كلية الدراسات المصرفية والمالية
College of Banking and Financial Studies

SERVICE QUALITY AND CUSTOMER SATISFACTION: AN EMPIRICAL STUDY ON BANKS IN OMAN

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Ananda S.*[*] *and Sonal Devesh

ABSTRACT

The purpose of this paper is to examine the service quality from customers' perspective under five dominations of service quality (SERVQUAL) and the level of customer satisfaction in Omani retail banking market. This study is based on a questionnaire survey conducted in Oman. The primary data was collected through a structured questionnaire from 152 respondents chosen on a 'snowball' method from the different banks. The SERVQUAL five dimensional model was used in this study to examine empirically the service quality gaps in banks between customers' expectation and perception. The service quality dimensions on customer satisfaction was estimated using descriptive analysis. The results revealed the fact that the expectations of bank customers were not met under all five service quality dimensions. The highest gap was found in the dimension of empathy and dimension of tangibility had the least gap and consequently its effect on customer satisfaction. The findings of this study will help the Omani banks to understand customers' perception of service quality and provide useful idea to focus upon relevant areas to improve service quality and customer satisfaction.

Keywords: *Retail Banking, Service Quality, Customer Satisfaction, Customer Expectation, Customer Perception, Service quality gaps, SERVQUEL*

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SERVICE QUALITY AND CUSTOMER SATISFACTION: AN EMPIRICAL STUDY ON BANKS IN OMAN

1. INTRODUCTION

In this globalized business environment, service quality become a major competitive edge for the banks in the market place as they offer homogeneous services to the customers. Hence, service quality in banks plays a vital role in achieving customer satisfaction (Galloway and Ho, 1996). In the context of this study, the 'service' is defined as a set of benefits delivered by the provider to the customer. Customer satisfaction is an important aspect in bank and it is highly related to service quality (Bolton and Drew, 1991; Cronin and Taylor, 1994; Spreng and MacKay, 1996). Quality services help the banks to attract more customers with less cost and also helps to increase volume of sales revenue (Griffin, 1995). The earlier studies have found that there is a high correlation between customer satisfaction and customer loyalty (Yi, 1991; Anderson and Sullivan, 1993; Boulding et al., 1993). The several studies have measured the effectiveness of service quality by comparing of customer's expectations with company's performance in delivering the service (Biljana Angelova and Jusuf Zekiri). The organizations that have maintained high service quality have achieved market leadership in terms of sales, customer loyalty and retention (Anderson and Sullivan, 1993; Boulding et al., 1993; Eklo and Westlund, 2002). The integration among these factors creates a mutual relationship between the service provider and the customer (Olaf Hermans). Further the relationship helps in increased customer tolerance in case of service failures (Wen-Shinn Low, Jeng-Da Lee, Wan-Chun Lian1, 2013). The service quality also helped the banks to attract new customers due to the advertising campaign of the positive word of mouth of the existing customers (Dr. Jaskaran Singh Dhillon, 2013). Therefore, many organizations have resorted to superior service quality to boost up their efficiency, profitability (accountinglibrary.com) and to achieve customer loyalty and retention (Biljana Angelova, Jusuf Zekiri, 2011).

2. LITERATURE REVIEW

Many studies have been conducted to test the significance of service quality in customer satisfaction. There are two schools of thought on service quality. One is the two-dimensional model - technical and functional quality of services delivered (Nordic school based on Gronroos's 1984). And the other is the five-dimensional SERVQUAL model - tangibles, reliability, responsiveness, assurance, and empathy of services delivered (North American school based on Parasuraman, Zeithaml and Berry's 1988). Rust and Oliver, (1994) has tested the service quality based on service product, service environment, and service delivery and Brady and Cronin, (2001) has argued that interaction quality and physical environment quality has an impact on outcome quality. The quality is observed as a major factor in reference to customer acquisition and retention (Galloway and Ho, 1996). Maximizing customer satisfaction through quality customer service has been described as the ultimate weapon by Davidow and Uttal (1989). The present day customers are well educated and are with high standards of living. They compare their bank's service quality with the service provided by other banks. Asubonteng et al. (1996) defined service quality as the difference between customers' expectations about the service before its use and their perceptions after receiving the service. This leads to comparison of services what they expect and the services

what they perceive from banks. Further banks are becoming increasingly competent in proving quality service, as they know that at this juncture they need to not only create new customers but also concentrate on customer retention. With appropriate customer relationships management, banks could maximize the profits of each customer base (Best, 2005). Hence banks recognize, the customers will change provider if they aren't receiving the service they expect.

Several models have been developed by the various authors to examine and measure the factors influencing the service quality. Many researches have been conducted using either same or modified version of SERVQUAL (Parasuraman et al. 1988) model (Fick and Ritchie, 1991; Coyle and Dale, 1993; Smith 1995; Lam et al., 1997; Lim and Tang, 2000; Gounaris et al.m 2003). The universal application of five dimensional SERVQAL model has been questioned by some researchers (Carman, 1990, Cronin and Taylor, 1992, Buttle 1996). Even, there have been theoretical and operational criticisms with regard to interpretation and implementation of this model (Babakus and Boller, 1992; Smith, 1995, Lam et al., 1997; Newman 2001). Despite of these criticisms, SERVQUAL instrument has been widely used in various research to measure perceived service quality of banks as it clearly identifies gaps in service quality and find out dimensions of customer satisfaction.

In the light of the above literature review, this study seeks to examine the service quality expectation and perceptions of bank customers of various demographic profiles. Hence, there is a need to measure customer satisfaction towards various banking services across various banks in Oman. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et al. 1985, Lewis and Mitchell 1990). The outcome of this study will help the banks to understand the customer retention factors and to develop the strategy to gain new customer.

3. METHODOLOGY

3.1 SAMPLE AND DATA COLLECTION

The population will comprise of customers of banks in Oman. The data was collected through primary and secondary sources. The primary data was collected using a structured questionnaire. Secondary data was obtained from online journals and magazines. 'Snowball' (David L., Morgan, 2008) (Malhotra, 1999; Tuncalp, 1988) sampling method was used for the study. Data for the study was collected through online survey link sent to 1073 respondents through Survey Monkey to their email address. Out of which, a complete response from 152 respondents were obtained, yielding a response rate of 14.17 percent. Of the respondents, 67.76 percent were male. Among the respondents, 36.84 per cent were Omani Nationals and the rest were Expatriates. The distribution of respondents was spread across 11 different banks. Most of the respondents were customers of Bank Muscat (62.5 percent) followed by National Bank of Oman (9.9 percent), HSBC Oman Bank (6.6 percent) and Oman Arab Bank (5.3 percent). The majority of respondents utilizing their bank services for more than five years (63.8 percent), 21.7 percentage of respondents were customer of the bank for three to five years, 13.2 percent of customers for one to three years and 1.3 percentage of respondents were customers for less than one year. Response count percentage indicates that majority of respondents have savings bank account (81.6 percent), followed by current account (59.2 per cent), credit card (43.4 per cent) and loan account (32.9

percent) with their respective banks. Further, majority of the respondents expressed view that when they think of bank, ATM facility (46.7 percent) comes first in their mind followed by customer service (42.1 percent), computerization (34.9 percent), personalized service (31.6 percent) and branch network (30.3 percent) as per response count analysis.

3.2 DESIGN AND MEASUREMENT

Service quality is psychological 'experience' of the customers in comparison with their 'expectation'. The gap between the customer's expected service and the perceived service helps to measure the effectiveness of delivered service. Cross sectional study design with a quantitative and qualitative approach was used in this study. The service quality of banks in Oman were measured by using the SERVQUAL model which identifies 'gaps' in the delivery of service. SERVQUAL, the most popular standardized questionnaire of Parasuraman et al. (1988) and its subsequent modification (1990, 1993 and 1994) is used to measure service quality. The original instrument consists of 22 structured and paired questions to assess customers' expectations and perceptions of service quality. In this study, three additional questions were added to the original instrument to capture the service quality of e-banking. The primary data was collected through structured questionnaire using SERVQUAL model. This questionnaire comprised of demographic profile of the respondents and twenty five paired questions on their expectations and perception about bank service quality under following five service quality dimensions:

(i) **Assurance** (including competence, courtesy, credibility and security)**:** Knowledge and courtesy of employees and their ability to inspire trust and confidence.
(ii) **Reliability:** Ability to perform the promised service dependably and accurately.
(iii)**Tangibles:** Physical facilities, equipment and appearance of personnel.
(iv)**Empathy** (including access, communication, understanding the customer)**:** Caring and Individualized attention that the firm provides to its customers.
(v) **Responsiveness:** Willingness to help customers and provide prompt service

The Gap score was calculated by finding the difference between expectation (E) and perception (P) since, customer satisfaction depends on the perception on delivery service quality in relation to their expectation. Thus if "E" is greater than "P", the customer is dissatisfied and if "E" is less than "P", the customer is satisfied (Kotler and Armstrong, 1999; Parasuraman et al., 1988;). The 7 point Likert scale was used for all responses varying from 1 to 7 points (1 = strongly disagree, 2 = disagree, 3 = somewhat disagree; 4 = neither agree nor disagree, 5 = somewhat agree, 6 = agree, 7 = strongly agree) to evaluate the service quality of their respective banks.

Descriptive and inferential statistics have been applied in the data analysis. Statistical Package of Social Sciences (SPSS) for Windows was used for the data analysis. Descriptive statistics like mean, number of respondents and standard deviation are calculated for categorical variables. The data is analysed by finding the mean scores of the various SERVQUAL dimensions both for perceptions and expectations. The service quality gaps were calculated. The reliability test and t-test were used as inferential statistics. T-tests were executed to test for the significance difference between two means of expectations and perception.

3.3 VALIDITY AND RELIABILITY

The questionnaire was validated by randomly selected bank executives and customers to check the validity of questionnaire. The changes in questionnaire were accommodated accordingly for easy understanding of the samples. The objective of this part is to test the reliability of attributes of five dimensional SERQUEL model in the Omani banking context. The reliability of the questionnaire was found by using Cronbach's Alpha (1951). The reliability test checks whether or not the respondents' score on each attributes tend to be related to their scores on the other attributes (Bryman & Bell, 2007). The reliabilities for all service quality dimensions for both expectation and perception are calculated and presented in Table 1.

Table 1: Reliability Analysis

Service Quality Dimensions	No. of Items	Expectation			Perception		
		Mean	SD	Cronbach's Alpha	Mean	SD	Cronbach's Alpha
Tangibility	5	6.1341	0.8636	0.8583	5.6921	0.9464	0.9091
Reliability	5	6.0276	1.0472	0.9272	5.0013	1.4284	0.9743
Responsiveness	6	6.2445	0.8468	0.8911	5.1382	1.0291	0.9062
Assurance	4	6.2023	0.955	0.9574	5.222	1.2752	0.9364
Empathy	5	6.0408	1.022	0.9592	4.9132	1.3235	0.9162
Overall Consistency	25			0.969			0.975

The reliability values varied from 0.8583 (tangibility) to 0.9592 (empathy) in case of expectation and from 0.9062 (responsiveness) to 0.9743 (reliability) in case of perception. This reliability coefficients are greater than the threshold value of 0.7 (Nunnaly, 1978) for all five service quality dimensions. The internal consistency in the modified SERVQUAL attributes was assessed by calculating overall reliability which is equal to 0.969 for expectation and 0.975 for perception. The overall reliability of Parasuraman et al., (1988) study was 0.92. This proves that the SERVQUAL instrument used for the study is highly reliable and internally consistent.

3.4 HYPOTHESIS

The following hypotheses were tested in this study:

H01: There is no significant difference between overall perception and expectation with respect to all the attributes of service quality dimensions

H02: There is no significant difference between the expectation and perception with respect to tangibility

H03: There is no significant difference between the expectation and perception with respect to Reliability

H04: There is no significant difference between the expectation and perception with respect to Responsiveness

H05: There is no significant difference between the expectation and perception with respect to Assurance

H06: There is no significant difference between the expectation and perception with respect to Empathy

4. RESULTS AND FINDINGS

4.1 DESCRIPTIVE ANALYISIS OF SERVICE QUAITY ATTRIBUTES

The overall service quality is measured by averaging the scores of all service attributes (Brown Churchill and Peter 1993). The analysis of attributes identify the results between the expectation and perception of the customer in terms of service quality. All twenty five statements are rearranged so that the question related to each dimension is not grouped together in order to avoid biasness.

Table 2: Mean Score of Customers Expectation and Perception in Bank Service Quality

S.L. No.	Attributes	Expectation (E)		Perception (P)		Mean Gap (G=E-P)
		Mean	Standard Deviation	Mean	Standard Deviation	
1	Modern infrastructure and facilities	6.1776	1.1629	5.6447	1.1589	-0.5329
2	Appealing physical facilities	5.9803	1.0259	5.6908	1.1750	-0.2895
3	Neat appearance of employees	6.0395	1.2228	5.5855	1.1649	-0.4539
4	Materials associated with the service are visually appealing	5.9737	1.0975	5.5855	1.0700	-0.3881
5	Employees keeping up of promise	5.9079	1.3089	4.9605	1.6230	-0.9473
6	Sincere interest in solving customers' problems	6.1776	1.2131	5.0987	1.5643	-1.0789
7	Employees performing the service right at the first time	6.1053	1.0744	4.8882	1.5677	-1.2171
8	Provide the services at the time they promise to do so	6.0000	1.2125	4.9211	1.6338	-1.0789
9	Bank insist on error free records	5.9474	1.3009	5.1382	1.5183	-0.8092
10	Employees telling customers exactly when services will be performed	6.0066	1.2944	4.8289	1.6589	-1.1776
11	Prompt services to the customers	6.1908	1.1261	5.0132	1.5483	-1.1776
12	Employees willingness to help the customers	6.3487	1.0051	5.3289	1.4038	-1.0197
13	Prompt response to customers from the employees	5.8947	1.3914	4.7895	1.6342	-1.1052
14	Employees behavior instill confidence in customers	6.1842	1.0321	4.9408	1.6245	-1.2434
15	Customers feel safe in their transactions	6.3224	0.9106	5.6118	1.2451	-0.7105
16	Courtesy and friendliness of employees with customers	6.1842	1.1064	5.4145	1.3344	-0.7697

17	Employees having knowledge to answer customer's questions	6.1184	1.2176	4.9211	1.5377	-1.1973
18	Individual customer attention given by employees	6.1447	1.1589	5.1776	1.4517	-0.9671
19	Convenient operating hours	5.8881	1.1589	4.7039	1.6751	-1.1842
20	Personal services to customers by the employees	5.9539	1.1643	4.9079	1.5153	-1.0460
21	Employees always work for customer's best interest	6.0987	1.0964	4.8750	1.5325	-1.2236
22	Employees understand the specific needs of the customers	6.1184	1.0731	4.9013	1.4862	-1.2171
23	Bank provide e-banking facilities	6.5000	0.7806	5.9539	1.0121	-0.5460
24	Computerization has reduced waiting time for bank transaction	6.5658	0.6477	5.4408	1.4816	-1.125
25	Overall service efficiency has increase due to bank computerization	6.4605	0.7624	5.4276	1.4217	-1.0328
	Mean	6.1316		5.1899		-0.9415
	Median	6.1184		5.0987		-1.046
	Minimum	2.12		1.52		-1.2434
	Maximum	7.00		7.00		-0.2895
	Standard Deviation	0.849		1.1516		1.2415
	Range	4.88		5.48		0.9539
	Skewness	-1.91		-0.863		-1.082
	Std. Error for Skewness	0.197		0.197		0.197
	Kurtosis	4.552		0.526		1.100
	Std. Error for Kurtosis	0.391		0.391		0.391

Note: Scale: 1 (=strongly disagree) to 7 (=strongly agree)

The scores of the sample respondents in terms of their expectation and perception related to attributes of service quality of the banks are presented in Table 2. The table shows the mean scores of the respondents for the attributes of service quality on the basis of their expectation (6.1316) and perception (5.1899). This shows that the majority of the customers are skewed towards "agree" for expectation and "somewhat agree" for perception in the Likert scale. Comparing between the means of expectation and perception, it is observed that the means of expectation is greater than mean of perception, which proves that the customers' expectation is higher than their perception. The standard deviation of expectation is 0.849 and perception is 1.1516 indicates the lesser deviation of scores away from respective mean the mean. The skewness value of -1.91 (expectation) and -0.863 (perception) indicate that the scores are deviated more to the right, which means that there no much difference between the scores of expectation and perception, but the scores of perception are generally lower than the expectation. The kurtosis value of expectation is

4.552 and perception is 0.526. The kurtosis value of perception (0.526) when compared to that of expectation (4.552) indicates the clustering of values away from the mean in the case of perception. From the above table, it is evident that the attribute "Appealing physical facilities" carries least gap score (-0.2895) and **"**Employees behavior instill confidence in customers" carries highest gap score (-1.2434). It is observed that none of the attributes showed positive gap score indicating satisfaction of service quality of banks according to customers' opinions.

4.2 GAP SCORE ANALYSIS

Table 3A: Gap Scores based on Service Quality Dimensions

Service Dimension	Attributes	Expectation (E)	Perception (P)	Gap Score (G=E-P)
Tangibility (1)	Modern infrastructure and facilities	6.1776	5.6447	-0.5329
	Appealing physical facilities	5.9803	5.6908	-0.2895
	Neat appearance of employees	6.0395	5.5855	-0.4539
	Materials associated with the service are visually appealing	5.9737	5.5855	-0.3881
	Bank provide e-banking facilities	6.5000	5.9539	-0.5460
Reliability (2)	Employees keeping up of promise	5.9079	4.9605	-0.9473
	Sincere interest in solving customers' problems	6.1776	5.0987	-1.0789
	Employees performing the service right at the first time	6.1053	4.8882	-1.2171
	Provide the services at the time they promise to do so	6.0000	4.9211	-1.0789
	Bank insist on error free records	5.9474	5.1382	-0.8092
Responsiveness (3)	Employees telling customers exactly when services will be performed	6.0066	4.8289	-1.1776
	Prompt services to the customers	6.1908	5.0132	-1.1776
	Employees willingness to help the customers	6.3487	5.3289	-1.0197
	Prompt response to customers from the employees	5.8947	4.7895	-1.1052
	Computerization has reduced waiting time for bank transaction	6.5658	5.4408	-1.125
	Overall service efficiency has increase due to bank computerization	6.4605	5.4276	-1.0328
Assurance (4)	Employees behavior instill confidence in customers	6.1842	4.9408	-1.2434
	Customers feel safe in their transactions	6.3224	5.6118	-0.7105

	Courtesy and friendliness of employees with customers	6.1842	5.4145	-0.7697
	Employees having knowledge to answer customer's questions	6.1184	4.9211	-1.1973
Empathy (5)	Individual customer attention given by employees	6.1447	5.1776	-0.9671
	Convenient operating hours	5.8882	4.7039	-1.1842
	Personal services to customers by the employees	5.9539	4.9079	-1.0460
	Employees always work for customer's best interest	6.0987	4.8750	-1.2236
	Employees understand the specific needs of the customers	6.1184	4.9013	-1.2171
Overall mean (for all five dimensions)		6.1316	5.1899	-0.9415

Table 3B: Descriptive statistics of mean gap for the five dimensions

	Mean Gap Score				
	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Mean	-0.4421	-1.0263	-1.1064	-0.9803	-1.1276
Median	-0.2	-0.4	-0.667	-0.75	-0.8
Standard Deviation	0.9611	1.626	1.4278	1.4493	1.5143
Skewness	-0.853	-1.195	-1.024	-1.098	-0.779
Std. Error for Skewness	0.197	0.197	0.197	0.197	0.197
Kurtosis	2.844	0.995	0.64	1.174	0.62
Std. Error for Kurtosis	0.391	0.391	0.391	0.391	0.391

Table 3A shows the mean of service quality dimension attributes of expectation, perception and gap cores. Similarly, Table 3B shows the descriptive scores of all five service dimensions. In Table 3A&B, on comparison of mean values of customer expectation and perception, it is observed that there is closeness in the opinion of customers with respect to service dimensions. This proves that the respondents have similar opinion on attributes. All the mean gap scores presented in Table 3A&B are negative. This indicates that the customers are dissatisfied by the services offered by the banks. In most of the SERVQUAL applications it is observed that reliability is the most important dimension, interchangeably followed by responsiveness and assurance (Zeithaml et al., 1990). In this study, it is found that empathy is the most important service element followed by responsiveness while reliability is in the third position (Evangelos Tsoukatos and Evmorfia Mastrojianni (2010).

Further, service dimension-wise analysis shows that higher level of dissatisfaction is observed in "empathy" (-1.1276) which comprises of five attributes. The least dissatisfied dimension is "Tangibility" (-0.4421) which also comprising of 5 attributes. Further, the highest negative gap was found in the dimension of "empathy" (-1.1276) followed by "responsiveness" (-1.1064), "reliability" (-1.0263), "assurance" (-0.9803) and "tangibility" (-0.4421). In the light of this

analysis, it is observed that empathy is the most dissatisfied service quality dimension in banking companies in Oman.

4.3 CORRELATION MATRIX OF GAPS OF SERVICE QUALITY DIMENSION

Table 4: Correlation Matrix

	Tangibility	Reliability	Responsiveness	Assurance	Empathy
Tangibility	1.000	0.566	0.545	0.558	0.479
Reliability	0.566	1.000	0.829	0.839	0.718
Responsiveness	0.545	0.829	1.000	0.905	0.833
Assurance	0.558	0.839	0.905	1.000	0.84
Empathy	0.479	0.718	0.833	0.84	1.000

Table 4 summarises the correlation coefficient of gaps of service quality dimension which are which are significantly positive. This indicates that there is consistency among the service quality dimensions.

4.4 TESTING OF RESEARCH HYPOTHESES

Table 5: One Sample t-test for overall gaps of service quality attribute

	Test value=0						
	Mean Difference	Std. Error of Mean	t-value	p-value	95% Confidence interval of the difference		Conclusion
					Lower	Upper	
Overall Service Quality Attributes	-0.9415	0.1007	-9.35	0.000	-1.1405	-0.426	Unsatisfactory

The results of the One Sample t-test of overall gap scores of service quality dimensions presented in Table 5 shows that there is a significant difference between overall perception and expectation at 95 percent level of significance ($p \leq 0.05$). This proves that customers' expectations on service quality are not met by the banks.

Table 6: One Sample t-test for gaps of service quality dimensions

	Test value=0						
Service Quality Dimensions	Mean Difference	Std. Error of Mean	t-Value	p-value	95% Confidence interval of the difference		Conclusion
					Lower	Upper	
Tangibility	-0.4421	0.0779	-5.671	0.000	-0.5961	-0.2801	Unsatisfactory
Reliability	-1.0263	0.1319	-7.782	0.000	-1.2969	-0.7657	Unsatisfactory
Responsiveness	-1.1064	0.1158	-9.553	0.000	-1.3352	-0.8775	Unsatisfactory
Assurance	-0.9803	0.0775	-8.339	0.000	-1.2125	-0.7480	Unsatisfactory
Empathy	-1.1276	0.1228	-9.18	0.000	-1.3703	-0.8849	Unsatisfactory

Table 6 indicates the grand mean scores of all five service dimensions on the basis of gap scores. The t-test is used to test the significance difference between expectation and perception of all five dimensions of service quality. The calculated t-values indicate significance difference between perception and expectation with respect to tangibility, reliability, responsiveness, assurance and empathy at 95 percent level of significance ($p \leq 0.05$).

Overall, the results of the t-test indicates the rejection of all six research hypothesis, thus proving customer dissatisfaction as per the above mentioned service quality dimensions.

5. CONCLUSION

In this paper, an attempt has been made to measure the service quality from the perspective of Omani retail bank customers. The five service quality dimensions as per SERVQUAL instrument has been tested to measure the level of service quality and customer satisfaction. The overall results suggests that the service delivery as perceived by the customers was below their expectation across all five service quality dimensions. The mean scores of expectation and perception is a clear indication that the customers' expectations were not met by the banks in Oman in their service delivery.

The findings of the study indicates customer dissatisfaction under all the five service quality dimensions. Further, the widest gap was found in the dimension of empathy and the least was fund in tangibility. This result further confirms the findings in the study conducted by Kwan and Hee (1994) which examined measuring the service quality in Singapore retail banks using SERVQUAL model (Parasuraman 1998). Further, the findings of the study revealed that the customers of Omani retail banks expected higher level of service quality than offered by the banks. Hence, the study concludes that the customers are not satisfied (level of significance was 0.000) with the services provided by the banks in Oman.

The results have significant implications for banks in Oman to understand the specific area of improvement in the dimensions of the service quality. It also helps in developing suitable strategy for differentiating and customizing banking services for retail customers. In this backdrop, the banks need to focus more on the improvement of attributes of empathy (-1.1276), responsiveness (-1.1063) and reliability (-1.0263) dimensions of service quality which carries highest service quality gap respectively. The banks have to reduce these gaps by giving individual personal attention to understand customer specific needs, personalized services, convenient operating hours and working towards customers' best interest in order to meet the higher customers' expectations. In addition to the above, the attributes of the other four dimensions where the gap on dissatisfaction were significant should also be focused upon for improving service quality. As market grow, the customers demand for higher service quality. The bank management should take steps to deliver quality services and be honest in making feasible promises to the customers. The bank should motivate employees to make friendly interaction with the customers and pay more attention to solve customers' specific problems by treating them personally. This will result in enhancing good report among customers and banks.

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