AN ANALYSIS OF SERVQUAL AND SERVPERF IN INDIAN BANKING CONTEXT

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ABSTRACT
"Services sector is the largest sector of India. Services sector accounts for 52.97% of total India's Gross Value Added (GVA) of 115.50 lakh crore Indian rupees." (Planning commission, Government of India, 2015). Banking plays a very significant role here. After liberalization Indian banking scenario has changed drastically. Cut throat competition, high customer expectation and dynamic technological changes have forced bank to thrive on service quality. While most of the products in Banks are not much different from each other, as they governed by governing body the only scope of success comes from providing service quality. Service quality is defined as global judgment or attitude relating to the superiority of the service. SERVQUAL and SERVPERF are the most frequently used measuring scale to assess service quality. This paper evaluates the most frequently used measuring scale SERVQUAL and SERVPERF from the existing literatures and understands both the scales comprehensively. Many literary works have been done applying both the scales; primarily electronic search was conducted, then manual assessment and thorough analysis of the articles identified from the computer-based searches were conducted. Finally, Indian banking context has been considered and the rationale for their usage of scale is reviewed. The present paper also tries to give direction to researchers / marketing team regarding the usage of the two scales in practice. It also provides a contrast between the two scales. Though both SERVQUAL and SERVPERF are widely used scales, but SERVPERF scale is found to be superior from the review (Indian banking context).

KEYWORDS
banks, servperf, servqual, service quality.

INTRODUCTION
After liberation banking sector has shown tremendous growth. The customers have more choices in choosing their banks. A competition has been established between the banks operating in India.

With stiff competition and advancement of technology, the services provided by banks have become more easy and convenient. None could have imagined anytime banking 50 years back, services such as the paying of bills or the transfer of money from one account to the other are fast and have become very easy process as well.

New verticals of banking have been developed due to huge transactions and to provide quick service to customers as well. Concepts like wholesale banking, retail banking, merchant banking, were born for the continuous innovation of services and products by banks. Wholesale banking are services that are provided between merchant banks and other types of financial institutions.

Whereas typical mass-market banking in which individual customers use local branches of larger commercial banks is retail banking. Wholesale banking is different from retail banking because it focuses more on corporate-style entities and high-value transactions, and retail banking focuses on providing financial services to individual consumers. Many banks typically engage in both wholesale and retail banking. Today, retail bankers have to cope with numerous challenges as a result of the ever-changing economy. They must keep abreast of the latest retail banking technology and respond to customers with alacrity. It provides different kind of solutions like core Banking, payments, wealth management, mobile banking.

The scenario is fully changed now. Banks are now customer centric. Every campaign, every promotion is showcasing the service aspect of respective Banks. The number of players being large, customers has a good range of choice. Customer mostly chooses a bank which provides maximum satisfaction and better service. Oliver (1980) adds satisfaction increases while the ratio between performance and expectations increased as well. Customer satisfaction is increasingly becoming a corporate goal as more and more companies strive for quality in their products or services (Bitner and Hubbert, 1994) In this context customer satisfaction becomes the major contributor for profit. As Indian banks are regulated by regulatory bodies (mainly RBI), the products of the banks remain similar to each other. Thus the service aspect of banks has become significant.

Service quality has been variously defined as focusing on meeting needs and requirements, and how well the service delivered matches customer's expectation. Perceived service quality is a global consumer judgment or attitude, relating to service and results from comparisons by consumers of expectations of service with their perceptions of actual service performance (Berry, Zeithaml and Parasuraman1985, Grönroos, 1984). Many authors have narrated the importance of service quality and its contribution to organization. (Crosby, 1991; Reichfeld and Sasser, 1990; Edvardsson and Gustavsson, 1991; Adil, 2012; Adil, 2013a, Adil,2013b).

Parasuraman et al. (1985) opine that service quality is the function of customers' expectation and service providers' performance. The concept of service quality was defined by Parasuraman et al. as "a form of attitude, related but not equivalent to satisfaction that results from a comparison of expectations with perceptions of performance. Expectations are viewed as desires or wants of consumers i.e. what they feel a service provider should offer rather than what the service provider would offer."

During 1980 and 1990 research were carried out to measure service quality. But Parasuraman et al. (1980) developed an instrument to measure service quality. By using five dimensions of service quality, namely, tangibles, reliability, responsiveness, assurance and empathy and used these as the basis for their service quality measurement instrument, SERVQUAL.

However, Cronin and Taylor (1992) argued that the conceptualization of service quality as a gap between expectations and performance is inadequate. Cronin and Taylor (1992) were the first to provide a theoretical justification for discarding the expectations part of SERVQUAL in favor of mere performance measures included in the scale. The authors named their scale SERVEPERF.

The present study evaluates and compare the most frequently used scales both SEVQUAL and SERVPERF. Here review of literary work is prime focus and thus it had been presented as the main division afterward.

RATIONALE FOR THE STUDY
Even though a lot of studies had been done using both the scale. There are many comparisons drawn between the two scales in the developed countries, the similar studies in the context of a rapidly developing country like in India are limited. The research highlight the service quality in Banking in total, comparative analysis on SERVQUAL and SERVPERF scores in different kinds of bank, in different states and formats in banking industry. The present paper is a deep analyze of better applicability and enhance the understanding of SERVQUAL and SERVPERF in banking industry, however, has not been explicitly demonstrated in the past. This research focuses not only on the issue of measuring of service quality but also banking sector in different states of India. While carrying out a research it becomes very difficult to choose scales, to understand the applicability of scales, and their respective qualities and limitations. This paper will definitely provide guideline for choosing scales in future research.

OBJECTIVES
1. The primary objective of this paper is to analyse the most frequently used measuring scale SERVQUAL and SERVPERF from extant literature and the rationale for their usage in the context of Indian Banking System.
2. To understand both the scales comprehensively.