Impact of Service Quality on Customer Satisfaction:

An Empirical Study in Selected Public and Private Sector Banks

Mohd. Afroz Pasha,

Research Scholar
Department of Business Administration
Rayalaseema University, Kurnool, India

Dr. M. Razashah M.B.A., PhD**,**

Professor
Department of Business Administration
Deccan School of Management
Darussalam Aghapura, Hyderabad,
Telangana, India

ABSTRACT

Service Quality in managing in a banking sector is the most imperative criteria and resource for assessing and fulfilling clients and in this way, builds the customer loyalty and normal standard for dependability of clients. Among the service quality determinants, tangibility, responsiveness, reliability, assurance have constantly assumed a crucial part. In this paper an endeavor is made to discover the effect of Service Quality measurements on Customer Satisfaction from the investigation it is discovered that substantial quality, dependability, responsiveness and affirmation significantly affect Customer Satisfaction. At last, it is likewise discovered that there is no noteworthiness distinction out in public and private sector banks with identified with SERVQAUL measurements.

Keywords: Assurance, Customers, Customers Satisfaction, SERVQAUL, Tangibility, Reliability and Responsiveness.

INTRODUCTION:

The Indian service sector additionally viewed as the tertiary segment of Indian economy today constitutes a wide range of segments consolidated, for example, banking, education, hotels and restaurants, insurance, wholesale and retail trade, railways, public administration, telecom and other services.

One of the key supporters of our country's GDP, the service sector has snatched the worldwide consideration inferable from the reformation in the form of privatization, removal of regulation restrictions and numerous all the more amid the previous decade. Parasuraman et al. (1985) found another model for service quality gave by different associations particularly in managing in a banking sector. In this proposed model of service quality measurement, gap investigation is utilized to discover the distinction between customers' expected service performance and actual service performance. Consequently, when theexpected level of service to be given to the clients are more noteworthy than theyare greater than the actual level of service provided by any organization, at that point the service quality offered is considered as low and the other way around. This model was created at first to measure customer perception of service quality for the banking and financial services yet later refined to segments, for example, hospitality, telecommunications and healthcare. In spite of a few contentions on this service quality model, the determinants represented measuring service quality are observed to be solid and could be utilized as a part of different circumstances and been rehearsed by numerous researchers. As this model fuses each of the five determinants as service quality signs, it is practical to research these inquiries expressly.

REVIEW OF LITERATURE:

Carman (1990) in his examination "Customer Perception of Quality an Assessment of The SERVQUAL Dimensions", portray the replication and testing of the SERVQUAL battery, which measures the apparent

nature of a perceived quality of a service. The scale was tried in 4 administrations settings unique in relation to those of the first test: a dental school quiet facility, a business college situation focusses, a tire store, and an intense care clinic. Six essential inquiries important to the retailer are examined: (1) the quantity of measurements and how nonspecific they are, (2) the degree to which thing wording can be changed, (3) benefit circumstances that incorporate various administration capacities, (4) the legitimacy of breaking down contrasts amongst desires and recognition, (5) the time when desires data ought to be gotten, and (6) the connection amongst desires and significance.

Bitner (1990) displayed a model for understanding service encounter evaluation that blended customer fulfillment, services marketing, and attribution speculations by adopted a relative strategy to examining Service quality fulfillment in an investigation of explorers in an airplane terminal. A bit of the model was tried tentatively to survey the impacts of physical environment and representative reactions (clarifications and offers to adjust) on attributions and fulfillment in an administration disappointment setting. She presumed that judgments about fulfillment were only forerunners of the components of Service quality.

Cronin and Taylor (1992) researched the conceptualization and estimation of measurement of service quality and connections between Service quality, buyer fulfillment, and buy expectations. A writing audit recommended that the present operationalization of service quality puzzles fulfillment and mentality. Consequently, the creators tried (1) an elective strategy for operationalizing saw benefit quality and (2) the importance of the connections between Service quality, customer fulfillment, and buy goals. The examination yielded another estimation gadget known as SERVPERF. Their exact investigation used basic condition displaying, which yielded a finding that administration quality ought to be seen as a determinant of consumer loyalty. The outcomes recommended that (1) an execution-based measure of service quality might be an enhanced method for estimating the administration quality build, (2) Service quality is a precursor of consumer satisfaction, (3) customer fulfillment significantly affects buy goals, and (4) service quality has less impact on buy aims than does Customer Satisfaction.

Taylor and Baker (1994) surveyed the connection betweenServicequality and consumer loyalty in the arrangement of Consumers' purchase intentions aims crosswise over four novel service industries. The aftereffects of the exploration, combined with the heaviness of the proof in the rising services literature, proposed that purchaser fulfillment was best depicted as directing the service quality/purchase intention goal relationship. From the discoveries they firmly supported the position that customer satisfaction and service quality were partitioned and unmistakable.

Parasuraman, Zenithal and Berry (1985) in their paper entitled "SERQUAL A: multiple -item Scale for Measuring Consumer Perceptions of Service Quality " portray the improvement of 22 –items instrument (called SERVQUAL) for evaluating client view of customer perceptions of service quality in administration and retailing associations. After a discourse of the conceptualization and operationalization of the Service Quality build, the methods utilized as a part of developing and refining a different thing scale to quantify the build are depict. Proof of scale's dependability, factor structure, and legitimacy based on dissecting information from four free examples was exhibited next. They finished up with a talk of potential utilizations of the scale.

Anderson, Fornell and Lehmann (1994) examined the nature and quality of the connection between customer satisfaction and economic returns, in the investigation entitle "Customer Satisfaction, Market Share, and Profitability: Findings from Sweden". They talked about how desires, quality, and cost should influence consumer loyalty and why consumer loyalty, thusly, should influence gainfulness; these outcomes in an arrangement of theories that are tried utilizing a national consumer loyalty record and conventional bookkeeping measures of financial returns, for example, quantifiable profit. The discoveries bolstered a positive effect of value on consumer loyalty, and, thusly, productivity.

Ennew and Binks (1996) in their article exemplified the then late improvements in relationship showcasing that had concentrated consideration on the valuable impacts of beneficial effects of customer retention, by investigating the connection between service quality customer relationships and customer loyalty and retention utilizing proof from the UK managing abanking sector and its small business customers. The thought of building connections and conveying quality administration with a specific end goal to energize dependability was maybe of specific significance in the service segment where it was regularly contended that client fascination costs are fundamentally higher than maintenance costs. Fundamental to the possibility of interest in the advancement of service quality and customer connections was the conviction that such ventures had upgraded steadfastness, maintenance and benefit. Exact proof on the degree to which such connections existed was as yet halfway.

Oppewal and Vriens (2000) tried to connect the absence of experimental information by setting up service quality and customer satisfaction relationships using the first ten measurements of SERVQUAL (Parasuraman,

Valerie, Zeithaml, Leonard, and Berry, 1985) as a beginning stage for their examination. Be that as it may, in their exploration article proposed the utilization of incorporated conjoint examinations to gauge apparent service quality. They additionally exhibited the way toward displaying the various leveled relations between operationally characterized benefit characteristics, deliberately pertinent service measurements, and general inclination for banks or keeping money with bank. The proposed technique, which depended on progressive data reconciliation hypothesis, kept away from a portion of the restrictions and issues of SERVQUAL and conventional conjoint investigation. The approach was shown with an application to retail banks including four service measurements and 28 properties. Conclusions are drawn about which measurements and characteristic changes will yield the most grounded enhancements in a banks' utility and aggressive position.

Understanding the precursors to and results of consumer loyalty is a basic issue for the two scholastics and bank advertisers? Past research has recognized administration quality, desires, disconfirmation, execution, wants, influence and value as imperative forerunners of consumer loyalty.

Jamal and Naser (2002) in their paper entitle "Consumer loyalty and Retail Banking: An Assessment of Some of the Key Antecedents of Customer Satisfaction in Retail Banking" revealed discoveries from a review which investigated the effect of service quality dimensions and customer expertise on satisfaction. An example of 167 respondents participated in that review. Utilizing a kind of relapse examination, the specialists demonstrated that both center and social measurements of dimensions of service quality gave off an impression of being connected to consumer loyalty utilizing such factors as age, sort of business, sexual orientation, and so forth. Discoveries likewise demonstrated that ability is adversely identified with fulfillment.

Howcroft, Hamilton and Hewer (2002) in their paper "Customer Attitude and The Usage and Adoption of Home-Based Banking in the United Kingdom "asked going to build up their comprehension of shopper demeanors towards bank conveyance channels. As needs be, a poll was intended to get data about which conveyance channels buyers had utilized when procuring four sorts of monetary administration. That data was then appeared differently in relation to information on how these buyers would obtain similar administrations on the off chance that they needed to buy them again sooner or later. The poll additionally acquired data about the variables which customers accepted to be essential in empowering and disheartening the selection of locally situated saving money. It was discovered that factors, for example, age and different socioeconomics had effect on client determination and fulfillment.

Churchill and Suprenant (1982) researched whether it was important to incorporate disconfirmation as a mediating variable influencing fulfillment as was generally contended, or whether the impact of disconfirmation was satisfactorily caught by desire and saw execution. Further, they demonstrated the procedure for two sorts of items, a solid and a nondurable decent, utilizing trial strategies in which three levels of desires and three levels of execution are controlled for every item in a factorial plan. Each subject's apparent desires, execution assessments, disconfirmation, and fulfillment are in this manner estimated by utilizing various measures for each build. The outcomes recommended the impacts are diverse for the two items. For the nondurable great, the connections are as normally speculated. The outcomes for the solid products are diverse in essential regards. To start with, neither the disconfirmation encounter nor subjects' underlying desires influenced subjects' fulfillment with it. Or maybe, their fulfillment was resolved exclusively by the execution of the strong great. Desires combined with execution to influence disconfirmation, however the size of the disconfirmation encounter did not convert into an effect on fulfillment. At long last, the immediate execution fulfillment connect represents the greater part of the variety in fulfillment. It is advantageous to signify that the commentators of these specialists on SERVQUAL recognize its convenience in giving a sensibly solid gadget to consumer loyalty estimations.

The investigation of Cronin, Brady and Hult (2000) went for both both synthesizing and building on the efforts to conceptualize the effects of quality, satisfaction, and value on Consumers' Behavioural Intention. In particular, it revealed an observational evaluation of a model of administration experiences that all the while thought about the immediate impacts of these factors on behavioral expectations. The examination built on late advances in administrations showcasing hypothesis at their opportunity and evaluated the connections between the distinguished builds over numerous administration enterprises. A few contending hypotheses are additionally considered and contrasted with the examination demonstrate. Various outstanding discoveries are accounted for including the experimental check that administration quality, benefit esteem, and fulfillment may all be straightforwardly identified with behavioral expectations when these factors are thought about all in all. The outcomes additionally proposed that the roundabout impacts of the administration quality and esteem builds upgraded their effect on behavioral goals.

Hallowell (1996) played out an examination the relationship of customer satisfaction, customer loyalty and profitability for which the data was collected from a large bank's retail -banking operations. The service

management literature contends that consumer loyalty is the consequence of a Customer perception of significant worth got, where esteem approaches apparent service quality in respect to cost. The discoveries represented the relationship of customer satisfaction to customer loyalty, and customer loyalty to profitability, using multiple measures of satisfaction, loyalty, and profitability. A gauge of the impacts of expanded consumer loyalty on gainfulness (accepting guessed causality) proposed that achievable increments in fulfillment could significantly enhance benefit.

Athanassopoulos (2000) analyzed the consumer loyalty prompts in retail keeping money benefits in Greece, in his paper entitle "Consumer loyalty Cues to help Market Segmentation and Explain Switching Behavior "he proposed an instrument of consumer loyalty that contains service quality and such different properties as value, accommodation, and development. The proposed structure of consumer loyalty was checked experimentally yielding four particular features for business clients and five for singular clients. The execution ramifications of the consumer loyalty instrument are additionally investigated. Client fragments are uncovered, actually, yield measurably unique fulfillment scores, which confirms the administrative estimation of client division hones. From the outcomes it was noticed that consumer loyalty is nearly connected with esteem and cost, however benefit quality was not subject to cost, if the client was for the most part fulfilled. At long last, the specialists tried effectively the features of consumer loyalty as logical prompts for the exchanging conduct of individual and business clients.

Taylor1 (1997) inspected the mission for a superior comprehension of how shoppers' quality discernments and fulfillment judgements added to extreme buy expectations kept on speaking to one of the key difficulties confronting administration advertisers. Utilizing relapse models the customary approach was to utilize guide measures of these develops to distinguish the added substance commitments of value recognitions and fulfillment judgments as free factors to shoppers expressed future buy expectations as a needy variable. The examination showed that surreptitiously potential higher-arrange factors (and their connections) in such endeavors can prompt issues related with translating relapse coefficients as significance weights. A structure was proposed and exactly approved in a multi-industry consider, to help benefit advertisers in distinguishing potential higher-arrange factors and their cooperation in their own models of purchaser basic leadership in benefit settings, showed consumer loyalty and administration quality as prescient markers of client dependability.

Newman (2001) in this paper on "questioning SERVQUAL: A basic Assessment of Service Quality Measurement in a Higher Street Retail Bank "exhibited a contextual analysis of a spearheading across the country usage of SERVQUAL by a noteworthy UK high road bank in the vicinity of 1993 and 1997 at a yearly cost of one million pounds. Notwithstanding featuring genuine shortcomings in the estimation of SERVQUAL as a measure of administration quality and as an indicative device, the investigation raised a portion of the down to earth troubles involved in its execution. It was discovered that the division of administration quality administration and showcasing administration caused significant issues in enough fulfilling the keeping money clients. Also, there was a perceptible absence of best administration duty, and in addition hindrances as useful and enlightening storehouses, which served to compel an incorporated organization reaction to SERVQUAL criteria. It was likewise noticed that consumer loyalty is the consequence of purchaser's impression of administration quality and fulfillment prompt maintenance, which prompts rehash buy and expanded degree for relationship building and verbal proposal.

STATEMENT OF THE PROBLEM:

Service has become a strong force now-a-days. Of service sector, the banking services play a vital role to satisfy the varied requirements of customers, both the government on one side and the public on the other. Banks, either public sector banks or private sector banks, are highly competitive with each other with their own objectives and attaining their objectives and targets.

As far as the public-sector banks are concerned they are under statutory obligations that they need to implement certain schemes from time to time announced by the Central Government and RBI. The coverage of customers throughout the country including all rural areas and villages are wide, the amount spent per customer is maintained at minimum because of wide coverage. Poor, middle class and higher income group of people are given;

equal importance in spite of their volume of transactions. The working atmosphere is also quite normal except in some public-sector banks and are conducive in nature. Higher middle class and higher income group of people are given much importance by the private sector banks. These banks are usually concentrated in urban areas with spacious layout and adequate infra- structure facilities. The amount spent per customer is quite high because the coverage is limited in urban area. Individual attention and care will be given as the number of

customers may be less when compared to PSU's and the formalities, procedures and time taken may be less, easy and simple for many of the transactions.

NEED AND IMPORTANCE OF THE STUDY:

Banking industry has experienced many changes in the recent past. Technological development and competition among banks have made commercial banks to contemplate of innovative strategies and approaches to attract more customers and retain the existing customers. With the increased competition among banks, quality of service rendered and customer satisfaction plays a crucial role in sustainability and profitability of banks. Measuring service quality and level of satisfaction of bank customers becomes inevitable in the present scenario. Hence a study relating to the customer satisfaction in banks is considered necessary.

OBJECTIVES OF THE STUDY:

- To examine the relationship between Service Quality and Customer Satisfaction
- To find out any significance difference in Service Quality Dimensions in public and private sector bank.

HYPOTHESIS OF THE STUDY:

H_{01}: *there is no significance difference in Service quality dimensions in between public and private sector banks*
Study Area:
There are 11 public sector banks and 6 private sector banks functioning in the Kamareddy District with a total of 74 branches.Among the public and private sector banks functioning in Kamareddy District, SBI, Andhra bank, HDFC and ICIC Bank are have a large number of branches and also have the large number of customers. For this study customers of SBI, Andhra bank, HDFC and ICIC Bank located in every nook and corner of Kamareddy District are selected. The geographical area is limited to Kamareddy District.

RESEARCH DESIGN AND METHOD:

Research Approach:
The research approach for the research study is "Descriptive Research".
Population:
For this present research, all customers of selected four banks are located in the Kamareddy district were identified.
Sampling Frame:
For this paper, list of all branches of four banks in Kamareddy District in Telangana State was obtained.
Selection of Bank Branches:
There are 11 public sector banks and 6 private sector banks functioning in the Kamareddy District with a total of 74 branches.Among the public and private sector banks functioning in Kamareddy District, SBI, Andhra bank, HDFC and ICIC Bank are have a large number of branches. Therefore, these banks are selected for the study.
Selection of Bank Customers:
Since the number of customers in each of the bank branches was large, the customers could not be selected on a proportional basis. 250 customers having a savings bank account or fixed deposit account or current account were selected from each of the selected banks, thus the total number of respondents from the 4 banks are came to 1000 respondents.
Sampling Procedure:
1000 customers were selected on the basis of non-probability purposive sampling method

Table 1: Sample size

S. N.	Bank name	Number of Branches	Number of Customer for the Study
1	SBI	12	250
2	Andhra Bank	6	250
3	HDFC Bank	2	250
4	ICICI Bank	2	250
	Total	**22**	**1000**

DATA COLLECTION TOOLS AND PROCEDURES:

The investigation principally employments of primary and secondary data sources with a specific end goal to assemble significant data for the examination. The study utilized fundamentally questionnaire in collecting the primary data and the investigation was significantly in view of essential information. The secondary data which were gathered from existing literature formed the literature review of this study. The wellsprings of sources of the secondary data included books, diaries, articles got from the web.

Scale Measurements:

In creating measures to represent to the ideas of Service Quality and Customer Satisfaction, combined scales from the previous review of literature with those got in the field work. The underlying measures were refined and pre-tried to improve the legitimacy and exactness of the questionnaire. Service Quality was measure under the 5 measurements (Tangibility, Reliability, Responsiveness, Assurance and Empathy) and created 23 Questions which are expected to cover 5 measurements. Five-point Likert scale were utilized (1= Strongly Disagree to 5= Strongly Agree). Customer satisfaction is the dependent variable of this examination. By referring past research discoveries created 4 things which are applicable to gauge customer satisfaction. Five-point Likert scale were utilized. (1= Strongly Disagree to 5= Strongly Agree)

Reliability of the Instrument:

In this study, the coefficient alpha investigation is performed on each scale estimating SERVQUAL, and Customer satisfaction. The coefficient alpha esteems are appeared in the table no 2. The coefficient alpha for SERVQUAL Dimensions is Tangible .865, Reliability .963, Responsiveness is .898, Assurance is .944, Empathy is .973 and for customer Satisfaction.

Table 2: Cronbach's Alpha Coefficient for Constructs

S N	Measurement Scale	Number of items	Cronbach Alpha (α)
1	Tangible	4	.967
2	Reliability	5	.963
3	Responsiveness	4	.898
4	Assurance	4	.944
5	Empathy	5	.973
7	Customer Satisfaction	4	.792

VARIABLES IN THE STUDY:

In this study, the following dependent and independent variables were included

Dependent variable: Customer Satisfaction

Independent variables: SERVQUAL Dimensions (Tangible, Reliability, Responsiveness, Assurance and Empathy.

DATA ANALYSIS:

The study employed both descriptive and inferential tools in analyzing the data. The data collected was edited and coded. The coded data was then processed using Statistical Package for Social Sciences (SPSS).

RESULTS AND DISCUSSION:

The examination of collected data was brought out through different measurable strategies and Structural condition demonstrating (SEM) is utilized to test the investigation theories. A confirmatory factor analysis (CFA) is embraced on the information to check the dimensionality and unwavering quality of the scale used to gauge the consumer Satisfaction and Service Quality.

In view of the accompanying table 3 in Initial model column KMO for 22 items are .802, Chi Square value 31987.276, degree of freedom 231 and significance level is .000. It implies that confidence level is 99.99%.

In light of the data illustrated in the following table1 final model column, it is seen that (KMO) coefficient for 22-items. showing that factors' separation has been properly done in light of factorial loads and factors cover each other. The coefficient of determination registered by utilizing SPSS 24 and the value is .873. It implies that 87.3%. Researchers like Bagozi (1988) accepted that r^2 value ought to be more prominent than 25% keeping in mind the end goal to wind up progress examine contemplate. And furthermore, it speaks to the aggregate effect of independent variable ondependent variables.

Table 3: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.802
Bartlett's Test of Sphericity	Approx. Chi-Square	31987.276
	df	231
	Sig.	0.000

Table 4: Confirmatory factor Analysis - Regression Weights: (Group number 1 - Default model)

			Estimate	S.E.	C.R.	P	Composite Reliability/AVE
CustomerSatisfaction	<---	Tangible	**.059**	.031	1.918	.055	
CustomerSatisfaction	<---	Responsiveness	**.046**	.024	1.916	.055	
Customer Satisfaction	<---	Reliability	**.183**	.031	5.967	***	
Customer Satisfaction	<---	Assurance	**.253**	.032	7.900	***	
Customer Satisfaction	<---	Empathy	**-.046**	.033	-1.387	.166	
PT4	<---	Tangible	1.000				
PT3	<---	Tangible	.952	.023	40.705	***	.89/67
PT2	<---	Tangible	1.026	.015	68.473	***	
PT1	<---	Tangible	1.017	.015	66.931	***	
PRE1	<---	Responsiveness	1.000				
PRE2	<---	Responsiveness	.929	.013	72.561	***	
PRE3	<---	Responsiveness	.958	.012	82.983	***	.87/.65
PRE4	<---	Responsiveness	.933	.014	66.577	***	
PRE5	<---	Responsiveness	.899	.018	49.008	***	
PR1	<---	Reliability	1.000				
PR2	<---	Reliability	.912	.020	46.344	***	.84/.65
PR3	<---	Reliability	.900	.022	41.018	***	
PR4	<---	Reliability	.836	.027	30.645	***	
PA1	<---	Assurance	1.000				
PA2	<---	Assurance	.939	.017	53.988	***	.87/.72
PA3	<---	Assurance	.935	.018	51.215	***	
PA4	<---	Assurance	.943	.017	56.530	***	
PE1	<---	Empathy	1.000				
PE2	<---	Empathy	.991	.011	87.046	***	
PE3	<---	Empathy	.974	.015	66.655	***	.89/.65
PE4	<---	Empathy	.992	.011	88.759	***	
PE5	<---	Empathy	.970	.015	65.838	***	
CS1	<---	Customer Satisfaction	1.000				
CS2	<---	Customer Satisfaction	.835	.056	14.799	***	.82/.61
CS3	<---	Customer Satisfaction	.733	.118	6.201	***	
CS4	<---	Customer Satisfaction	.693	.066	10.439	***	

Table no 4 Shows the confirmatory factor analysis. confirmatory factor analysis surveys how much the hypothesized structure of item is fit for representing to the relationship in the data. All composite reliabilities unwavering quality are .86 or higher, which shows inner consistency among the measures far over the prescribed level of .60 (Bagozzi and Yi, 1988). Second average variance extracted (AVE) went from .55 to .71. Bagozzi and Yi (1988) recommended atarget level >.50.

TEST OF THE HYPOTHESES:

The Structural Equation Modeling (SEM) methodology was utilized to test the theories. In light of the qualities figured through the software it represents to that the hypothetical model fit the information well.

From the results it is found there is a positive relationship between the SERVQUALDimensions and customer Satisfaction more specifically, tangibility (+.059),reliability(+0.183), responsiveness (+0.046) and Assurance (0.253) are positively related with Customer Satisfaction except, empathy(-0.046) has negatively related to Customer Satisfaction

H_{01}: there is no significance difference in Service quality dimensions in between public and private sector banks

Table 5: T test between sector of the bank and Service quality dimensions

Group Statistics							
	Sector of the Bank	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**	**t**	**Sig.**
Tangibility	Public Sector	500	4.0780	1.27177	.05688	-.207	.836
	Private Sector	500	4.0950	1.32249	.05914		
Reliability	Public Sector	500	4.0600	1.27196	.05688	-.427	.836
	Private Sector	500	4.0950	1.32249	.05914		
Responsiveness	Public Sector	500	4.0720	1.27134	.05686	-.280	.779
	Private Sector	500	4.0950	1.32249	.05914		
Assurance	Public Sector	500	4.0500	1.34959	.06036	-.533	.594
	Private Sector	500	4.0950	1.32249	.05914		
Empathy	Public Sector	500	4.0040	1.34382	.06010	-1.079	.281
	Private Sector	500	4.0950	1.32249	.05914		

From the above table it was found that there is no significance difference in Service quality dimensions in between public and private sector banks. From the table number 5 it is observed that the significant value is more than probability value (0.05) for all SERVQUAL dimensions.

DISCUSSION:

The connection between service quality and customer satisfaction (Caruana, 2002; Oh, 1999; Cronin etal., 2000; Parasuraman et al., 1988) has been the worry of numerous past examinations with regards to service industry. The motivation behind this examination is to explore the connection between Service Quality and Customer satisfaction. In the literature review survey segment of the paper five measurements (Tangibility, Reliability, Responsiveness, Assurance and Empathy) of service Quality are distinguished.

In this investigation, having learning on these areas would help managers to address the difficulty of enhancing service quality in the managing a banking industry. This paper adds to the hypothetical introduction of banks service quality and customer's satisfaction in banking industry writing by deciding some real service quality levels. This examination likewise recognized five service quality dimensions and measurements, to be specific, tangibility, reliability, responsiveness, assurance and empathy, all of which include the criteria use to and theevaluate the service quality of banking industry. The discoveries of this investigation demonstrate that the most critical factor in foreseeing service quality assessment was tangibility, followed by reliability, assurance and responsiveness. The discoveries of this investigation recommend that among the five measurements of service quality, empathy has a negative association with consumer satisfaction. These outcomes bolster in spite of the handiness of the SERVQUAL scale as an idea, it ought to be adjusted for the service environment also.

CONCLUSION:

The Indian banks have been rivaling same sort of products to the consumers and subsequently service quality is considered as the key differentiator among the banks giving better support of the customers. Consistency in giving the required service quality is the way to separate each other. Since the opposition in this industry is

extreme, the opposition wins among banks as well as with other financial institutions working either locally or all inclusive. In any case, the worldview of understanding the essential factors that impact consumer satisfaction in the banking sector in India which will prone to help the banks' management and the financial institutions to improve the nature of service to the clients.

The term service quality has two center components, customer expectation and customer perception. Customers will consider the service quality as low when the coveted execution of service gave by their banks neglects to get together their desire and then again, will consider the service quality as high when the service quality as high when the bank's desired performance matches or exceeds their expectations.

This study examined the perception of service quality of banking services provided to customers in Kamareddy District and the relative contrasts connected with the different determinants of service quality utilizing the SERVQUAL model. It is discovered that Assurance has the most critical effect on customer satisfaction towards banking services and Responsiveness has the slightest noteworthy effect on banking services, empathy isn't altogether impact on customer satisfaction.

REFERENCES:

Assessing Regression-Based Importance Weights for Quality Perceptions and Satisfaction Judgement in the Presence of Higher Order and/or Interaction Effect. (1997). *Journal of Retailing, 73*(1), 135-159.

Ahmad Jamal, & Naser Kamal . (2002). Customer Satisfaction and Retail Banking : An assessement of Some of the Key Antecedent of customer Satisfaction in Retail Banking. *Internatioanl Journal of Bank Marketing, 20*(4), 146-160.

Anderson , Eugene, W., Claes Fornell, Donald , R., & Lehmann. (1994, July). Customer Satisfaction, Market Share and Profitability: Findings from Sweden. *Journal of Marketing, 58*, 53-66.

Athanassopoulos, & Antreas , D. (2000). Customer Satisfaction Cues to support Market Segmentation and Explain Switching Behaviour . *Journal of Business Research, 47*(3), 191-207.

Barry Howcroft , Robert Hamilton , & Pauel Hewer. (2002). Customer Attitude and The Usage and Adoption of Home-Based Banking in the United Kingdom. *International Journal of Bank Marketing, 20*(3), 111-121.

Christine , T., Ennew, Martin , R., & Binks. (1996). the Impact of Service Quality and Service Characteristic on Customer Retention : Small Business and their Banks in The UK. *British Journal of Management, 7*(3), 219-230.

Gilbert , A., Churchill, Jr, & Carlo Suprenant . (1982). An Investigation into the Determinants of Customer Satisfaction . *Journal of Marketing Research,, 19*(4), 491-504.

Harmen Oppewal, & Marco Vrien . (2000). Measuring Perceived Service Quality Using Integrated Conjoint Experiments. *The International Journal of Bank Marketing, 18*(4), 154-169.

James, M., & Carman . (1990). Consumer Perceptions of Service Quality: An Assessment of the SERVQUAL Dimensions. *Journal of Retailing, 66*(1), 33-55.

Joseph , J., Cronin Jr, Michael , K., Brady , Thomas, G., & Hult, M. (2000). Assessing the Effects of Quality Value and Customer Satisfaction on Consumer Behaviour Intention in Service Environment. *Journal of Retailing, 76*(2), 193-218.

Joseph Cronin Jr, J., Steven , A., & Taylor . (1992). Measuring service quality: A re-examination and extention. *Journal of Marketing, 56*, 55-68.

Karin Newman. (2001). Interrogating SERVQUAL: A Critical Assessment of Service Quality Measurement in a High Street Retail Bank. *The International Journal of Bank Marketing, 19*(3), 126-39.

Mary Jo Bitmer. (1990, April). Evaluting Service Encounter : The Effect of Physical Surroundings and Employee Response. *Journal of Marketing, 54*, 69-82.

Parasuraman, A., Valerie , A., Zeithaml, Leonard , L., & Berry. (1985). A Conceptual Model of Service Quality and its Implications for Future Research. *Journal of Marketing, 49*, 41-50.

Rogel Hallowell. (1996). The relationship of Cutomer Satisfaction, Cutomer Loyalty and Profitability : An empirical Studies. *The International Journal of Service Industry Management, 7*(4), 27-42.

Steven , A., Taylor, Thomas , L., & Baker . (1994). An Assement of the Relationship Between Service Quality and Customer Satisfaction in the Formation of Consumers' Purcahse Intention. *Journal of Retailing, 70*(2), 163-178.
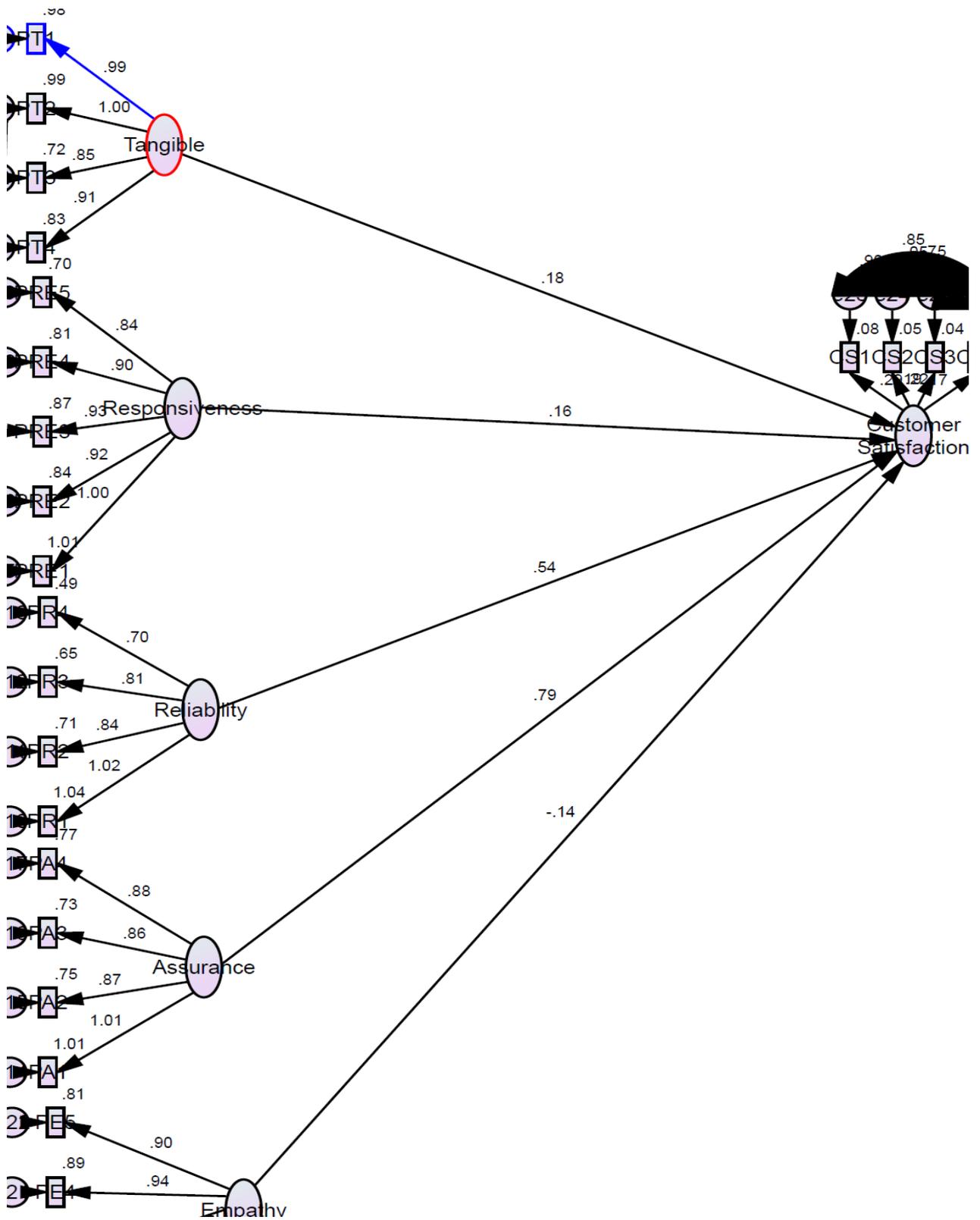
APPENDIX

Figure 1: Path Diagram and Structural Equation Model