

Abstract

**SERVICE QUALITY GAP IN STATE BANK OF INDIA AND
UNITED BANK OF INDIA: A COMPARATIVE STUDY
WITH REFERENCE TO CACHAR DISTRICT OF ASSAM**

*An Abstract Submitted to Assam University, Silchar in Partial Fulfillment of the
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Statement of the Problem

The proliferation of private sector banks coupled with technological advancement have put the public sector banks in such a situation, where customer orientation through continuous improvement in service quality has become a precondition for the survival of any banking institution (Adhikari & Paul, 2015). The provision of high service quality by a bank is necessary in meeting several requirements, such as, customer satisfaction and its consequent loyalty, attracting new customers and thereby helps in increasing the market share and profitability of a bank (Kumari & Rani, 2011).

The element of competition prevailing in the banking industry owing to the rapid technological change has made it considerably important for banks to measure and evaluate the quality of service encounters (Brown & Bitner, 2007). The increased level of awareness among bank customers about their rights, changing demands and high competition requires constant progress in service quality from the bank for their customers (Nabi, 2012).

Assessment of service quality through different models advocated by various researchers not only enables the bank management to identify quality related problems but helps in planning for the launch of a quality improvement programme as well (Seth & Deshmukh, 2005). Infact, the only way to build competitiveness by the service marketers lies in the delivery of quality services to their customers. It is recognized as a key differentiator for sustained business growth. Further, deliverance of quality services not only results in repeat purchase but enhances the profit earning capacity of banking business as well.

Under the changed situation of Indian banking sector in the current millennium characterized by highly competitive market and consumer sovereignty, public sector banks are expected to reorient their policies in favour of customers, so that they can meet the continually evolving expectation of their existing customers by giving persistent efforts in making qualitative improvement of their delivery of services (Adhikari & Paul, 2015).

The degree of competition in the banking sector is relatively more in metropolitan cities and other big cities. But of late the small cities and towns of different districts of the country have also experienced the wave of competition. Cachar district of Assam, which is selected as the study area of the present research work is no exception to this. Along with the opening up of branches in metropolitan cities,

private sector banks have also started their journey in small cities and towns of the country and this poses additional challenges for the public sector banks to retain their market share.

In India a good number of studies have been conducted on quality of customer services of different banks. Further, a good number of studies relating to service quality of public sector banks in the context of North Eastern Region of India have been undertaken by researchers as well. But research works related to service quality of public sector banks in the context of Cachar district of Assam are comparatively less.

However, not a single research work on service quality gap of two public sector banks in Cachar district of Assam has so far been undertaken. The present study aims not only to assess the service quality gap of two public sector banks i.e. State Bank of India (SBI) and United Bank of India (UBI) in Cachar district of Assam but to make a comparative analysis of service quality gap of the two banks as well.

State Bank of India and United Bank of India have been selected for the present study as these two banks together constitute more than 35% of total number of branches of all banks operating in Cachar district of Assam as on 31st March, 2014. It is expected that the findings of the present study will gain an insight about the areas of service quality gap of both the banks in Cachar district of Assam. Apart from this, the findings of the study will certainly be helpful for the management of both the banks. The outcome of the study may be used by the banks to improve the various dimensions of service quality so that the gap between perception of customers and expectation of customers regarding service quality of both the banks under consideration can be minimized to the extent possible.

Objectives of the Study

The objectives of the study are as follows:

1. To analyze the gap between perception and expectation of customers regarding service quality of State Bank of India in Cachar district of Assam.
2. To analyze the gap between perception and expectation of customers regarding service quality of United Bank of India in Cachar district of Assam.
3. To make a comparative analysis regarding gap in service quality of State Bank of India and United Bank of India in Cachar district of Assam.

Hypotheses of the Study

The hypotheses of the present research work are as follows:

1. Rural and urban branches of State Bank of India in Cachar district of Assam do not differ significantly with respect to gap in select dimensions of service quality.
2. There is no significant difference in service quality gap of rural and urban branches of State Bank of India in Cachar district of Assam.
3. The sample branches of State Bank of India in Cachar district of Assam do not differ significantly with respect to gap in select dimensions of service quality.
4. There is no significant difference in service quality gap of sample branches of State Bank of India in Cachar district of Assam.
5. Rural and urban branches of United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in select dimensions of service quality.
6. There is no significant difference in service quality gap of rural and urban branches of United Bank of India in Cachar district of Assam.
7. The sample branches of United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in select dimensions of service quality.
8. There is no significant difference in service quality gap of sample branches of United Bank of India in Cachar district of Assam.
9. State Bank of India and United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in select dimensions of service quality.
10. State Bank of India and United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in the components of *reliability* dimension of service quality.
11. State Bank of India and United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in the components of *tangibility* dimension of service quality.
12. State Bank of India and United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in the components of *responsiveness* dimension of service quality.

13. State Bank of India and United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in the components of *assurance* dimension of service quality.
14. State Bank of India and United Bank of India in Cachar district of Assam do not differ significantly with respect to gap in the components of *empathy* dimension of service quality.
15. There is no significant difference in service quality gap of State Bank of India and United Bank of India in Cachar district of Assam.

Data Source and Methodology

In order to conduct the research work, at the first instance literature review has been carried out by the researcher to identify various components of service quality applicable for retail banking sector. After the identification of various components of service quality, the researcher has arranged discussions with few senior academicians and some executives working in different branches of State Bank of India and United Bank of India operating in Cachar district of Assam. Such discussions have supported the researcher to analyze the relevance of the identified components of service quality keeping in mind the locale selected for the study. Further, discussions have also been arranged with a few customers of different branches of both the banks within Cachar district to develop a thorough understanding about the applicability of various components of service quality.

Based on the above exercise, a comprehensive list of components of service quality has been prepared for conducting the pilot survey. The researcher conducted the pilot survey on twenty eight (28) customers belonging to different branches of SBI and UBI operating in Cachar district of Assam. The result of pilot survey has facilitated the researcher to finalize the list of components of service quality for the present study. Accordingly, twenty four (24) components of service quality have been selected and the same has been grouped into five (05) dimensions of service quality keeping in mind the literature available on the subject.

Thus, review of literature on the subject, consultation with senior academicians, discussions with bank officials, a few educated customers and the result of pilot survey together formed the basis of selecting the components of service quality used in the present study. In order to prepare the schedule for the customers, all the twenty four (24)

components of service quality have been converted into statement form not only for the assessment of expectation of customers but for the assessment of perception of customers as well.

The components under each of the service quality dimensions which have been used to analyze the perception of customers (P), expectation of customers (E) and **gap** between the perception of customers (P) and expectation of customers (E) are presented in the following tables.

Table 1.1 shows the dimension wise number of components selected for the study.

Table 1.1: Select Service Quality Dimensions and Number of Components

Sl. No.	Service Quality Dimensions	No. of Components
1	Reliability	5
2	Tangibility	4
3	Responsiveness	5
4	Assurance	5
5	Empathy	5

Note: Based on Review of Literature and Pilot Survey

Table 1.2 shows the components of *reliability* dimension of service quality used in the study.

Table 1.2: Components of Reliability Dimension of Service Quality

Sl. No.	Components
1	Dissemination of correct and complete information
2	Deliverance of services within the promised time
3	Fulfillment of commitments
4	Processing/settlement of transactions without mistake
5	Consistent functioning of technology driven devices

Note: Based on Review of Literature and Pilot Survey

Table 1.3 depicts the components of *tangibility* dimension of service quality used in the study.

Table 1.3: Components of Tangibility Dimension of Service Quality

Sl. No.	Components
1	Temperature neutrality inside the branch
2	Sitting arrangement inside the branch premises
3	Neatness in the appearance of frontline employees
4	Attractiveness in the appearance of technology driven devices

Note: Based on Review of Literature and Pilot Survey

Table 1.4 portrays the components of *responsiveness* dimension of service quality used in the study.

Table 1.4: Components of Responsiveness Dimension of Service Quality

Sl. No.	Components
1	Swiftness in serving customers
2	Readiness to respond customers' request
3	Patient listening of customers' problems
4	Willingness to solve customers' problems
5	Promptness of technology driven devices in responding customers' requisition

Note: Based on Review of Literature and Pilot Survey

Table 1.5 shows the components of *assurance* dimension of service quality used in the study.

Table 1.5: Components of Assurance Dimension of Service Quality

Sl. No.	Components
1	Knowledge and skill to meet customers' queries
2	Ability to make customers feel safe in their banking transactions
3	Trust and confidence generated in customers' mind
4	Etiquette towards customers
5	Maintenance of confidentiality of customers' account

Note: Based on Review of Literature and Pilot Survey

Table 1.6 shows the components of *empathy* dimension of service quality used in the study.

Table 1.6: Components of Empathy Dimension of Service Quality

Sl. No.	Components
1	Understanding specific needs of customers
2	Personal attention to customers
3	Use of customer friendly language by employees
4	Easy access for customers to branches
5	Ease of access to avail services associated with technology driven devices

Note: Based on Review of Literature and Pilot Survey

A structured schedule comprising of a numerical scale ranging from ‘*Strongly Disagree (=1)*’ to ‘*Strongly Agree (=5)*’ has been used for the assessment of both expectation and perception of customers about different components of service quality. For the purpose of conducting the survey on customers of SBI as well as UBI, it has been decided to contact a sample of 264 bank customers. The said sample size of 264 has been decided by using sample size calculator (www.macorr.com) after accepting a sampling error of 6% with confidence level of 95%. It may not be out of context to mention here that studies conducted by various researchers have also been based upon a sample size ranging from 200 to 300.

It has also been decided to contact equal number of customers from each of the two banks (SBI and UBI). Hence, 264 numbers of customers taking 132 numbers of customers from each of the two banks have been contacted using convenience sampling method. In India and abroad, a large number of studies on service quality of banks have been conducted by various researchers using convenience sampling method.

Further, the customers of both the banks are also asked to share their opinion regarding the needed degree of improvement in each of five select dimensions of service quality on a five point rating scale, namely, ‘To a very little extent (=1)’, ‘To a little extent (=2)’, ‘To a moderate extent (=3)’, ‘To a large extent (=4)’ and ‘To a very large extent (=5)’.

Before initiating the collection of primary data, secondary data have been obtained from the Regional Offices of both SBI and UBI located at Silchar, the district Headquarter of Cachar district. Necessary information has also been procured from Lead bank of the

district. Based on the information collected, it would be noteworthy to mention here that UBI has twenty five (25) numbers of branches while SBI has eighteen (18) numbers of branches operating in Cachar district of Assam as on 31st March, 2014. It is also not out of context to mention here that the number of branches of these two banks (SBI and UBI) in Cachar district together constitute more than 35% of the total number of branches of all banks operating in Cachar district of Assam.

For the purpose of conducting the field survey on customers of both the banks, the researcher has selected four (04) numbers of branches of SBI and four (04) numbers of branches of UBI operating in Cachar district of Assam. Out of the four branches of SBI, two are rural branches and remaining two are urban branches. Similarly, out of the four branches of UBI, two are rural branches and remaining two are urban branches. Thus, a total of eight (08) numbers of branches have been taken into consideration in order to conduct the survey on customers of SBI and UBI in Cachar district of Assam.

After selecting the number of branches of both the banks, equal numbers of customers from each of the eight (08) sample branches have been surveyed. Since the sample size decided for the present study is two hundred and sixty four (264), so the responses of thirty three (33) numbers of customers from each of the eight (08) select branches have been considered for procuring the responses of the customers with respect to their expectation and perception about select components of service quality. The field survey has been conducted by undertaking personal visit by the researcher in each of the eight (08) branches of both the banks selected for the study during the year 2015 which may be considered as the reference year of the survey.

Customers of both the banks have been asked to share their expectation and perception on twenty four (24) components of five (05) service quality dimensions, namely, reliability, tangibility, responsiveness, assurance and empathy. Thereafter, **gap** has been measured by the researcher considering the methodology of SERVQUAL model developed by Parasuraman, Zeithaml & Berry in the year 1985, a globally recognized model for assessment of gap in service quality. In the present study, the terms '*service quality gap*' and '*gap in service quality*' have been interchangeably used.

Microsoft Excel and SPSS-version 18 have been used for the purpose of analysis of data obtained through field survey. So, after collecting data through field survey, the same

has been fed into Microsoft Excel and SPSS-version 18. The collected data have been suitably classified and tabulated to attain the objectives of the study. Mean and standard deviation have been computed to analyze the data procured through field survey. Mann Whitney and Kruskal Wallis tests have been employed to test the hypotheses of the study. The entire exercise has been carried out to arrive at findings of the study.

Scope of the Study

1. The scope of the study is confined to those customers who are having at least one saving bank account for a period of at least one year before the date of survey in any of the eight (08) sample branches of both the banks (SBI and UBI) operating in Cachar district of Assam.
2. Customers include individuals only. Institutional customers like Govt. departments, educational institutions, hospitals, etc. are kept outside the purview of the study.
3. The gap between perception and expectation of customers with respect to service quality dimensions have been assessed only on the basis of twenty four (24) components of service quality categorized into five (05) dimensions of service quality.

Limitations of the Study

1. The present study is confined to the customers of both SBI and UBI in Cachar district of Assam only ignoring all other public sector as well as private sector banks even within the same district.
2. Each area has its own locational, demographic and other specificities. So, the findings of the study need to be interpreted with great caution for making any kind of generalization.
3. The chances of biasness in selecting sample for the present study may not be completely eliminated.
4. The present study is subject to all the limitations that are inherent in any study based on perception of the respondents.

Chapter Scheme

The organisation of the present study is as follows:

Chapter- I: Introduction

This chapter includes the statement of the problem, conceptual framework, objectives of the study, hypotheses of the study, data source and methodology, scope of the study, limitations of the study and chapter scheme.

Chapter-II: Review of Literature

This chapter covers an extensive review of literature on the subject selected for the study.

Chapter-III: Profile of the Study Area and Respondents

The third chapter contains the profile of the study area and the profile of sample respondents of both SBI and UBI.

Chapter-IV: Service Quality Gap in State Bank of India

This chapter entails in it the analysis of data collected through field survey for assessing the gap between customers' perception and expectation regarding service quality in the branches of State Bank of India operating in Cachar district of Assam.

Chapter-V: Service Quality Gap in United Bank of India

This chapter entails in it the analysis of data collected through field survey for assessing the gap between customers' perception and expectation regarding service quality in the branches of United Bank of India operating in Cachar district of Assam.

Chapter-VI: Service Quality Gap in State Bank of India and United Bank of India

In this chapter data collected through field survey has been analyzed in order to compare the gap in service quality of State Bank of India and United Bank of India operating in Cachar district of Assam.

Chapter-VII: Findings, Suggestions and Conclusion

Being the final chapter it includes the summary of major findings, certain suggestions, scope for future research and is followed by a brief conclusion.

Summary of Major Findings

Findings in Relation to Objective 1

1. The gap between perception of customers and expectation of customers of State Bank of India has been found to be negative in case of all the five dimensions of service quality under study. The negative gap is the highest with respect to *responsiveness* dimension which has been followed by *reliability*, *empathy*, *assurance* and *tangibility* dimensions of service quality. It may be noteworthy to point out here that the mean value for expectation of customers is the highest with respect to *reliability* dimension

while the same is the lowest with respect to *tangibility* dimension of service quality. On the other hand, the mean value for perception of customers is the highest with respect to *assurance* dimension while the same is the lowest with respect to *responsiveness* dimension of service quality.

2. Out of four sample branches of SBI, the mean value for expectation of customers about *service quality* is the highest in case of *New Silchar* branch while the same is the lowest in case of *Dargakona* branch of SBI in Cachar district of Assam. On the other hand, the mean value for perception of customers about *service quality* is the highest in case of *Kabuganj* branch while the same is the lowest in case of *Tarapur* branch of SBI in Cachar district of Assam. The gap between perception of customers and expectation of customers about *service quality* has been found to be negative which implies that the expectation of customers about *service quality* is higher than the perception of customers about *service quality*.

The result of Mann Whitney test suggests that at 5% level of significance, there is statistical evidence for significant difference in *service quality gap* of *rural* and *urban* branches of SBI in Cachar district of Assam. The result of Kruskal Wallis test suggests that at 5 % level of significance, there is statistical evidence for significant difference in *service quality gap* of sample branches of SBI in Cachar district of Assam.

The negative *service quality gap* is the highest in case of *Tarapur branch* which has been followed by *New Silchar*, *Kabuganj* and *Dargakona* branches of SBI operating in Cachar district of Assam. It is pertinent to mention here that the negative *service quality gap* is more pronounced in case of *urban* branches as compared to *rural* branches of SBI in Cachar district of Assam.

3. None of the select *rural* and *urban* branches of SBI could meet the expectation of customers with respect to all the five dimensions of service quality under study. The p value for Mann Whitney test is less than 0.05 with respect to all the select dimensions except *reliability* dimension of service quality which implies that there is statistical evidence for significant difference between *rural* and *urban* branches of SBI in Cachar district of Assam with respect to gap in all the select dimensions except *reliability* dimension of service quality.
4. None of the four sample branches of SBI could meet the expectation of customers with respect to all the five dimensions of service quality under study. The p value for Kruskal

Wallis test is less than 0.05 with respect to all the select dimensions except *reliability* dimension of service quality which implies that there is statistical evidence for significant difference in the sample branches of SBI in Cachar district of Assam with respect to gap in all the select dimensions except *reliability* dimension of service quality.

5. Out of five dimensions of service quality, the negative gap is the highest in case of *responsiveness* dimension of service quality in all the four sample branches of SBI while the same is the lowest in case of *tangibility* dimension of service quality in all the four sample branches of SBI in Cachar district of Assam.

Findings in Relation to Objective 2

6. The gap between perception of customers and expectation of customers of United Bank of India has been found to be negative in case of all the five dimensions of service quality under study. The negative gap is the highest with respect to *responsiveness* dimension which has been followed by *reliability*, *empathy*, *tangibility* and *assurance* dimensions of service quality. It may be worthwhile to mention here that out of five service quality dimensions considered in the study, the mean value for expectation of customers is the highest with respect to *assurance* dimension while the same is the lowest with respect to *empathy* dimension of service quality. On the contrary, the mean value for perception of customers is the highest with respect to *assurance* dimension while the same is the lowest with respect to *responsiveness* dimension of service quality.
7. Out of four sample branches of UBI, the mean value for expectation of customer about *service quality* is the highest in case of *Hospital Road* branch while the same is the lowest in case of *Sonai* branch of UBI in Cachar district of Assam. On the other hand, the mean value for perception of customer about *service quality* is the highest in case of *Nagatilla Point* branch while the same is the lowest in case of *Silchar* branch of UBI in Cachar district of Assam. The gap between perception of customers and expectation of customers about *service quality* has been found to be negative which implies that the expectation of customers about *service quality* is higher than the perception of customers about *service quality*.

The result of Mann Whitney test suggests that at 5% level of significance, there is no statistical evidence for significant difference in *service quality gap* of *rural* and *urban* branches of UBI in Cachar district of Assam. The result of Kruskal Wallis test suggests

that at 5 % level of significance, there is statistical evidence for significant difference in *service quality gap* of sample branches of UBI in Cachar district of Assam.

The negative *service quality gap* is the highest in case of *Silchar* branch which has been followed by *Hospital Road*, *Sonai* and *Nagatilla Point* branches of UBI operating in Cachar district of Assam. It is pertinent to mention here that the negative *service quality gap* is more pronounced in case of *urban* branches as compared to *rural* branches of UBI in Cachar district of Assam.

8. None of the select *rural* and *urban* branches of UBI could meet the expectation of customers with respect to all the five dimensions of service quality under study. The p value for Mann Whitney test is greater than 0.05 with respect to all the select dimensions except *assurance* dimension of service quality which implies that there is no statistical evidence for significant difference between *rural* and *urban* branches of UBI in Cachar district of Assam with respect to gap in all the select dimensions except *assurance* dimension of service quality.
9. None of the four sample branches of UBI could meet the expectation of customers with respect to all the five dimensions of service quality under study. The p value for Kruskal Wallis test is greater than 0.05 with respect to all the select dimensions except *assurance* and *empathy* dimensions of service quality which implies that there is no statistical evidence for significant difference in the sample branches of UBI in Cachar district of Assam with respect to gap in all the select dimensions except *assurance* and *empathy* dimensions of service quality.
10. Out of five dimensions of service quality, the negative gap is the highest in case of *responsiveness* dimension of service quality in *Hospital Road* branch, *Nagatilla Point* branch and *Silchar* branch of UBI. However, in *Sonai* branch of UBI, the negative gap is the highest in case of *empathy* dimension of service quality. On the other hand, the negative gap is the lowest in case of *assurance* dimension of service quality in *Nagatilla Point* branch and *Sonai* branch of UBI. But in *Hospital Road* branch and *Silchar* branch of UBI, the negative gap is the lowest in case of *tangibility* dimension and *empathy* dimension of service quality respectively.

Findings in Relation to Objective 3

11. The gap between perception of customers and expectation of customers of both SBI and UBI has been found to be negative in case of all the five dimensions of service

quality under study. This implies that none of the banks could come up to the expectation of its respective customers. The negative gap is the highest with respect to *responsiveness* dimension of service quality in case of both SBI and UBI. On the other hand, the negative gap is the lowest with respect to *tangibility* dimension of service quality in case of SBI while the same is the lowest in *assurance* dimension of service quality in case of UBI.

The result of Mann Whitney test suggests that at 5% level of significance there is statistical evidence for significant difference between SBI and UBI with respect to gap in all the select dimensions except *reliability* and *empathy* dimensions of service quality.

12. The negative gap in *service quality* is more in case of SBI as compared to that of UBI. The mean value of customers' expectation about *service quality* is more in SBI as compared to that of UBI. But the mean value of customers' perception about *service quality* is marginally higher in UBI as compared to that of SBI.

The result of Mann Whitney test suggests that at 5% level of significance, there is no statistical evidence for significant difference in *service quality gap* of SBI and UBI in Cachar district of Assam.

13. The gap between perception of customers and expectation of customers with respect to all the five components of *reliability* dimension of service quality has been found to be negative in both SBI and UBI. This implies that over all the components of *reliability* dimension of service quality the level of expectation of customers is higher than the level of perception of customers of both the banks under study.

The result of Mann Whitney test suggests that at 5% level of significance, there is no statistical evidence for significant difference between SBI and UBI with respect to gap in all the five components of *reliability* dimension of service quality.

It is pertinent to mention here that out of five components of *reliability* dimension of service quality, highest negative gap has been observed with respect to the component '*Consistent functioning of technology driven devices*' in case of both SBI and UBI. On the contrary, the lowest negative gap has been noticed with respect to the component '*Fulfillment of commitments*' in case of SBI and the component '*Processing/ settlement of transactions without mistake*' in case of UBI.

14. The gap between perception of customers and expectation of customers with respect to all the four components of *tangibility* dimension of service quality has been found to be

negative in both SBI and UBI. This implies that over all the components of *tangibility* dimension of service quality the level of expectation of customers is higher than the level of perception of customers of both the banks under study.

The result of Mann Whitney test suggests that at 5% level of significance, SBI and UBI in Cachar district of Assam do not differ significantly with respect to gap in the components of *tangibility* dimension of service quality except the component '*Sitting arrangement inside the branch premises*'.

It is pertinent to mention here that out of four components of *tangibility* dimension of service quality, highest negative gap has been observed with respect to the component '*Sitting arrangement inside the branch premises*' in case of both SBI and UBI. On the contrary, the lowest negative gap has been noticed with respect to the component '*Neatness in the appearance of frontline employees*' in case of both the banks.

15. The gap between perception of customers and expectation of customers with respect to all the five components of *responsiveness* dimension of service quality has been found to be negative in both SBI and UBI. This implies that over all the components of *responsiveness* dimension of service quality the level of expectation of customers is higher than the level of perception of customers of both the banks under study.

The result of Mann Whitney test suggests that at 5% level of significance, SBI and UBI in Cachar district of Assam do not differ significantly with respect to gap in the components of *responsiveness* dimension of service quality except the component '*Willingness to solve customers' problems*'.

It is pertinent to mention here that out of five components of *responsiveness* dimension of service quality, highest negative gap has been observed with respect to the component '*Promptness of technology driven devices in responding customers' requisition*' in case of both SBI and UBI. On the contrary, the lowest negative gap has been noticed with respect to the component '*Willingness to solve customers' problems*' in case of both the banks.

16. The gap between perception of customers and expectation of customers with respect to all the five components of *assurance* dimension of service quality has been found to be negative in both SBI and UBI. This implies that over all the components of *assurance* dimension of service quality the level of expectation of customers is higher than the level of perception of customers of both the banks under study.

The result of Mann Whitney test suggests that at 5% level of significance, SBI and UBI in Cachar district of Assam do not differ significantly with respect to gap in the components of *assurance* dimension of service quality except the components '*Knowledge and skill to meet customers' queries*' and '*Etiquette towards customers*'.

It is pertinent to mention here that out of five components of *assurance* dimension of service quality, highest negative gap has been observed with respect to the component '*Etiquette towards customers*' in case of SBI and the component '*Trust and confidence generated in customers' mind*' in case of UBI. On the contrary, the lowest negative gap has been noticed with respect to the component '*Maintenance of confidentiality of customers' account*' in case of both the banks.

17. The gap between perception of customers and expectation of customers with respect to all the five components of *empathy* dimension of service quality has been found to be negative in both SBI and UBI. This implies that over all the components of *empathy* dimension of service quality the level of expectation of customers is higher than the level of perception of customers of both the banks under study.

The result of Mann Whitney test suggests that at 5% level of significance, there is no statistical evidence for significant difference between SBI and UBI with respect to gap in all the five components of *assurance* dimension of service quality.

It is pertinent to mention here that out of five components of *empathy* dimension of service quality, highest negative gap has been observed with respect to the component '*Personal attention to customers*' in case of both SBI and UBI. On the contrary, the lowest negative gap has been noticed with respect to the component '*Use of customer friendly language by employees*' in case of both the banks.

Suggestions

The respondents of both SBI and UBI have been asked to share their opinion regarding the needed degree of improvement with respect to all the five dimensions of service quality under study. The following paragraphs portray the opinion of customers of SBI and UBI regarding the needed degree of improvement in each of the five dimensions of service quality in their respective banks.

1. Out of 132 respondents of SBI, majority (37.90%) of the respondents have opined that a large extent of improvement is required in *reliability* dimension of service quality. However, another 18.90% of the respondents have felt that improvement

in this dimension of service quality is required to a very large extent. On the other hand, out of 132 respondents of UBI, majority (31.10%) of the respondents have opined that a large extent of improvement is required in *reliability* dimension of service quality. However, another 19.70% of the respondents have felt that improvement in this dimension of service quality is required to a very large extent. Based on the findings of the study it is suggested that under *reliability* dimension of service quality the component '*Consistent functioning of technology driven devices*' may have to be addressed properly by both SBI and UBI in order to meet the expectation of their respective customers. Further, SBI is also expected to consider the component '*Deliverance of services within the promised time*' in order to reduce the negative gap in this particular dimension of service quality.

2. Out of 132 respondents of SBI, majority (31.80%) of the respondents have opined that a little extent of improvement is required in *tangibility* dimension of service quality. However, another 28.80% of the respondents have felt that improvement in this dimension of service quality is required to a moderate extent. Again out of 132 respondents of UBI, majority (25.76%) of the respondents have opined that a moderate extent of improvement is required in *tangibility* dimension of service quality. However, there are 25 respondents who have felt that improvement in this dimension of service quality is required to a large extent and another 15 respondents who have opined that improvement in this dimension of service quality is required to a very large extent. Based on the findings of the study it is suggested that under *tangibility* dimension of service quality the component '*Sitting arrangement inside the branch premises*' may have to be addressed properly by both SBI and UBI in order to meet the expectation of their respective customers.
3. Out of 132 respondents of SBI, majority (32.60%) of the respondents have opined that a large extent of improvement is required in *responsiveness* dimension of service quality. However, another 24.20% of the respondents have felt that improvement in this dimension of service quality is required to a very large extent. Again out of 132 respondents of UBI, majority (33.30%) of the respondents have opined that a large extent of improvement is required in *responsiveness* dimension of service quality. However, another 19.70% of the respondents have felt that improvement in this dimension of service quality is required to a very

large extent. Based on the findings of the study it is suggested that under *responsiveness* dimension of service quality the component '*Promptness of technology driven devices in responding customers' requisition*' may have to be addressed properly by both SBI and UBI in order to meet the expectation of their respective customers. Further, both SBI and UBI are also expected to consider the components '*Patient listening of customers' problems*' and '*Swiftness in serving customers*' in order to reduce the negative gap in this particular dimension of service quality.

4. Out of 132 respondents of SBI, majority (32.60%) of the respondents have opined that a little extent of improvement is required in *assurance* dimension of service quality. However, another 29.50% of the respondents have felt that improvement in this dimension of service quality is required to a moderate extent. Again out of 132 respondents of UBI, majority (27.30%) of the respondents have opined that a moderate extent of improvement is required in *assurance* dimension of service quality. However, another 21.20% of the respondents have felt that improvement in this dimension of service quality is required to a large extent. Based on the findings of the study it is suggested that under *assurance* dimension of service quality the component '*Etiquette towards customers*' may have to be addressed properly by SBI and the component '*Trust and confidence generated in customers' mind*' may have to be addressed properly by UBI in order to meet the expectation of their respective customers.
5. Out of 132 respondents of SBI, majority (44.70%) of the respondents have opined that a large extent of improvement is required in *empathy* dimension of service quality. However, another 11.40% of the respondents have felt that improvement in this dimension of service quality is required to a very large extent. Again out of 132 respondents of UBI, majority (28.80%) of the respondents have opined that a large extent of improvement is required in *empathy* dimension of service quality. However, another 24.20% of the respondents have felt that improvement in this dimension of service quality is required to a very large extent. Based on the findings of the study it is suggested that under *empathy* dimension of service quality the component '*Personal attention to customers*' may have to be addressed properly by both SBI and UBI in order to meet the expectation of their respective customers.

Scope for Further Research

1. A similar type of research work may be carried out for assessing the service quality gap of other public sector banks in the same locality.
2. A similar type of research work may be carried out for assessing the service quality gap of SBI and UBI in other locations with similar type of demographic and economic specificities.
3. The future research may also include the role of demographic variables of customers in the process of assessment of expectation and perception of customers about service quality.

Conclusion

Due to the introduction of banking sector reforms, public sector banks in India have been facing stiff competition from the private sector banks and in such a situation it has become important from the part of public sector banks to make consistent efforts in deliverance of quality services to their valued customers. In the regime of intensified competition, the expectations of customers are continually evolving as they have the options to choose from a large variety of services offered to them by the new entrants in the market. It is in this context, public sector banks are expected to meet the desires of their customers hailing from different strata of the society. Service quality has increasingly become a key element of business strategy. In today's ever increasing competitive banking environment, deliverance of quality services is considered as an effective way to gain strategic advantages. To put in simple words, delivery of quality services helps a bank in building long term mutually beneficial and trustworthy relationships with its customers. A major contribution of the present research work has been to highlight the areas of service quality gap of State Bank of India and United Bank of India in Cachar district of Assam and such findings would help both the banks to address the issues which deserve immediate attention. It is suggested that both SBI and UBI in Cachar district of Assam need to redesign their policies regarding delivery of services as none of the banks could fulfill the expectation of its respective customers.