

# **14<sup>th</sup> International Conference on Science, Technology and Management (ICSTM-19)**

**Guru Gobind Singh Polytechnic, Nashik, Maharashtra (India)**

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## **OVER VIEW OF SERVICE QUALITY**

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### **Abstract**

Today, the objective quality of goods and services as well as their subjective quality perceived by customers are highly important. In the contemporary business world in which competition is fierce, it has become an obligation for firms to supply quality goods and services into the market. One of the main criteria of producing quality goods and services is self-evaluation and quality measurement performed by firms. While quality measurement is relatively easier for goods, it is much more difficult for services.

A business with high service quality will meet or exceed customer expectations whilst remaining economically competitive. Improvements to service quality may be achieved by improving operational processes; identifying problems quickly and systematically; establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes. This paper only discuss about concept of Service quality and its modals.

***Keywords:* Service Quality, Economic Competitiveness, Profitability, Customer Satisfaction, Systematically.**

### **INTRODUCTION**

Quality in a service is a measure of the extent to which a delivered service meets the customer's expectations. It is determined by the customer's perception and not by the perceptions of the providers of the service. Service quality is considered a critical determinant of competitiveness. Service quality can help to differentiate itself from other competitors and gain a competitive

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advantage. Superior service quality is a key to improved profitability. Services are an important segment of all economies and they become increasingly more a part of everyday life as economies develop. Consumer service is a key factor towards generating loyal retail customers, and ultimately, successful retail businesses. Defined as an activity that supplements or facilitates store sales, consumer service includes such items as free parking, gift wrapping, environment and delivery. Additionally, sales personnel offer consumer service through their interactions and relationships with customers. Nature and extent of Service Quality is dependent upon certain identifiable factors or dimensions which can be optimized with wise managerial judgments.

## Objectives of The Study

1. To study the overview of service quality
2. To know the various service quality models
3. To assess the service quality in banking sector

## Research Methodology:

This is a Conceptual Study based on the Secondary data source. The Secondary data is used to highlight the conceptual analysis & review of literature. The sources of secondary data for the study are the reports of the Service Quality. In addition to those books articles, journals.

## Literature Review

Most research in the area of service quality has been based upon the model developed by (Parasuraman et al 1985, 1988), which incorporates a comparison of customer expectations and perceptions of service performance. It is relevant to refer briefly in the related areas of the subject to find out and to fill up the research gaps. Literature on Service Quality dimensions like Tangible, Reliable, Responsiveness, Assurance and Empathy and few studies which are undertaken on the customer perception in banking sector.

Philip Kotler (1997) defined service as ‘an action or an activity which can be offered by a party to another party, which is basically intangible and can not affect any ownership. Service may be



related to tangible product or intangible product' On the other hand, Zeithaml and Bitner (2003:85) mentioned that, 'Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service namely reliability, responsiveness, assurance, empathy, tangibles.' Based on the assessment of service quality provided to the customers, business operators are able to identify problem quickly, improve their service and better assess client expectation. (Business Dictionary.com)

Dharma lingam et al., (2012) examined to identify and evaluate the gap existing between expected and perceived services and the areas that need to be improved to deliver superior quality of service in selected new private sector banks. Service quality dimensions like tangible, reliability, responsiveness, assurance, empathy, access, security and price and product variety were considered for customer service quality expectations and perception. 8 hypotheses were taken for the study and a sample of 780 respondents were selected and paired t-test measurement results indicates that customer's highest expectations are in the security and accessibility dimensions and customer's lowest expectations in responsiveness dimensions, largest service gap exists in reliability and price and product variety and smallest service gap exists in empathy and tangible dimensions.

## SERVICE QUALITY MODELS

### 1. GAP model

Parasuraman et al. proposed that service quality is a function of the differences between expectation and performance along the quality dimensions. They developed a service quality model based on gap analysis. The various gaps visualized in the model are:

- **Gap 1:** Difference between consumers' expectation and management's perceptions of those expectations, i.e. not knowing what consumers expect.
- **Gap 2:** Difference between management's perceptions of consumer's expectations and service quality specifications, i.e. improper service-quality standards.



- **Gap 3:** Difference between service quality specifications and service actually delivered i.e. the service performance gap.
- **Gap 4:** Difference between service delivery and the communications to consumers about service delivery, i.e. whether promises match delivery.
- **Gap 5:** Difference between consumer's expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer's side.

## 2.RATER model

**RATER model** is an evolution of SERVQUAL method presented by A. Parasuraman, V. Zeithaml and L. Berry in 1988. The main idea is based on 5 gaps, which result in lower than expected quality of services. The authors proposed that the difference between expected and perceived quality should be evaluated in 5 dimensions:

- a) Reliability
- b) Assurance
- c) Tangibles
- d) Empathy
- e) Responsiveness

## 3.Grönroos model

### The Grönroos service quality model

Grönroos identified three dimensions of service quality: technical, functional and image. The model was shown on fig. 1.

- **Technical quality** - what customer receives as a result of interaction with the company, and which is important for him/her to evaluate the quality of service.
- **Functional quality** - how the customer gets the technical outcome, which includes: communication, competence, staff, etc.
- **Image** - builds up through technical and functional perfection.

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The model is a good measurement tool for quality of services assessment. However the relationship between perceived quality and customer satisfaction and above mentioned dimensions is not clear.

## **SERVICE QUALITY IN BANKING SECTOR**

The services sector has registered a substantial growth during the last two decades in India. Its growth prospects are very high as per the expectations of industrialists and economists. With the change in government policy, leading to privatization and private participation in service sectors, competition has intensified. The entry of multinational corporations, collaboration with the private corporate giants in India, has further forced the sector to be market oriented. Under these circumstances, service companies of India have no other option but to adopt the marketing approach to achieve organizational objectives.

Commercial Banks are catalytic agents which can create opportunities for the development of national resources and provide employment on a large process by providing facilities for the pooling of savings and making them available to trade and industry, which in turn would work for the expansion of the productive capacity of the people, to satisfy their wants with respect both goods and services. Commercial banks form the largest and are the country's most important group of financial institutions. With stiffer competition among domestic and foreign banks, therefore it is important for the commercial banks in India to improve the quality of their services.

Further, increase in consumer preferences toward banking products choosing the banks that give them the best service quality is a priority. As globalisation and liberalisation of financial institutions accelerate, competition among banks in offering products and services becomes more intense. Customers in India become more educated better informed, more internalized, and as Indian economy becomes more and more knowledge based, the demand for high quality services expands with increases in customers' buying power. Today's Customers are more concerned about having a high quality experience of Banking. They expect atmosphere and entertainment and prefer banks with a personality rather than those perceived as offering a commodity.

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## **Conclusion:**

Nowadays, banks are working in a dynamic business environment as they experience cut-throat competition and changes in customer demand, and a decrease in profit margins. Understanding the changing needs and expectations of customers is an essential prerequisite for the financial sector. Thus, it is significant for banking practitioners to focus on service quality improvement, to satisfy their customers, as customer satisfaction plays an inter-mediator role in the relationship. In its broadest sense service quality is defined as superiority or excellence as perceived by the customer. More especially service quality has been defined as: The delivery of excellent or superior service relative to customer expectation

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