

A Study On Service Quality Dimensions And Service Gap In Information Technology With Respect To Customer Loyalty In Banking

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Purpose: *The purpose of this study is to analyze service quality dimension and service gap.*

Theoretical framework: *Uncertainty reduction theory is used for understanding the concept of service dimension.*

Design/methodology –*The primary quantitative method along with survey process is used in the study.*

Approach: *Graphical analysis and statistical interpretation has been executed.*

Findings: *The implications of customer services are crucial to support customer loyalty in the banking industry.*

Research, practical and social implications: *The study offers critical analysis on the research topic of customer service quality dimension.*

Originality/value: *The value of the study is depended on five major dimensions of the service qualities offered by banking sectors.*

Keywords: *Customer service, banking sectors, service quality, service gap, organizational reliability*

INTRODUCTION

Customer service is one of the driving forces behind the growth of an organisation. In compliance, the formation of a service quality dimension came to the forefront wherein it concentrates on improving its service providence to induce customer trust. The context of customer loyalty is highly significant in the banking sector as it involves financial aid received from the public. These funds are necessary for maintaining an effective cash flow and upholding the economy.

Background

Customer loyalty is a subjective concept that differs according to various amenities offered to them by several organizational sectors. According to the views of Pakurár et al. (2019), the dimensions of service quality are categorized by customer needs, expectations and demands. Based on this, there are five major divisions in the quality dimension such as reliability, tangibility, responsiveness, assurance, and credibility. All these mentioned factors are inherently rooted in customer satisfaction. With respect to this, the banking sector utilizes these above-stated services to facilitate the growth of trust among potential consumers.

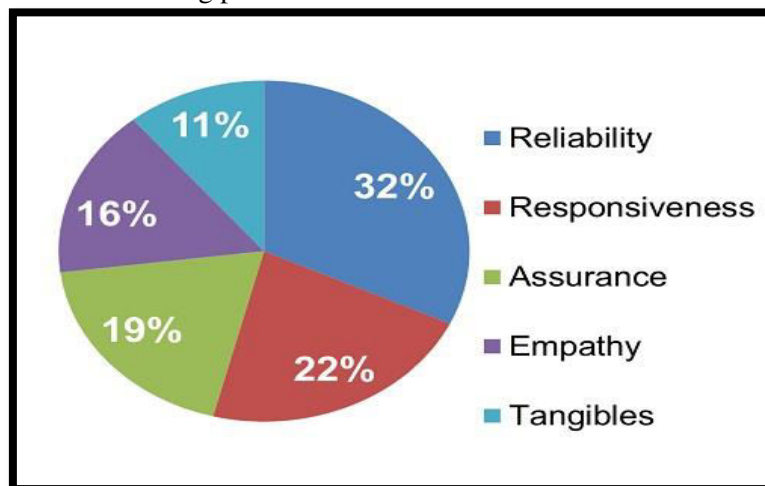


Figure 1: Dimensions of the service quality aspect

(Source: Devesh, 2019)

Figure 1 illustrates the sections on service quality and its level of importance to develop customer loyalty. As per the opinions of Devesh (2019), reliability attains the most vital position in inducing trust among the general public. This is because the reliability factor outlines organisational consistency in offering services and amenities offered.

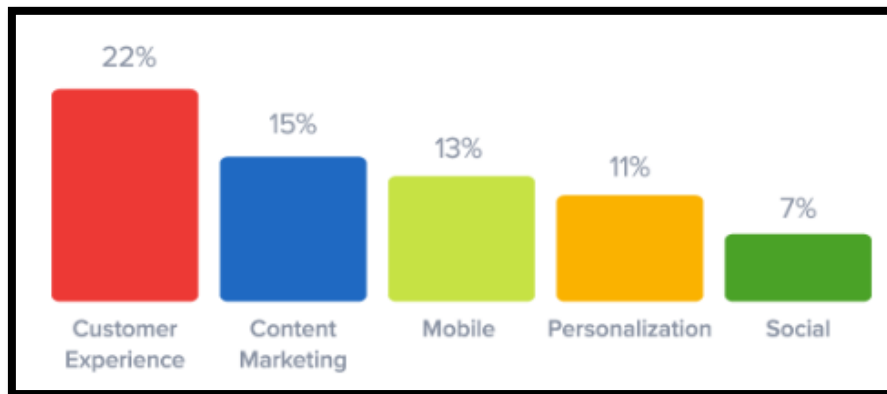


Figure 2: Several business prospects employed by the banking sector on a global scale
(Source: Ahlstrom et al. 2020)

Figure 2 gives a pictorial representation of various business prospects put forward by the banking sector on a global platform. Considering the importance of business opportunities, customer experience is exceedingly vital since the majority of functional operations have one specific goal (Ahlstrom et al. 2020). This goal is related to heightening one's customer service experience to attain substantial growth and development.

Objective of the work

- To identify the major dimensions of service quality applied within the banking industry
- To understand the cause-and-effect relationship between the service quality dimension and customer loyalty
- To explore the areas of service gap observed within the service quality dimension

Research problem

A critical issue observed with the analysis of the service quality dimension is connected with the nature of service. In other words, measuring the quality level of services and amenities is difficult in comparison to assessing product quality. This is because an active association occurs between service providers and service users, therefore, considering the intangible aspect of facilities, a major error can occur while data analysis. Furthermore, a knowledge gap in terms of consumers' expectations and firms' perspectives of those expectations leads to significant barriers. This in turn increases the gap wherein the banking sector fails to meet consumer demands.

LITERATURE REVIEW

Relevance of service quality dimension in the banking industry

From the above discussion, it has been ascertained that the framework of the service quality dimension is highly effective for the initiation of customer loyalty. Concerning this, globally the banking sectors have been concentrating on upgrading their existing conditions of customer experience (Slack & Sharma, 2020). This specific requirement has put forward the utility of the service quality dimension within the functional operations of the banking industry. Moreover, the general public is deemed vital for carrying forward the business opportunities of the banking sector by enlarging its marketplace position and levitating its reputation globally.

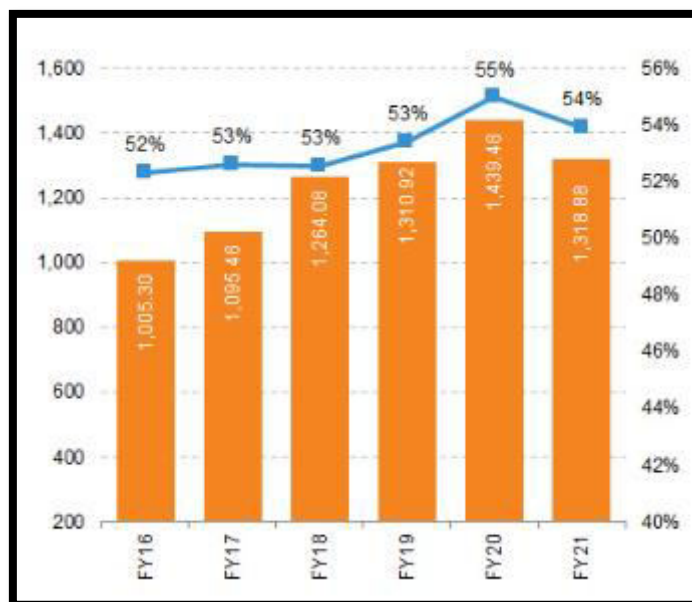


Figure 3: Implication of customer experience in the growth of the banking industry
(Source: Miah, 2021)

From figure 3 it can be ascertained that there has been significant growth in the banking industry in recent years. As per Miah (2021), one of the foundational aspects of this growth is linked with boosting customer service experience. This in turn has increased consumer loyalty and their financial contribution toward the organization has led to its development.

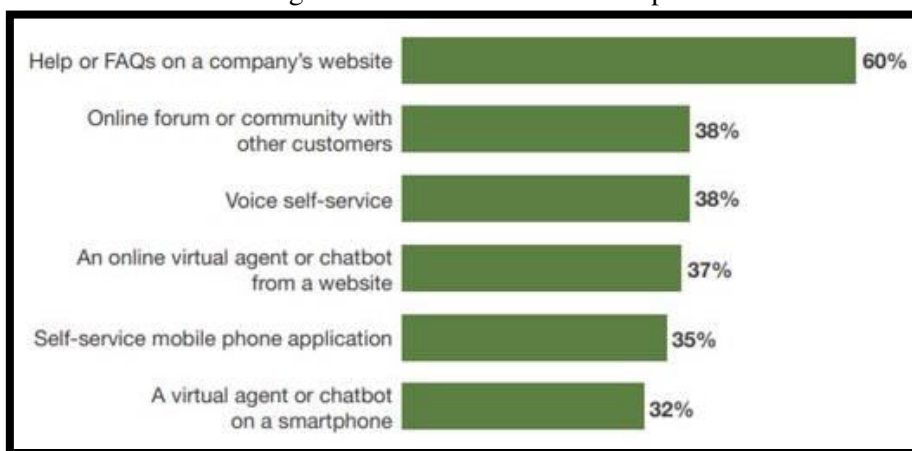


Figure 4: Benefits of a service quality dimension model
(Source: Vencataya et al. 2019)

Figure 4 highlights several areas of the service quality model which in turn leverages customer experience. Through the inclusion of FAQs on the website, the firm can offer prompt services to its consumers in times of need. In other words, the responsiveness aspect of the service quality dimension gets enhanced from this (Vencataya et al. 2019). Furthermore, in this digital era, virtual agents come real handy to answer customer queries, therefore, creating a service quality model is said to be beneficial.

Implications of service gap and its impact on customer loyalty

Speaking from the consumer's perspective, having definite and accurate knowledge is of utmost significance. Consisting of in-depth knowledge about the facilities offered by firms can help the public identify and form its preference. According to the notions of Tešić (2020), the knowledge

criterion is an effective method of measuring the dimensions of service qualities of the company. In terms of this, the knowledge gap is one of the primary service gaps observed that can create a striking imbalance in the consumer experience. Furthermore, a knowledge gap exists in form of a communication gap as well. Concerning the importance of loyalty which is determined by the fulfillment of the expectations of service users, therefore, miscommunication between the provider and user becomes a major hindrance.

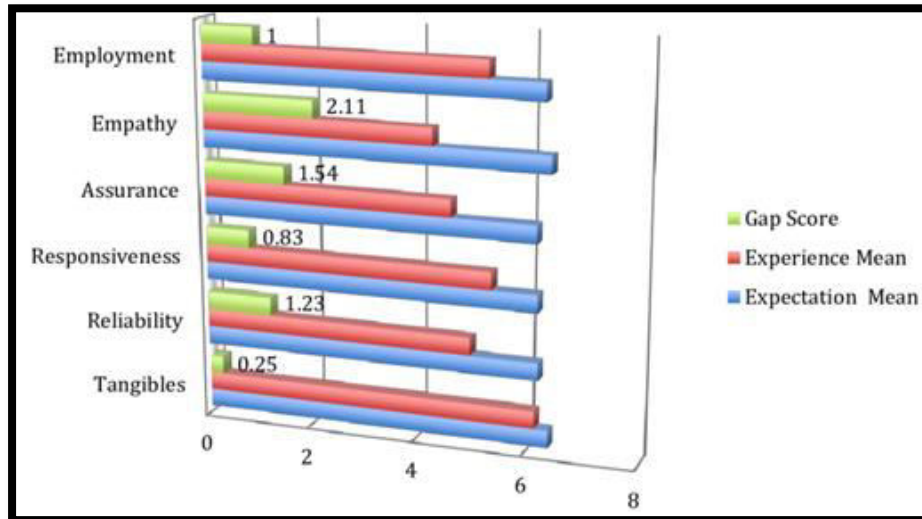


Figure 5: Service gap within the framework of service quality dimension

It can be noticed from figure 5, the gap score within the functional operation of the above-stated framework. As per Hammoud, Bizri & El Baba (2018), the consistent gap within the implementation of service quality can negatively impact consumer perspective. Therefore, the banking sector needs to evaluate these factors thoroughly.

Theory Application

Uncertainty Reduction Theory

It is a well-established theory that circulates the concept of effective communication. In layman's terms, prior interaction is observed that uncertainty factors are tried to be reduced through the help of gathering information about each other. This increases the probability to reduce uncertainty on a higher scale and this theory has a major application in customer support. As opined by Grace & Tham (2021), undertaking customer experience can be achieved by providing quality training to organizational workers. It means that given the correct tools, employees can predict customer behavior and motivation and thereby develop strategic plans to enhance their service facilities.

MATERIAL AND METHODOLOGY

Through the help of the primary quantitative research method, vital information has been collected in this study. This research method is executed by conducting a survey; therefore 20 participants are chosen with the help of a random sampling technique to obtain real-time data. Accordingly, a questionnaire is constructed that is presented to the chosen participants which record their views and perspective. Furthermore, a graphical analysis is performed to represent the collected data.

RESULTS AND DISCUSSION

Results

Gender

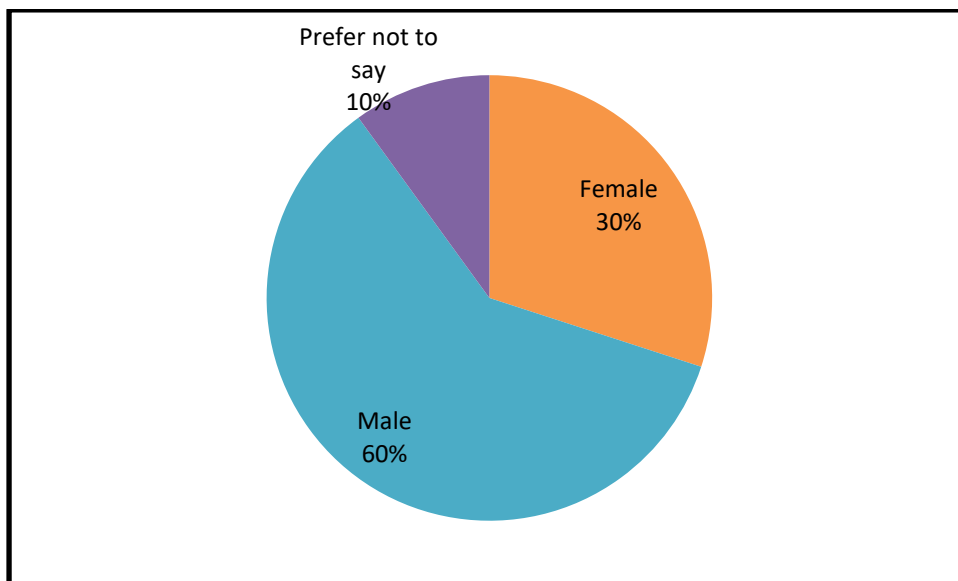


Figure 6: Gender

The above-stated figure shows a graphical presentation of survey responses. There are three major segments of gender such as male, female and prefer not to say. Respectively, about 60% of participants belong to the male section, 30% to the female section and 10% for the last option.

Age

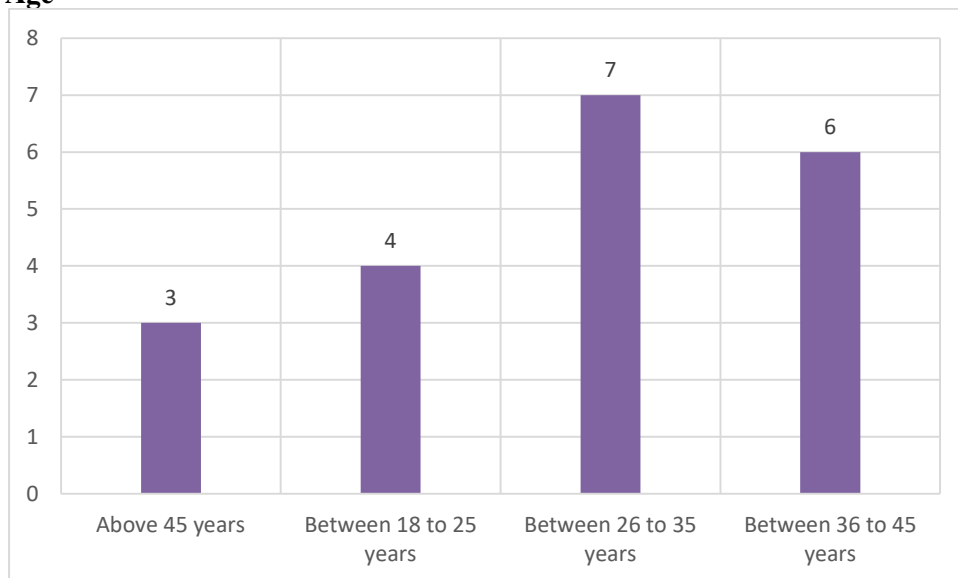


Figure 7: Age

The above-stated figure shows a graphical presentation of survey responses. There are four segments of age that range between the following; 18 to 25 years, 26 to 35 years, 36 to 45 years and above 45 years. In compliance with this, about 20%, 35%, 30% and 50% of participants belong to the mentioned alternatives respectively.

Designation

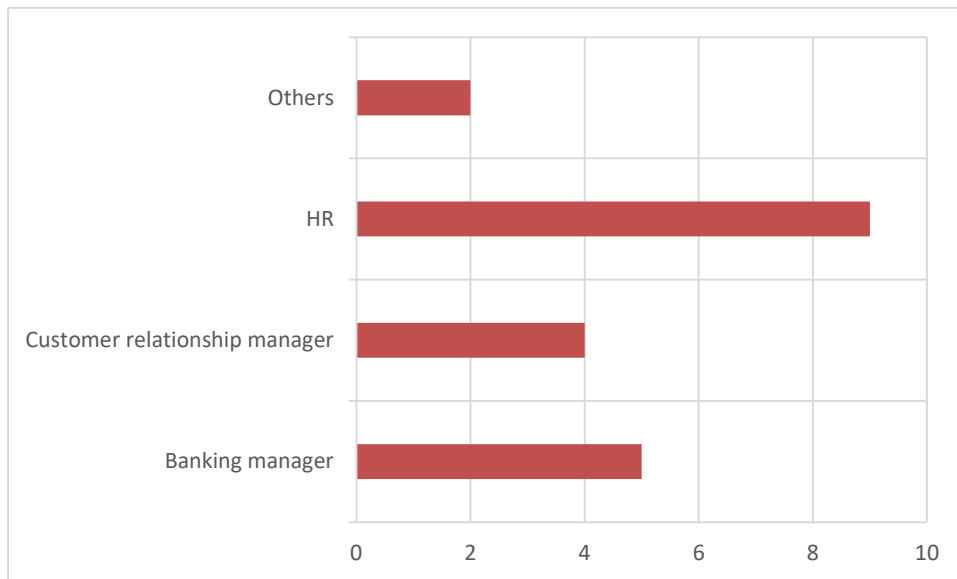


Figure 8: Designation

The above-stated figure shows a graphical presentation of survey responses. This contains 4 divisions; HR, customer relationship manager, banking manager, and others. Respectively, about 45%, 20% 25% and 10% of respondents belong to the mentioned sections.

Service quality dimension and organisational reliability have an active association

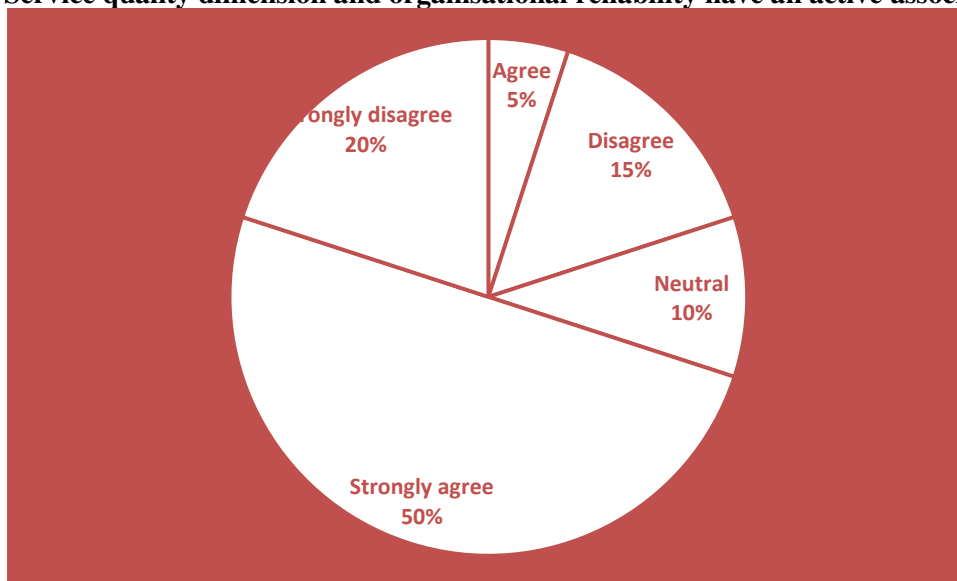


Figure 9: Service quality dimension and organisational reliability have an active association

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 20%. In addition, disagree and neutral alternatives illustrate approximately 15% and 10% of responses sequentially. On the other hand, about 5% of answers are recorded for the agree option and about 50% for the strongly agree.

Customer loyalty is impacted by the firm's management of employee attitude, marketing prospects and others

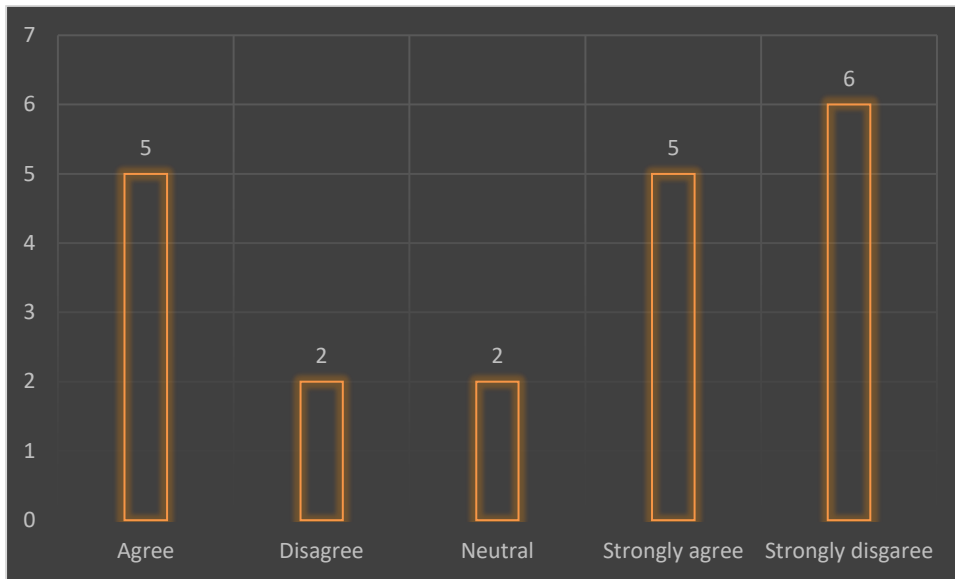


Figure 10: Customer loyalty is impacted by the firm's management of employee attitude, marketing prospects and others

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 30%. In addition, disagree and neutral alternatives illustrate approximately 10% and 10% of responses sequentially. On the other hand, about 25% of answers are recorded for the agree option and about 25% for the strongly agree.

Banking sectors need to evaluate consumer desires and requirements to induce customer trust

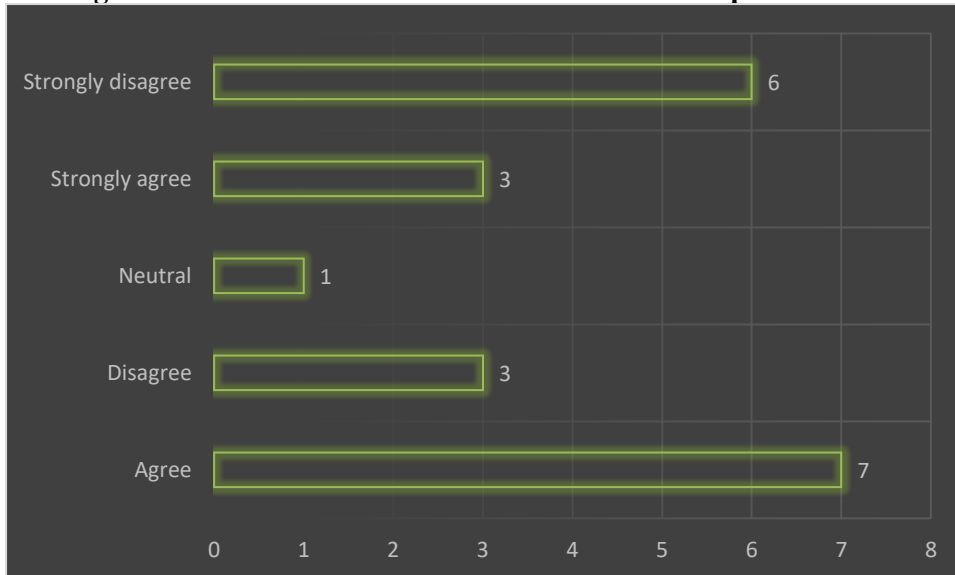


Figure 11: Banking sectors need to evaluate consumer desires and requirements to induce customer trust

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 30%. In addition, disagree and neutral alternatives illustrate approximately 15% and 5% of responses sequentially. On the other hand, about 35% of answers are recorded for the agree option and about 15% for the strongly agree.

Prompt customer service is an influential facet of the service quality dimension

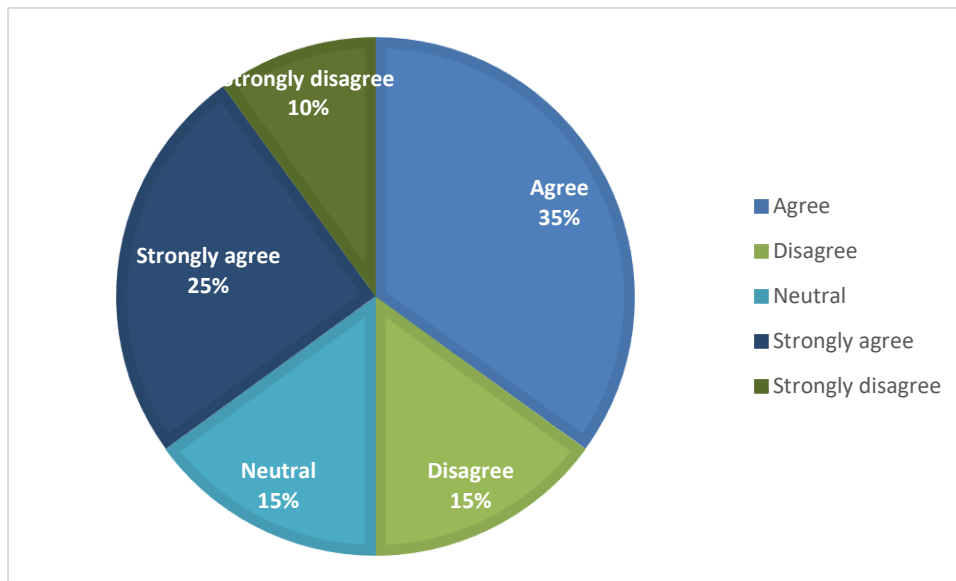


Figure 12: Prompt customer service is an influential facet of the service quality dimension

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 10%. In addition, disagree and neutral alternatives illustrate approximately 15% and 15% of responses sequentially. On the other hand, about 35% of answers are recorded for the agree option and about 25% for the strongly agree.

Assurance in the banking sector inherently improves consumer trust

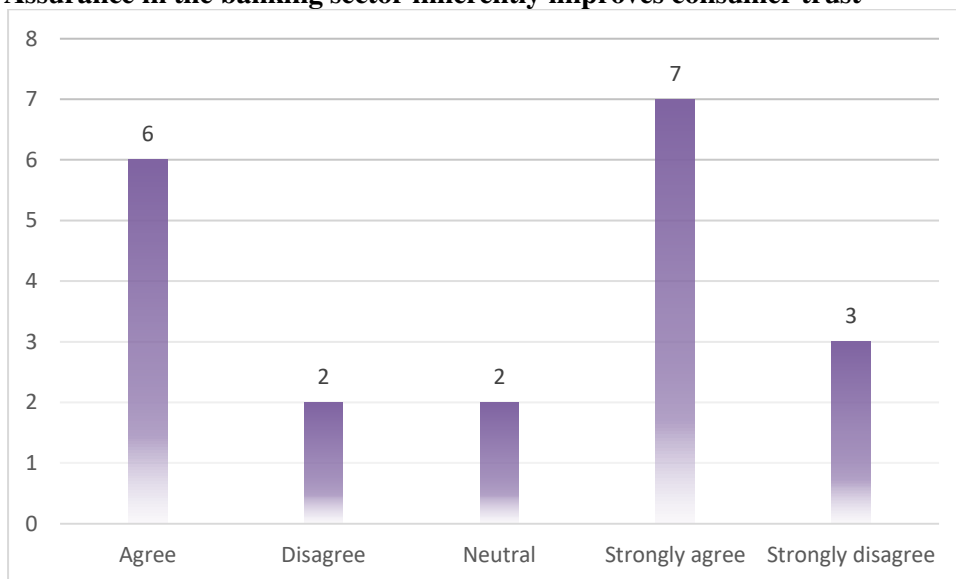


Figure 13: Assurance in the banking sector inherently improves consumer trust

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 15%. In addition, disagree and neutral alternatives illustrate approximately 10% and 10% of responses sequentially. On the other hand, about 30% of answers are recorded for the agree option and about 35% for the strongly agree.

Improper knowledge of the dimensions of service quality builds a gap in customer loyalty and the banking industry

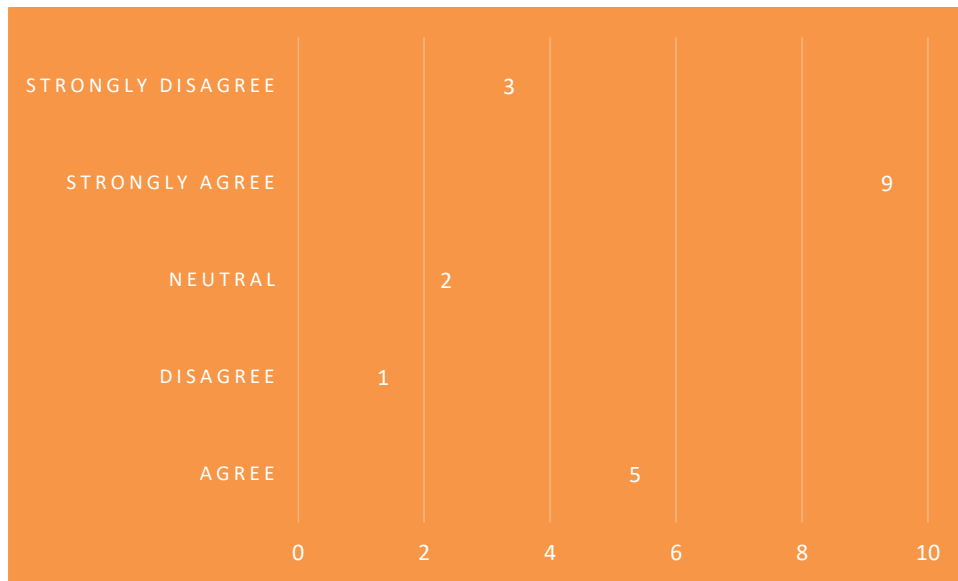


Figure 14: Improper knowledge of the dimensions of service quality builds a gap in customer loyalty and the banking industry

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 15%. In addition, disagree and neutral alternatives illustrate approximately 5% and 10% of responses sequentially. On the other hand, about 25% of answers are recorded for the agree option and about 45% for the strongly agree.

Formulating stringent policies is effective for the growth of service quality in the banking sector

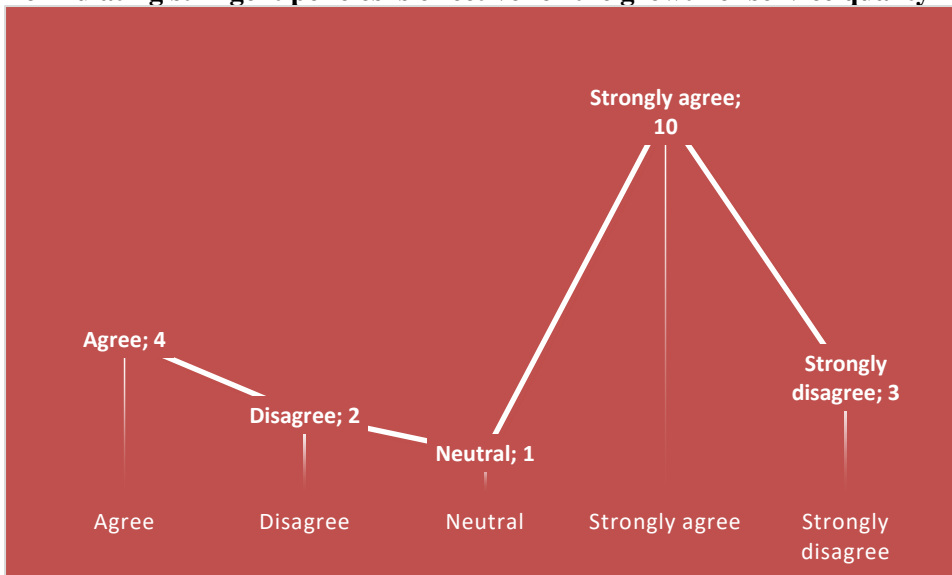


Figure 15: Formulating stringent policies is effective for the growth of service quality in the banking sector

The precedent diagram provides a graphical presentation of responses collected in a survey. The survey has been conducted among 20 target samples wherein the strongly disagree category shows about 15%. In addition, disagree and neutral alternatives illustrate approximately 10% and 5% of responses sequentially. On the other hand, about 20% of answers are recorded for the agree option and about 50% for the strongly agree.

Discussion

Demographic analysis

Demographic analysis includes data evaluation about participant details such as gender, age, and designation. It is seen that the male category observes the highest number of participants belonging to the age bracket of between 26 to 35

Service quality dimension and organisational reliability have an active association

Reliability is the foremost effective factor of the service quality dimension since it analyzes organisational consistency. This in turn helps consumers attain an above-satisfactory experience.

Customer loyalty is impacted by the firm's management of employee attitude, marketing prospects and others

Employee attitude and behavior is equally responsible to offer good customer service. As per Palese & Usai (2018), employee attitude influences consumer behavior and motivation. Furthermore, the marketing prospects of the firm can induce customer loyalty.

Banking sectors need to evaluate consumer desires and requirements to induce customer trust

Customer desires and requirements keep changing with changing market demands; therefore, it is of utmost importance for firms to evaluate this (Ghosh & Chakraborty, 2020). Through analysis of customer details, the company can reduce uncertainty risks and make major sales profit.

Prompt customer service is an influential facet of the service quality dimension

As per Sharma & Sharma (2019), offering immediate service facility to consumers possesses the ability to increase their engagement. In addition, it becomes an influential facet of the growth of the service quality dimension.

Assurance in the banking sector inherently improves consumer trust

Assurance plays a pivotal role in initiating confidence among the general public which in turn positively impacts their association with the banking sector. Thereby, the banking industry needs to create effective strategies that determine their trust.

Improper knowledge of the dimensions of service quality builds a gap in customer loyalty and the banking industry

The knowledge gap is ascertained to be crucial for bridging the gaps between consumer trust and the banking sector. This helps the organization in understanding the customer perspective and constructs vital business opportunities to enhance their overall growth and development.

Formulating stringent policies is effective for the growth of service quality in the banking sector

Effective policies are crucial to administer the service quality dimension since it is inherently linked with customer experience. The banking sector has to ideate constructive and stringent policies that essentially focus on upgrading sales profit by offering satisfactory customer services.

CONCLUSION

It can be concluded that the service quality dimension is of utmost significance in the banking industry and understanding service gaps are vital. It has been seen that facilities offered by firms are detrimental to inducing trust and improving customer engagement with the concerned firm. Therefore, the banking sector must evaluate five major segments of the mentioned model that outlines quality consistency, assurance, responsiveness, credibility, and many more.

Limitations of the study

The limited timeframe is a significant drawback of this study since survey procedures require an elaborate timeline. In addition, the number of respondents is observed to be a major barrier.

Suggestions for future work

It is suggested to assess consumer details and create an effective plan to identify their needs and demands. This will help to gain better grip on customer attraction and induce loyalty.

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Appendix 1: Survey Questions

Appendix: Survey Questionnaire

1. What is gender?
 - a) Male
 - b) Female
 - c) Prefer not to say
2. What is your age?
 - a) Between 18 to 25 years
 - b) Between 26 to 35 years
 - c) Between 36 to 45 years
 - d) Above 45 years
3. What is your designation?
 - a) HR
 - b) Customer relationship manager
 - c) Banking manager
 - d) Others
4. Service quality dimension is crucial to maintain organizational reliability to help execute customer satisfaction functions
 - a) Strongly disagree
 - b) Disagree
 - c) Neutral
 - d) Agree
 - e) Strongly agree
5. Customer loyalty is influenced by tangible qualities of an organization that undertakes employee attitude, marketing prospects and customer service
 - a) Strongly disagree
 - b) Disagree
 - c) Neutral
 - d) Agree
 - e) Strongly agree
6. Considering the banking industry, service quality dimension must approach customer loyalty by showing concerns about their needs and requirements
 - a) Strongly disagree
 - b) Disagree
 - c) Neutral
 - d) Agree
 - e) Strongly agree
7. Responsiveness is a significant factor of service quality dimension which deals with offering immediate customer services
 - a) Strongly disagree
 - b) Disagree
 - c) Neutral
 - d) Agree
 - e) Strongly agree
8. Assurance is exceedingly critical for customer loyalty regarding the banking industry that leverages scope of service quality dimension
 - a) Strongly disagree
 - b) Disagree
 - c) Neutral
 - d) Agree

- e) Strongly agree
9. Knowledge gap in understanding service quality dimension can increase consumer gap with the banking sector
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree
10. Effective policies are required for the development of service quality areas in the banking sector
 - a) Strongly agree
 - b) Agree
 - c) Neutral
 - d) Disagree
 - e) Strongly disagree