Measurement of the perception of the quality was quite a challenging task for the researcher. The task involved a careful selection of appropriate methodology and then tools for collection and analysis of data. The research was primarily focused to identify the relevant parameters of quality as applied to banking services. First, these factors were identified from the point of view of both the users of the service as well as the service providers. After identification of the quality parameters, observations have been made regarding the two major dimensions of perceptual gap;

1. Perceptual difference in quality parameters of services
2. Perceptual difference in the relative importance of these identified parameters.

The measurement and analysis has been done separately for different categories of banks;

1. Perceptual Gap in Private Banks
2. Perceptual Gap in Foreign Banks
3. Perceptual Gap in Public Banks

During the study, it was observed that there is possibility of the different types of errors in measurement of perceptual gap. These errors can be represented as under;

<table>
<thead>
<tr>
<th>Error Due to Identification of Wrong Parameters</th>
<th>Error Due to wrong interpretation of relative importance of parameters</th>
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<tbody>
<tr>
<td>Mapping Error 1</td>
<td>Mapping Error 2</td>
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<tr>
<td>Error Due to both wrong identification and interpretation of relative importance of parameters</td>
<td>No Error</td>
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<td>Mapping Error 3</td>
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In the present study, to minimize the Error 1 or 3, SERVQUAL model has been used. The analysis was done using Factor Analysis to minimize Error 2 or 3. The detailed observations are presented below.

As it is observed that the different banks provided traditional services like Saving account, Loan facilities but lacked far behind as far the modern technology based services are concerned, such as Automatic remittance facilities and ATM facilities. Private sector banks were observed to lead the race as far as the automatic remittance facilities are concerned in contrast to the public and foreign banks that were much behind them. In case of the private banks only 20% of them provided the locker facilities and 50% of the them had the automatic remittance facilities. The Public banks should increase their automatic remittance facilities to attract more customers. The public banks were also far behind in mobile banking/internet banking services.

The bank executives of different identified the important parameters to attain quality in services. It was observed that the bank executives of Private bank laid highest emphasis on reliability followed by Accessibility and responsiveness. It shows that the private bank focuses more on the Reliability and Accessibility. The bank executives of Public bank recognized responsiveness competence and tangibles as the important factors for quality services. The bank executives of Foreign bank laid more emphasis on security, competence and responsiveness. If we try to take common factors out of all these three banks it will be evidenced that overall response of the bank executives are towards these four parameters, which are Reliability, Responsiveness, Competence and security.
The bank executive's response on the various quality dimensions measured for the actual service delivered also revealed and supported the importance of these parameters. The perception of the bank executives of the Private bank is more on Product range, security, responsiveness and reliability. On observing the responses of the bank executives of the Public bank it is observed that they have given higher rating for security, responsiveness, reliability, accessibility and product range. The executives of the foreign bank have rated their accessibility, reliability, responsiveness, product range, and competence as the best.

As regards their perception of the standardized services the executives of the Private bank are of the pinion that banks should maintain long term relationship with the customers, should perform service on time, employees should be generous and polite, secrecy of accounts should be maintained, employees should listen to complaints patiently and problem should be resolved immediately. The executives of the Public bank have however laid greater emphasis on performing the promise, delivering the service on time, long term relation with the customers, politeness of the employees. The executives of the foreign bank have emphasized more on the maintaining long term relationship, secrecy of accounts, politeness of the employees, performing as per the promise. On analyzing the perception of the executives the various banks it implies that all of them have greater emphasis on performance of promise, long-term relation with the customers, secrecy of accounts, delivering the service on time.

The data obtained on the product availed by the customers of the different
banks revealed that nearly all the customers avail the saving account facilities of all the banks. It implies that it is still the most required services of the banks and constitutes the core services of the banks. The ATM of the foreign banks is availed by most of the customers covered for the study followed by the ATM of the private banks. The Public banks ATM was availed by least number of respondents showing that these banks still have to increase there network of ATM. Confirming to the already existing beliefs the salary account of the most of the respondents is with the Public bank since the government employees salary generally goes into the Public bank indicating that hey still have a major hold on these segments of the large number of government employees. However the study did not categorized the services as government or private. Hence it can merely be the judgment of the researcher.

An attempt was made to know the services of the other banks availed by the respondent who rated a particular bank as the best service provider. It was done keeping in view that the customers who are availing the services of many banks have experienced the services of all of them and hence there response would certainly carry more weight as compared to those who have availed the services of only category of banks. The attempt was made to understand this for all those who rated a particular bank as the service provider. Out of all the customers who rated Private bank as the best service provider 46% of them were availing the services of both the private and Public bank and 9% of them were availing the services of both the Private, Public and foreign bank. It implies that nearly 14 customers who rated private as the best service provider have also experienced the services of the public bank and 3 customers were experiencing the services of all the three category of banks. As regards those
customers who rated Public bank as the best service provider 20% of them were availing the services of both private and public bank, whereas 13% of them were availing the services of all the three category of banks. Moving to the data of the foreign bank it is evidenced that those customers who rated foreign bank as the best service provider, 62% of them have experienced the services of the other banks as well. It implies that the customers who rated private and foreign bank as the best service provider had more exposure of the services of other banks than the customers who rated public bank as the best service provider.

On observing and analyzing the ratings of the customers on the various quality dimensions for the different category of banks it is revealed that the customer of the private bank have given higher rating on Accessibility, competence, tangibles and reliability. The customers of the public bank have given higher rating on reliability, security and accessibility. The customers of the foreign bank have given higher rating for Reliability, courtesy, responsiveness and product range. These ratings were tested to know whether the difference in the ratings given by the customers and executives was significant or simply a chance variation.

On testing the significance in difference—it was observed that ratings given by the executives of the Private and the public bank on reliability, courtesy, accessibility and tangibles. It implies that the perception of the executives of the Private and Public bank on these quality dimensions differ with each other. On all these five parameters the ratings given by the executives of the private bank is significantly more than the rating of the Public bank. It implies that the service quality perception of the executives of the private bank is higher than the quality
perception of the executives of the public bank. On observing the perception of the executives of the private and foreign bank it was reflected that the perception varied on product range, tangibles and security parameter. The perception of the private executives is higher on these quality parameters.

On comparing the rating given by the executives and the customers of the private bank on the eight service quality dimensions, it was observed that the ratings responsiveness, competence, product range and security. The rating given by the executives of the private bank is higher in case of responsiveness, security, and Product range whereas the ratings of the customers are higher in case of competence. It implies that the bank has to improve upon these parameters, responsiveness, security and product range since the perceptual gap is highest in case of these quality parameters. In case of the public banks there is no significant difference in the perception of the executives and the customers on the different quality dimensions.

The analysis of the executive's and the customers of the foreign bank revealed that there is significant difference only on the courtesy parameter. On all the rest of the parameters the ratings of the executives and the customers are almost same. The perception of the customers on the courtesy parameter is high as compared to the executives indicating that the banks have been able to live quite high up to the expectations of the customers.

Despite the perceptual difference in the quality on various parameters for the different banks the overall rating of the customers about the satisfaction of the services are same with no significant difference. It implies that the satisfaction of the customers is not entirely dependant on the perception of the quality parameters.
Observations based on the Factor analysis:

On the basis of the factor analysis of the executives and the customers of the different banks for the perception of the standardized services it is evident that the variables, which contribute more towards the variance of the different factors, extracted will correlate highly on those factors. The perception of the executives and the customers will be compared with each other to know whether there is any significant difference in the perception. Large amount of deviation will result in gap, which needs to be minimized to attain quality in the services.

Factor analysis of the private banks revealed that the perception of the executives and the customers agree on the responsiveness, courtesy/customer relations and flexibility. It implies that the banks should focus more on these factors to improve the quality of the banking services. A review of the factor loadings indicates that banks should focus more on Accessibility, listening complaints, customization of the services to improve the Responsiveness. Performing the services on time, politeness of the employees, long term relations of the customers should be focused to improve the Courtesy/customer relations.

Factor analysis of the Public bank revealed that the customer’s focus was high on responsiveness/customer relations, accessibility and flexibility. The bank should focus more on the timely delivery of the service, resolve the problem, listen complaints and long term relations, customization of the services to improve the responsiveness/customer relations. Accessibility and use of ATM should be promoted to improve the quality on these dimensions. Factor analysis of the foreign banks showed that the customers laid more emphasis on the Responsiveness/customer support, Technology aspects and maintaining long-term relations with the customers.
The different figures shown below represent the factors extracted by the factor analysis along with the variance explained by the different factors. The loading of the variables with their factors explains the correlation.
When it comes to measure the difference in the perceptual quality of banking services, one must look at the services in totality that is consideration of the various factors operating in the macro environment. As we know that the specialized services like banking, telecommunication etc. are subject to the constant pressure from the govt and other regulating bodies. This limits the freedom of services providers to design customized need based solutions. Considering the realities of the situation, a model has been developed for reducing the gap in quality perception through integrating customers perception and macro environmental forces. The model is suggestive and does not prescribe any ready made solution to the services provider.

As shown in the figure on the next page, the model comprises of seven critical factors of success: Reliability, Responsiveness, Competence, Courtesy, Accessibility, Security and tangibles. These factors have been further put into two broad categories: Human and Non human factors.

In order to minimize the perceptual gap the services provider should focus on improving the quality across the dimension of seven critical success factors. This has to be integrated with the regulatory framework, situational forces and expectations of the target customers groups. The quality improvement process should be on continuous basis rather piecemeal analysis. The arrow represents the different flow of information. This is also important to understand that the different types of customers have varying expectations even within the seven CSF dimensions. Therefore, the service design and delivery system should be in tune with the specific requirement of the particular segment of the customer. The pictorial representation of the model is under.
Part III: Suggestions and Areas of Further Research

The present research was aimed at knowing the perceptual difference of quality from the executives and customers point of view for the different category of banks. The different category of banks selected for the study were Private, Public and Foreign banks. There are scopes of future research in this area, which are being suggested below.

1. Research can be undertaken to study the perception of the customers on the basis of their occupation, income gender etc. It would help to understand the perceptual difference, which arises due to these above factors.

2. Further research can be done to know the perceptual difference in the quality between the categories of Banks. For ex. The study can be done to know the perception of the customers and the executives of the different Public banks and Private banks.

3. Study can also be done to know the view of the employees regarding the problems and other critical constraints involved in the implementation of the quality parameters.