

# A Comparative Study on Service Quality of Bank of Baroda and ICICI Bank Using Servqual Model

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## ABSTRACT

Public sector banks like BANK OF BARODA are in tremendous pressure from private sector banks like ICICI banks. Public sector banks are realizing the significance of customer-centred philosophies and are turning to improve service quality to help managing their businesses. This paper has started with the concept of service quality and has demonstrated the model of service quality gaps. SERVQUAL is an effective model for analysis of the difference between customer expectations and perceptions in the banking sector.

**KEYWORDS:** SERVQUAL MODEL, CUSTOMER SATISFACTION, PERCEPTION, EXPECTATION

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## INTRODUCTION

Banking regulation act of India, 1949 defines banking as “accepting for the purpose of lending or of investment of deposits of money from the public, repayable on demand or otherwise or withdrawable by cheque, draft order or otherwise”. The Reserve Bank of India act, 1934 and the banking operations in India.

Banking is a major part of the service sector in India. Quality management and quality improvement are mandatory for success of the banking sector and for our economy. Components of Quality may be visualized as Product Quality, Process Quality and Human Resource Quality.

## BROAD CLASSIFICATION OF BANKING INDIA

The RBI is the supreme monetary and banking authority in the country and has the responsibility to control the banking system in the country it keeps the reserves of all scheduled banks and hence is known as the Reserve Bank.

## Public Sector Banks:

public sector banks are a major type of banks in India, where a majority stake is held by the government.

Ex. State Bank in India, Bank of Baroda etc...

## Private Sector Banks:

In these banks, most of the equity is owned by private bodies, corporations, institutions or individuals rather than government.

Ex. HDFC Bank, ICICI Bank etc...

## NEED OF THE STUDY

The purpose of this study is to compare the customer expectations and perception in various dimensions Tangibility, Reliability, Responsiveness, Assurance and Empathy.

## SCOPE OF THE STUDY

The study encompasses customer service quality of Bank of Baroda and ICICI Bank located at Anantapur region. The study covers respondents of customers of Banks. The customers belong to various professions,

both genders with varied income group and age group.

**OBJECTIVES OF THE STUDY**

- To compare customers expectation and perception level towards service quality of Bank of Baroda and ICICI banking Services in five dimension.
- To analyse the difference gap score between customers expectation and perception towards service quality of banking Services.

**RESEARCH METHODOLOGY**

**SOURCE OF DATA**

**PRIMARY DATA:**

Primary Data has collected by using questionnaire based on SERVQUAL model. The customers approached personally in order to seek true responses on quality of service in both the banks.

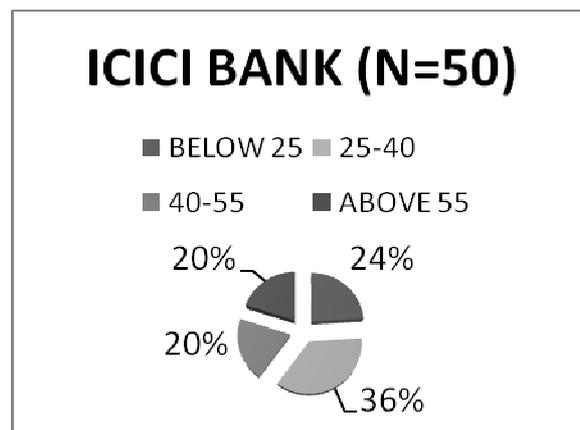
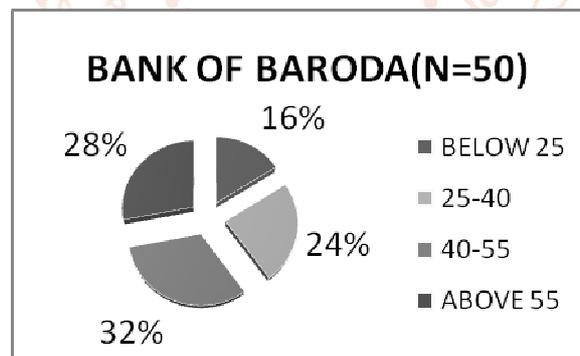
**Sample Size:**

100 respondents selected by using convenient sampling method.

**DATA ANALYSIS AND INTERPRETATION**

**TABLE: 1 CUSTOMERS DEMOGRAPHIC PROFILE OF BANK OF BARODA & ICICI BANKS**

CUSTOMER DEMOGRAPHIC PROFILE					
PARAMETERS		BANK OF BARODA(N=50)		ICICI BANK(N=50)	
AGE		FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
	BELOW 25	8	16%	12	24%
	25-40	12	24%	18	36%
	40-55	16	32%	10	20%
	ABOVE 55	14	28%	10	20%
	TOTAL	50	100%	50	100%



**HYPOTHESIS TESTING**

- H0: There is no significant difference between Service quality of ICICI Bank and Bank of Baroda.
- H1: There is significant difference between Service quality of ICICI Bank and Bank of Baroda.

**STATISTICAL TOOLS AND TECHNIQUES**

The data will be analyzed by using R programing, Ms. Excel with the following tools.

- SERVQUAL MODEL
- Descriptive measures like mean, weighted mean
- T Test(two sample)

**LIMITATION OF THE STUDY**

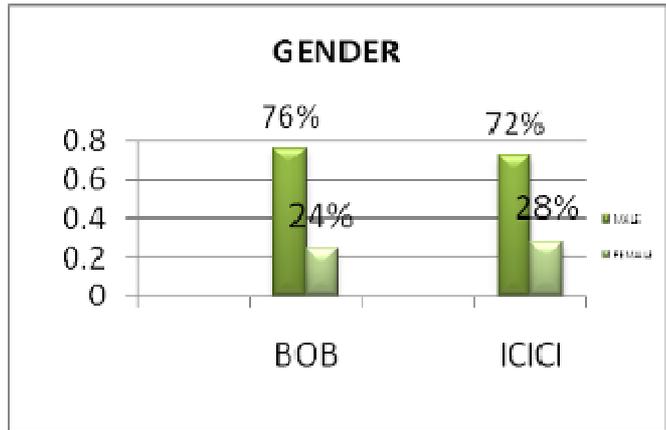
- All the answers given by the respondents are assumed to be true.
- The study is limited to only Bank of Baroda and ICICI Banks Anantapur only

**INTERPRETATION:**

The pie chart presents a detailed analysis of customers who had participated in this study. In case Bank of Baroda there is a highest percentage of people in the age group of 40 -55. In other side the ICICI bank the age group of 25-40 are with 36%.

**Table: 2 ON BASIS OF GENDER**

CUSTOMER DEMOGRAPHIC PROFILE					
PARAMTERS		BANK OF BARODA(N=50)		ICICI BANK(N=50)	
GENDER		FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
	MALE	38	76%	36	72%
	FEMALE	12	24%	14	28%
	TOTAL	50	100%	50	100%



**INTERPRETATION:**

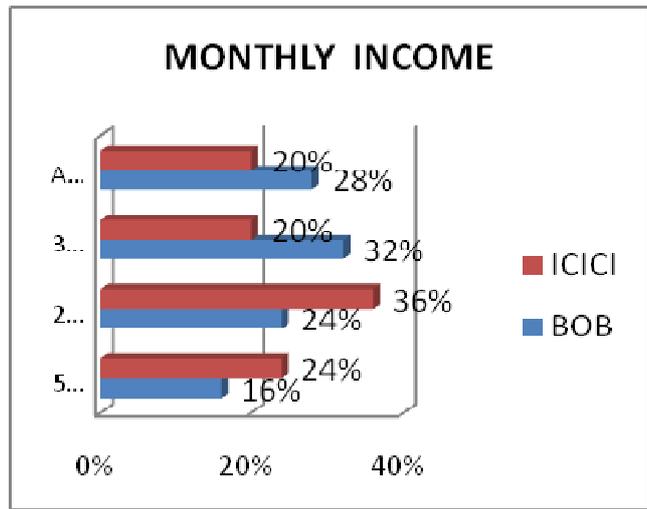
Above column chart represents the gender of respondents, here by the percentages of both male and female of Bank of Baroda is 76% & 24% and ICICI is 72% & 28%.

**TABLE: 3 ON BASIS OF MONTHLY INCOME**

Customer Demographic Profile					
Parameters		Bank Of Baroda(N=50)		Icici Bank(N=50)	
Monthly Income		Frequency	Percentage	Frequency	Percentage
	5000-20000	8	16%	12	24%
	20000-35000	12	24%	18	36%
	35000-50000	16	32%	10	20%
	ABOVE 50000	14	28%	10	20%
	TOTAL	50	100%	50	100%

**INTERPRETATION:**

The above bar chart represents the monthly income of respondents, here by the percentages above 50000 income of BOB is 28% which is greater than the ICICI that is 20%.

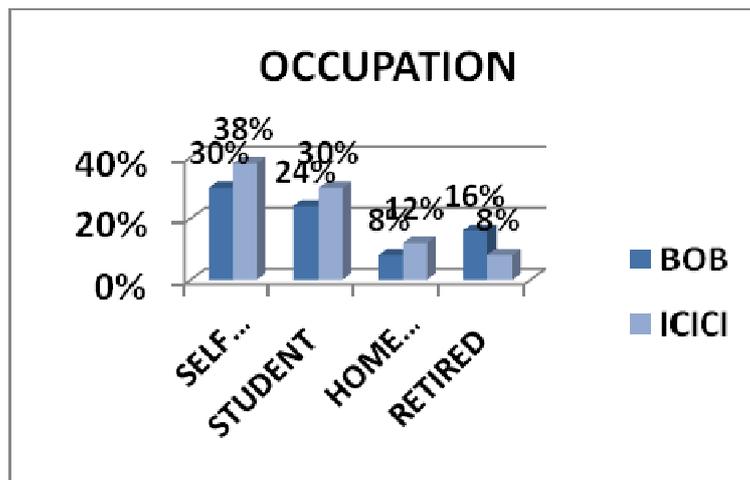


**INTERPRETATION:**

The above bar chart represents the monthly income of respondents, here by the percentages above 50000 income of BOB is 28% which is greater than the ICICI that is 20%.

**TABLE: 4 ON THE BASIS OF OCCUPATION**

Customer Demographic Profile					
Parameters		Bank Of Baroda(N=50)		Icici Bank(N=50)	
Occupation		Frequency	Percentage	Frequency	Percentage
	SELF EMPLOYED	15	30%	19	38%
	STUDENT	12	24%	15	30%
	HOME MAKER	4	8%	6	12%
	RETIRED	8	16%	4	8%
	TOTAL	50	100%	50	100%

**INTERPRETATION:**

The above column chart represents the occupation of respondents, here by the percentages of self employed, students, home maker and retired persons of BOB bank and ICICI bank.

**SERVQUAL MODEL****1. Tangibles**

Tangibility E P (P-E)	BOB	BOB	ICICI	ICICI	GAP SCORE (P-E)	
	E	P	E	P	BOB	ICICI
The bank has modern looking equipment in its premises	4.81	3.04	4.91	3.91	-1.77	-1.0
The bank has visually appealing physical facilities in its premises	4.89	3.66	4.99	4.8	-1.33	-0.19
The appearance of the employees including dress etc. is appealing	4.53	3.23	4.9	4.33	- 1.3	-0.57
The bank has visually appealing material and tools associated with service	4.28	3.50	4.92	3.95	-0.78	-0.97
Total Gap Score					= 5.18	= -2.73

**INTERPRETATION:**

The above table shows the 100 customers of BANK OF BARODA and ICICI Bank. As can be seen from Table above of SERVQUAL MODEL scores for Tangibility, all questionnaire responses were negative. And the gap score of Bank of Baroda is -5.18 and ICICI bank is -2.73. In this case the ICICI Bank provides better facilities when compared to Bank of Baroda.

## 2. Reliability

Reliability E P (P-E)	BOB	BOB	GAP SCORE (P-E)	ICICI	ICICI	GAP SCORE (P-E)
	E	P		E	P	
Bank keeps its promise	4.81	3.21	-1.6	4.86	3.87	-0.99
Bank has the concern for solving problem of customer	4.89	3.8	-1.09	4.96	3.78	-1.18
Bank performs service right at the very first instance	4.9	3.33	-1.57	4.97	3.9	-1.07
The bank provides the service well in time. The bank keeps error free records	4.82	3.5	-1.32	4.88	4.1	-0.78
Total Gap Score	=-5.58			=-4.02		

### INTERPRETATION:

The above table shows the 100 customers of BANK OF BARODA and ICICI Bank. As can be seen from Table above of SERVQUAL MODEL scores for Reliability, all questionnaire responses were negative. And the gap score of Bank Of Baroda is -5.58 and ICICI bank is -4.02. customers expects more from reliability in Bank of Baroda when compared to ICICI Bank.

## 3. Responsiveness

Responsiveness E P (P-E)	BOD	BOD	ICICI	ICICI	GAP SCORE (E-P)	
	E	P	E	P	BOB	ICICI
The employees of bank are able to tell the amount of time they will take to provide the service	4.89	3.16	4.93	3.84	-1.73	-1.09
Employees of bank provide prompt service to their customers	4.72	3.23	4.94	4.0	-1.49	-0.94
Employees of the bank are always willing to help their customers.	4.63	3.89	4.97	3.9	-0.74	-1.07
The employees of the bank take no time in attending the customer	4.80	3.56	4.9	3.83	-1.24	-1.14
Total Gap Score					=-5.2	=-4.17

### INTERPRETATION:

The above table shows the 100 customers of BANK OF BARODA and ICICI Bank. As can be seen from Table above of SERVQUAL MODEL scores for Responsiveness, all questionnaire responses were negative. And the gap score of Bank of Baroda is -5.2 and ICICI bank is -4.17. ICICI provides better services to customers.

## 4. Empathy

Empathy E P (P-E)	BOD	BOD	ICICI	ICICI	GAP SCORE (E-P)	
	E	P	E	P	BOB	ICICI
The bank pays attention to each customer individually	4.94	3.01	4.87	3.44	-1.93	-1.43
The working hours of bank are quite convenient to the customer	4.81	3.36	4.89	4.6	-1.45	-0.29
bank attaches due importance to customer interest	4.45	3.27	4.97	3.94	-1.18	-1.03
The company understand the specific needs of its customer	4.09	3.23	4.91	3.1	-0.86	-1.81
Total Average Gap Score [E-P/4]					=- 5.42	=4.55

### INTERPRETATION:

The above table shows the 100 customers of BANK OF BARODA and ICICI Bank. As can be seen from Table above of SERVQUAL MODEL scores for Empathy, all questionnaire responses were negative. And the gap score of Bank Of Baroda is -5.42 and ICICI bank is -4.55.

## 5. Assurance

### INTERPRETATION:

The above table shows the 100 customers of BANK OF BARODA and ICICI Bank. As can be seen from Table above of SERVQUAL MODEL scores for Assurance, all questionnaire responses were negative. And the gap score of Bank of Baroda is -4.218 and ICICI bank is -4.42.

Assurance E P (P-E)	BOD	BOD	ICICI	ICICI	GAP SCORE	
	E	P	E	P	BOB	ICICI
The behaviour of employees of bank impresses the customer and instils confidence in it.	4.78	3.62	4.93	3.79	-1.16	-1.14
Customer feels safe while negotiating with the employees of the bank	4.89	3.78	4.95	3.5	-1.168	-1.45
The employees of the bank are courteous and friendly with the customer	4.56	3.24	4.89	4.2	-1.02	-0.69
Employees of bank are knowledgeable and are capable ensure to questions	4.63	3.56	4.9	3.76	-1.07	-1.14
Total Gap Score					=-4.218	=-4.42

### FINDINGS

- The respondents with income of 35,000-50000 are high in Bank of Baroda that is 32% when compare to ICICI Bank that only 20%
- The gap score of Bank Of Baroda is -5.58 and ICICI bank is -4.02. customers expects more from reliability in Bank of Baroda.
- There is a significant difference in the performance of Bank of Baroda and ICICI Bank on the basis of services quality

### CONCUSION

The present study tried to analyze the quality of services offered by ICICI Bank and Bank of Baroda and to comprehend the anticipation and customer satisfaction of both types of banks on factors of tangibility, responsiveness, reliability, empathy,

effectiveness, price, efficiency and assurance. ICICI Bank are facilitating better products and services to customers. Bank of baroda have been able to create good faith among customers but they have not been very efficient if furnishing quality services to end customers. ICICI Bank need to incorporate new ideas to establish themselves in competitive market while Bank of Baroda need to improvise their basic facilities and encourage more employees for participation in skill enhancement programs Both banks have got Negative Scores in all the dimension of SERVQUAL model, only difference is of magnitude. It has been proved in the study that ICICI Bank provides better customer service in comparison to Bank of Baroda.