Chapter I

INTRODUCTION

1.1 Prologue

The banking industry in India has experienced some major transformations in the post independence era. Banking sector in India like many other sectors has been experiencing a rapidly changing market, new and modern technologies, economic uncertainties, more demanding customer services and above all fierce competition, that have presented an unpredictable set of challenges for each of the public sector as well as private sector banks (Adhikari and Nath, 2014). To develop and to sustain business, banks must ensure quality customer service that can link up cordial relation with the customer and result in customer satisfaction. Customer satisfaction can be considered the essence of success in today's highly competitive world of business.

The primary objective of any bank is to meet the expectations of the customers which is only possible by satisfying the needs and wants of the customers and exceeding their expectations with unanticipated benefits. Moreover, to stay ahead of the competitors, it is essential to keep the customers happy and contented. There is also need to understand the market, know the background of customers and realize the characteristics of the competitors in order to retain the existing customers and allure the new ones as well. Banks also need to deliver customer-focused and innovative offerings than ever before to connect/reconnect with their customers.

Due to the increased degree of competition linked with the entry of new private sector banks including the foreign banks, service quality has become a decisive benchmark for assessing the performance of the bank on the front of customer satisfaction. 'Customer satisfaction' and 'service quality' are not isolated rather these two are closely related. The higher the service quality, the higher is the expected degree of customer satisfaction. The concept of 'Customer satisfaction' has gradually gained momentum in India particularly in the post reform period because customer is the monarch in the competitive regime. Further the growth of business and profit is directly linked with the satisfaction/dissatisfaction of customers particularly in a competitive service industry. The expansion and consolidation of business of a bank

is also to a great extent dependent upon customer satisfaction, if not in the very short run.

1.2 Statement of the Problem

Banking sector reforms in India along with financial sector liberalization and opening up of the economy have made the situation precarious to the banks in general and for public sector banks in particular (Sharma, 1995). Indian bankers, during the post liberalization period, suddenly find their semi-protected, monolithic and rule bound, consumer insular world disintegrated into fiercely competitive, profit driven and market oriented world for which they were probably not prepared (Kulkarni 1994). Various foreign and private sector banks have entered into the Indian market with new offers, schemes and services to attract the customers. As a result, the customer has more options to choose right product out of different products/schemes offered by a large number of banking organizations hailing from both public and private sector in the era of globalization (Doddaraju, 2013). However, increased levels of competition offered by private banks and foreign banks have posed real threat to the Indian Public Sector Banks for retaining and attracting customers, especially in the present millennium (Sheopuri and Sheopuri, 2014).

The banking sector now faces stiff inter-bank competition in providing customer service, providing special facilities and ensuring customer satisfaction in different parts of the country and especially in metropolitan cities and state capitals of India (Agarwal, 2012). Indian public sector banks have been striving to satisfy their customers by ensuring quality service but in some cases many banks could not be able to meet the expectation of their customers. Again customers of different banks are not satisfied upon their banks not only because of low quality services but due to delayed services as well.

Increased level of awareness of customers and wide range of options open to them have their effect in changing the needs and expectation of customers and consequently Indian public sector banks in order to preserve their market share have been practically compelled to cope up with the emerging banking environment and ever changing needs of bank customers (Dahotre, 1994). But the element of competition in small towns and rural areas has not been intensified like that of metropolitan cities

and state capitals. But gradually private sector banks started functioning in small towns also and Cachar district, which has been selected as the study area for the present study, is no exception to this. So, in order to survive in the competitive environment, it becomes imperative to re-emphasize the role of Indian Public Sector banks as a service provider even in small towns and rural areas of India so that satisfaction of customers can be ensured through providing of quality services not only with the increased efforts of bank employees but also with the use of latest technology.

A large number of research studies have been conducted on customer satisfaction in different banks with reference to different geographical location in India and abroad. These studies identified various service quality dimensions capable of influencing the level of customer satisfaction as well as measured the status of customer satisfaction. However, service quality dimensions capable of influencing the status of customer satisfaction and their relative importance differ from bank to bank and also from region to region.

It has been found in many studies that responses of customers of different banks of a particular district or state are analyzed. Even in Assam also, a very few studies have been found which compared the level of customer satisfaction of different banks on the basis of very small samples taken from every bank. It is felt that a study on customer satisfaction of a particular bank operating in a specific region can be effectively studied only when the perception of customers belonging from diverse demographic background with varied needs and expectations have been considered.

The present study analyzes the status of customer satisfaction on select service quality dimensions of a particular public sector bank operating in Cachar district of Assam as no study has so far been undertaken on customer satisfaction of any single public sector bank in Cachar district of Assam. For this reason, United Bank of India has been selected for the present study as it has the largest number of branches scattered over different parts of the district. United Bank of India is expected to reap the gains of its wide network of branches to retain its existing customer base and attract potential customers from different corners of the district. Further, not only the share of UBI (29.17%) in the total deposit mobilized by the public sector banks in Cachar district of Assam as on 31st March, 2015 is the largest but also UBI maintains the

lion's share (26.89%) in the total credit disbursed by the public sector banks in Cachar district as on 31st March, 2015. Therefore, United Bank of India is expected to cater to the needs of its large number of customers (depositors and borrowers) residing in different corners of the district through its wide network of branches scattered over various locations of the district. The present study makes an assessment of the degree of customer satisfaction in relation to their demographic background which, in turn, will help the management of the bank to understand the satisfaction level of different customer segments. Hence, it is expected that the present study will contribute a pioneering work in assessing the satisfaction/dissatisfaction of customers keeping in mind the region/district specific features. The present study is also expected to be a unique one as the study has incorporated a good number of dimensions of service quality with numerous components under each of the service quality dimensions.

1.3 Conceptual Framework

In the following paragraphs, definitions of customer satisfaction, some theories of customer satisfaction, service and its features, service quality and the various dimensions of service quality etc have been narrated in a brief way.

1.3.1 Customer Satisfaction

The term "Satisfaction" has different meanings to different individuals, but it generally seems to be a positive assessment of the service. Satisfaction is a judgement that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption related fulfillment including levels of under or over fulfillment (Oliver, 1997). It is an overall psychological state that reflects the evaluation of a relationship between the consumer or customer and a company, environment and product or service. It involves one or more of the following three psychological elements, namely, cognitive (thinking/evaluation), affective (emotional/feeling) and behavioural (Sujatha, 2013)

Several definitions of customer satisfaction have been offered over the past three decades. It has been defined as a person's feelings of pleasure or disenchantment that results from comparing a product's perceived performance or outcome with their expectations (Kotler and Keller, 2009). Anderson (1994) also offered two definitions of customer satisfaction, one is based on transaction specific experiences and the

other is on cumulative experiences (Zeithaml et al, 2009). With a transaction-specific experience, customer satisfaction is defined as the post-choice evaluative judgement of a specific purchase occasion. Whereas with a cumulative experience, customer satisfaction can be determined as a result of a customer's evaluation of his/her total purchase and consumption experience over time (Oliver, 1997).

Some authors observed that there is no specific definition of customer satisfaction and after gone through several definitions, they defined customer satisfaction as "A response (cognitive or affective) that pertains to a particular focus (i.e., a purchase experience and/or the associated product) and occurs at a certain time (i.e., post-purchase, post-consumption)" (Giese and Cote, 2000). In fact, there is no specific definition of customer satisfaction; different authors come up with different definitions which have been presented in table 1.1.

Table 1.1: Definitions of Customer Satisfaction

Definition	Author
Customer Satisfaction is viewed as a post-choice evaluation judgement of a specific purchase occasion.	Oliver (1980)
Customer Satisfaction is defined as the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived after its consumption	Tse & Wilton (1988)
Customer Satisfaction is defined as a collective outcome of perception, evaluation and psychological reactions to the consumption experience with a product /service.	Yi (1990)
Customer Satisfaction is conceptualized as been transaction-specific meaning, it is based on the customer's experience on a particular service encounter	Cronin & Taylor (1992)
Customer Satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived outcome in relation to his or her expectation.	Kotler (2000)
Customer Satisfaction can be formed through an affective evaluation process and this affective evaluation is done following the purchase experience by the consumer.	Wicks & Roethlein (2009)

Source: Review of literature

Customer Satisfaction in commercial banks has also been defined as the extent to which customers are happy with the products and services provided by the commercial banks including the behavioural aspects of the employees towards the customers while transacting any banking business in their respective branches. Thus, customer satisfaction is considered as the emotional response to the experiences associated with the quality of products, services, timeliness, efficiency, ease of access, other facilities including the behaviour and attitude of the service providers in comparison to the expectations of the customers. Customer satisfaction is an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment.

Customer satisfaction is therefore defined as the result of a cognitive and affective evaluation, where some comparison standard is compared to the actually perceived performance. If the perceived performance surpasses expectations, customers will be delighted. On the other hand, if the perceived performance is less than expected, customers will be dissatisfied. Measurement of customer satisfaction offers a meaningful and objective feedback about the preferences and expectations of customers.

1.3.2 Theories on Customer Satisfaction

The marketing and consumer behaviour literature has traditionally suggested that customer satisfaction is a relative concept and is always judged in relation to a standard. Consequently, in the course of its development, a number of different competing theories have been postulated for explaining customer satisfaction. The theories can be broadly classified under three groups, namely, Expectancy disconfirmation, Equity and Attribution (Adee, 2004).

Expectancy-Disconfirmation Theory

Oliver (1977, 1980) proposed the Expectancy-Disconfirmation Paradigm (EDP) as the most promising theoretical framework for the assessment of customer satisfaction. The model proposed that satisfaction level is a result of the difference between expected and perceived performance. Satisfaction (positive disconfirmation) occurs when product or service is better than the expected. On the contrary, a performance worse than expected results in dissatisfaction (negative disconfirmation). A customer

is either satisfied or dissatisfied as a result of positive or negative difference between their expectations and perceptions. Thus, when service performance is better than the expected, there is a positive disconfirmation between expectations and performance which causes satisfaction. On the other hand, when service performance is not as good as what the customers expected, there is a negative disconfirmation between expectations and perceptions which results in dissatisfaction.

Equity Theory

This theory emphasized the consumer's attitude about fair treatment in the consumption process. Fair treatment can use the concept of the equity ratio (amount of return for the effort made) or the concept of social comparison (perceived, relative level of product or service performance that other customers experience).

The equity concept suggested that the ratio of outcomes to inputs should remain constant across participants in an exchange. As applied to customer satisfaction research, satisfaction is considered to subsist when the customer believes that his outcomes to input ratio is equal to that of the exchange person. According to this theory, parties to an exchange will feel equitably treated, if in their minds, the ratio of their outcomes to inputs is fair (Oliver and Desarbo, 1988).

Attribution theory

Attribution Theory was developed by the research work of Weiner et al. (1971). It has been observed that the Attribution Theory has been mostly used in dissatisfaction or complaining behaviour models than in satisfaction models. According to this model, consumers are regarded as rational processors of information who look for reasons to explain why a purchase outcome, for example dissatisfaction, has occurred. This model argues that when the performance of a service does not match the customers' prior expectations or other standards, customers engage in an attributional process in order to make sense of what has occurred (Bitner, 1990).

1.3.3 Importance of Customer Satisfaction for Banks

- A better understanding of the determinants of customer satisfaction of commercial banks help the management in devising policies to improve the service quality of commercial banks and thereby improve their financial sustainability.

- With better understanding of customers' perceptions, commercial banks can determine the necessary actions required to meet the customers' want. They can also identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path for future advancement and improvement.

- Measuring customer satisfaction helps to promote an increased focus on customer outcomes and stimulate continuous improvements in the work practices and processes used within the banking industries.

- Banks that surpass quality service can have a distinct marketing edge since improved levels of service quality are closely related to higher revenues, increased cross-sell ratios, higher customer retention and expanded market share.

- If a bank manages to create a strong relationship based on trust and loyalty with its customer, then it would be hard for the competitors to overcome this relationship.

1.3.4 Service and Its Features

Service can be defined in different ways by different authors depending upon the area in which the term is being used. Kotler and Keller (2009) defined service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything". Gronroos (2007) also defined a service as "a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employee and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems."

These features of service also make service unique and different from goods which have been described below:

Intangibility

A service is intangible (do not have physical evidence) unlike manufactured goods that are tangible. Service has no physical dimensions and attributes and thus cannot be seen, felt or tasted (Balachandran, 2004). We can only feel or experience the services. The quality of services cannot be determined before their use. This causes increase in

the uncertainty level and to reduce this factor, customers look for signals of service quality. Thus, it is very important for the service provider to tangibilize the service in order to suggest the quality of their intangible service.

Inseparability

This stands for inseparability of production and consumption. Services are created (by the provider) and consumed (by the client or user) simultaneously and cannot be stocked like goods (Jauhari and Dutta, 2009). In service industries, usually the producer performs the service at the time when consumption of the service takes place. Therefore, it is difficult for the producer to conceal mistakes or quality shortfalls of the service. In comparison, the goods producers have a buffer between production and consumption by the consumer (Ghobadian et. al., 1993).

Heterogeneity

Services are performances which have been frequently produced by humans; no two services will be alike in particular. A service is difficult to produce constantly and exactly over time. Heterogeneity also results because no two customers are precisely alike; each will have unique demands or experience the service in a different way (Zeithaml and Bitner, 1996). The performance of service varies from producer to producer, from customer to customer, and from time to time. This characteristic of service makes it difficult to standardize the quality of the service (Balachandran, 2004).

Perishability

This implies that 'services cannot be saved' (Zeitham et. al., 1985) as service cannot be stored. It is lost forever when not used. Further, it is not possible for consumer to retain the actual service after it is produced. Unlike manufactured goods, services cannot be stocked for consumption at a later stage. This makes it impossible to have a quality check before the producers send it to the customers. The service providers then only have one pathway, to provide service right the first time and every time (Ghobadian et. al., 1993).

Differing Standards and Criteria of Service

Services, as performances are difficult to evaluate by the customers prior to purchase. The factors customers use to evaluate service quality may be more difficult for the

marketers to adopt. The only criteria that count in measuring service quality are defined by customers only. Service-quality perceptions stem from how well a provider perform vis-à-vis customers' expectations about how the provider should perform. Customers do not appraise service quality exclusively on the outcome of a service; they also take into consideration the process of service delivery.

1.3.5 Service Quality

Service quality is a form of attitude resulting from the comparison of expectations with the performance (Cronin and Taylor, 1992). Service quality can also be defined as the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received. Many scholars agree that service quality can be decomposed into two major dimensions. The first dimension is referred by Zeithaml et. al. (1985) as "outcome quality" and the second one is by Gronroos (1984) as "technical quality." The first dimension is concerned with what the service delivers and on the other hand; the second dimension is dealt with how the service is delivered.

A customer always wants something and expects that the organisation should come forward to the level to fulfill those requirements. Service quality is about meeting customers' needs and requirements, and how well the service delivered matches the expectations of customers. Berry and Parasuraman (1991) held the view that high quality service gives credibility to the field of sales force and advertising, stimulates favourable word-of-mouth communications, enhances customers' perception of value and boosts up the morale and loyalty of employees and customers alike.

1.3.6 Service Quality and Customer Satisfaction

Many a times, service quality and customer satisfaction are assumed to be similar. But, theorists working in the area of satisfaction view these as distinct concepts. Customer satisfaction is the outcome of a marketing exchange. It is an outcome variable. The input variable is the customer-firm interaction. The interaction between the firm and the customer is the driver and satisfaction is the driven (Verma, 2008). Satisfaction is generally viewed as a broader concept than service quality assessment. Service quality focuses specifically on dimensions of service while satisfaction is

more inclusive. It is influenced by perceptions of service quality, product quality and price as well as situational factors and personal factors (Zeithaml and Bitner, 1996).

Oliver (1993) first suggested about the relationship between service quality and customer satisfaction that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. Satisfaction of the customer largely depends on the quality of service. Research in this area suggests service quality as an important indicator of customer satisfaction. Service quality has gradually been emerged as the major attractant to many banks as a competitive differentiator (Newman, 2001). Service quality is difference between customer expectations of service and perceived service. If expectation is greater than performance, then the perceived quality is less than satisfactory and hence customer dissatisfaction occurs (Parasuraman et. al., 1985). Customer satisfaction can thus be based not only on the customers' reliability of the service being provided but also on their experiences with regard to the service delivery process. High quality of service leads to customer satisfaction and greater willingness to suggest and recommend to someone else, reduction in customer complaints and improved customer retention rates to a great extent (Zeithaml et. al, 1996).

Although there can be other factors such as price, product quality etc other than service quality that determine the level of customer satisfaction (Wilson et. al. 2008), interest of this study is on service quality alone because service quality has been proven to be one of the major determinants of customer satisfaction by many scholars when it comes to service sectors.

1.3.7 Models of Service Quality for Measurement of Customer Satisfaction

There is no commonly agreed method of measuring customer satisfaction. Several models of measuring customer satisfaction have been proposed by several scholars. Different models clarify different theories of customer satisfaction.

Technical and Functional Quality Model

Gronroos (1984) developed the first model to measure service quality. He identified three components of service quality; the technical quality- which is concerned with

what is delivered (outcome), the functional quality- which deals with the process of service delivery (how it is delivered) and the image quality- which is identified as corporate image of company resulting from both technical and functional qualities of service components.

SERVQUAL GAP Model

The SERVQUAL framework developed by Parasuraman et. al. in 1985 is a method of evaluating service quality for service sector and came about from research which suggests that customer satisfaction is based on multiple factors rather than one factor.

The concept of customer satisfaction and service quality are highly correlated. Satisfaction of the customer depends on the quality of service. Research in this area suggests that service quality is an antecedent of customer satisfaction and high service quality leads to high levels of customer satisfaction in general (Zeithaml et. al, 1996).

Parasuraman, Zeithamal and Berry (1988) built a 22-item instrument called SERVQUAL for measuring consumer perceptions of service quality. SERVQUAL addresses many factors of service quality divided into the dimensions of Reliability, Responsiveness, Tangibles, Assurance and Empathy. According to the SERVQUAL model, service quality can be measured by identifying the gaps between customers' prior expectations of the service to be rendered and their perceptions regarding the actual performance of service.

Parasuraman et. al. (1985) developed this service quality model based on gap analysis. According to this model, the service quality is a function of Perceptions and Expectations. The various gaps visualized in the model are:

> *Gap 1: Difference between consumers' expectation and management's perceptions of those expectations.*
>
> *Gap 2: Difference between management's perceptions of consumer's expectations and service quality specifications.*
>
> *Gap 3: Difference between service quality specifications and service actually delivered i.e. the service performance gap.*

> *Gap 4: Difference between service delivery and the communications to consumers about service delivery.*

> *Gap 5: Difference between consumer's expectation and perceived service.*

SERVPERF

Cronin and Taylor (1992, 1994) argued that the measuring of service quality using a performance -minus - expectation (SERVQUAL) basis was inappropriate and suggested the performance only (SERVPERF) measurement could be a better method. The perceived quality model depicts that an individual's perception of the quality is only a function of its performance. Cronin et. al. (1994) continued to debate between the effectiveness of SERVQUAL and SERVPERF for assessing service quality.

Attribute Service Quality Model

This mode was developed by Haywood and Farmer in 1988. The model stated that a service organization has been declared to have 'high quality' if it meets customer preferences and expectations consistently. According to this, the separation of attributes into various groups is the first step towards the development of a service quality model. In general, services have three basic attributes namely, physical facilities and processes; people's behaviorial aspect and professional judgment. Each attribute consists of several factors or elements.

Perceived Service Quality and Satisfaction Model

This model was developed by Spreng and Mackoy (1996). This model attempted to develop the understanding of the constructs perceived service quality and consumer satisfaction. The model basically highlighted the effect of expectations, perceived performance desires, desired congruency and expectation disconfirmation on service quality and overall customer satisfaction. These can be measured through set of ten attributes of advising (convenience in making an appointment, friendliness of the staff, advisor listened to my questions, the advisor provided accurate information, the knowledge of the advisor, the advice was consistent, advisor helped in long-range planning, the advisor helped in choosing the right courses for career, advisor was interested in personal life and the offices were professional).

1.3.8 Dimensions of Service Quality

Gronroos (1982) developed the first model to measure service quality. He identified three components of service quality; the technical quality- which is concerned with what is delivered (outcome), the functional quality- which deals with the process of service delivery (how it is delivered) and the image quality- which is identified as corporate image of company resulting from both technical and functional qualities of service components.

Parasuraman et. al. (1985) found ten general dimensions of service quality: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication and understanding the customers. These general dimensions represent the evaluative criteria used by customers to access service quality. The SERVQUAL model was made of these ten dimensions of service quality. Later on, through their subsequent research, analysis and testing, Parasuraman et al (1988) reduced these ten determinants into five because some dimensions were overlapping (communication, credibility, security, competence, courtesy, understanding customers and access). These five dimensions include -Tangibility, Reliability, Responsiveness, Assurance and Empathy. The last two dimensions i.e., Assurance and Empathy contains items representing seven original dimensions- communication, credibility, security, competence, courtesy, understanding customers and access.

Johnston (1997) has identified the eighteen (18) dimensions of service quality viz, Access, Aesthetics, Attentiveness/helpfulness, Availability, Care, Comfort, Courtesy, Cleanliness/tidiness, Commitment, Communication, Competence, Flexibility, Friendliness, Functionality, Integrity, Reliability, Responsiveness and Security.

However, following dimensions of service quality have been used in the present study

Reliability

Reliability dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et.al. (1985), Cronin and Taylor (1992), Johnston (1997), Berkley and Gupta (1994) and Zhu et. al., (2002). In general, Reliability is the ability of a person to perform and maintain its functions in routine circumstances, as well as hostile or unexpected circumstances. Reliability means the ability of an organization to accurately achieve its services in proper time and

according to the promises it has made to its clients (Mohammad and Alhamadani, 2011). In other words, it refers to how the company are performing and completing their promised service, quality and accuracy within the given set of requirements between the company and the customer. Parasuraman et. al. (1988) defined reliability as the ability to perform the promised service dependably and accurately in a consistent manner. Consistency of performance comes from the control on processes that deliver the service at levels that are predetermined (Balachandran, 2004). In its broadest sense, reliability means that the company delivers on its promises- promises about delivery, service provision, problem resolution and pricing. Customers want to do business with companies that keep their promises, particularly their promises about the service outcomes and core service attributes (Zeithaml et. al., 2011). Reliability indicates that the firm performs the service right the first time and honours its promise (Sachdev, S. B., 1997). It refers to the extent to delivered services according to standards expected and promised by service provider (Khalid et. al., 2011). Most of the customers regard reliability as the most important of the five dimensions of the service performance (Venugopal and Raghu, 2011). Consequently, failures to provide reliable service generally translate into an unsuccessful firm (Hoffman and Bateson, 2010). All firms need to be aware of customer expectations of reliability. The importance of reliability is dramatized by the finding that customers' expectation for service are likely to go up when service is not performed as promised. When service failures occur, customers' tolerance zones are likely to shrink and their adequate and desired service levels are ikely to rise (Zeithaml and Bitner, 1996). Since reliability is the most important factor to customers, banks cannot afford to make mistakes in this area (Johnston, 1995). It is found that service reliability is the service "core" to most customers and managers should use every opportunity to build a "do-it-right-first" attitude (Berry et. al., 1990). It is reported that reliable service is the outcome of the continuous improvement (Berry and Parasuraman, 1991).

Responsiveness

Responsiveness dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et.al. (1985), Cronin and Taylor (1992), Johnston (1997), Berkley and Gupta (1994) and Zhu et. al. (2002) etc. Responsiveness is concerned with how the organisation, through its staff, responds to customers. It is the willingness or readiness of service provider to help customers and

to provide prompt service. It also includes the service provider's sensitivity as well as timeliness in responding to customers' requests (Bhattacharjee, 2006). If a customer is kept waiting for the service he/she requires, it creates inevitable negative perceptions of quality which could otherwise have been avoided (Jauhari and Dutta, 2009). This dimension emphasises attentiveness and promptness in dealing with customers' requests, questions, complaints and problems. Responsiveness is communicated to customers by the length of time they have to wait for assistance, answer to questions or attention to problems. It also captures the notion of flexibility and ability to customize the service to customer needs (Zeithaml et. al., 2011). It is the quality of being responsive; reacting quickly; as a quality of people, it involves responding with emotion to people and events. Responsiveness means prompt services, quickly solve problems and convenient service in banking service quality. When response is delayed, a customer usually loss interest (Apte, 2010). To excel on the dimension of responsiveness, a company must view the process of service delivery and the handling of requests from the customers' point of view rather than from company's point of view. Standards for speed and promptness that reflect the company's view of internal process requirements may be very different from the customer's requirement for speed and promptness. To distinguish themselves on responsiveness, companies need well-staffed customer service departments as well as responsive frontline people in all contact positions (Zeithaml et. al., 2011). It is an important dimension of service quality for those customers who require some service over and above what is usually provided (Venugopal and Raghu, 2011). Therefore, it is likely to have an important and positive effect on customer satisfaction (Jun and Cai, 2001).

Tangibility

Tangibility dimension has been advocated as one of the important dimensions for assessment of service quality by Parasuraman (1985) and Cronin and Taylor (1992). Tangibles are those factors that the customers can see, hear and touch. It includes the appearance of physical facilities, equipment, personnel and communication materials (Venugopal and Raghu, 2011). These provide evidence of the care and attention to detail that is exhibited by the service provder. Service companies, especially in the hospitality sector, focus on the tangibles to show their differential advantages (Jauhari and Dutta, 2009). Tangibles provide physical representations or images of the service that customers, particularly new customers, will use to evaluate quality. A

firm's tangibles consist of a wide variety of objects such as carpeting, desks, lighting, wall colors, brochures, daily correspondence and the appearance of the firm's personnel (Hoffman and Bateson, 2010). Service industries that emphasize tangibles in their strategies include services in which the customer visits the establishment to receive the service. Tangibles provide the customer proof of the quality of service (Apte, 2010). Although tangibles are often used by service companies to enhance their image, provide continuity and signal quality to customers, most companies combine tangibles with another dimension to create a service quality strategy for the firm. In contrast, firms that don't pay attention to the tangibles dimension of the service strategy can confuse and even destroy and otherwise good strategy (Zeithaml et. al., 2011).

Competence

Competence dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et. al. (1985), Johnston (1997) and Berkley and Gupta (1994). It is a concern about whether service providers have necessary knowledge and skill to perform the service (Verma, 2008). If the person in contact is observed to be inadequately informed on matters relating to the service and company policies in that regard or is seen to be fumbling, repeatedly referring to someone else, or trying to hide his ignorance, there is dissatisfaction. Not everybody can know everything about everything. However, if the person concerned, aware of his ignorance on a particular matter, is quick to obtain the correct information and satisfy the customer, he is competent. The body language of a competent person will reflect experience (Balachandran, 2004).

Communication

Communication dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et. al. (1985), Johnston (1997), Haywood and Farmar (1988) and Berkley and Gupta (1994). It is customer's concern whether he would be given a patient hearing when required and would be kept informed in language they can understand (Verma, 2008). This is related to accurate information, which is a significant want of customers (Balachandran, 2004). It involves explaining the service itself; explaining how much the service will cost; assuring a customer that a problem will be handled (Sinha and Sahoo, 1994).

Security

Security dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et.al. (1985), Johnston (1997), Haywood and Farmar (1988) and Zeithaml et. al. (2002).Customers expect the service to be free from danger, risk and doubt (Verma, 2008). It refers to the extent of safety, privacy, confidentiality etc. Again the security sought is not only for physical possessions, but also for reputations, information and business data. Security has implications in terms of ergonomics (effects on body), asset effectiveness and response in emergency, workplace safety etc. (Balachandran, 2004). It involves physical safety, financial security and confidentiality (Sinha and Sahoo, 1994).

Care

Care dimension has been advocated for assessment of service quality by Jhonston (1997). A service firm should have the ability to experience a customer's feelings as its own. When a service provider puts himself in the shoes of the customers, he may see the customer's viewpoint better. When customers feel that the provider is making his best effort to see their viewpoint, it may be good enough for most (Apte, 2010). Care dimension of service quality has been defined as the concern, consideration, sympathy and patience shown to the customer. This includes the extent to which the customer is put at ease by the service and made to feel emotionally (rather than physically) comfortable (Jhonston, 1995).

Access

Access dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et. al. (1985), Johnston (1997) and Berkley and Gupta (1994). It refers to expectations surrounding the issue of ease with which the staff or service can be approached (Verma, 2008). Access is reflected in location of facility, hours and speed of operation, waiting periods etc. Proximity is not determined in physical distances. Electronic systems have cut down distances and time (Balachandran, 2004). It means the service is easily accessible by telephone; waiting time to receive service is not extensive; hours of operation are convenient; location of service facility is convenient (Sinha and Sahoo, 1994).

Courtesy

Courtesy dimension has been considered as one of the important dimensions for assessment of service quality by Parasuraman et. al. (1985), Johnston (1997) and Haywood and Farmar (1988). It is reflected in customer's concern about how politely, respectfully and friendly he or she would be treated during the course of dealings with the service firm (Verma, 2008). One does not need to be servile while being courteous. It is possible to be quite assertive stating a different point of view and yet be courteous. While disagreeing with other, it is not necessary to declare that 'I don't agree' or 'You are wrong'. One can deny the other's request without being discourteous (Balachandran, 2004). It includes consideration for customers' property; clean and neat appearance of public contact personnel (Sinha and Sahoo, 1994).

Availability

Availability dimension has been advocated for assessment of service quality by Jhonston (1995). It denotes the availability of service facilities, staff and goods to the customer. This means both the staff/customer ratio and the amount of time each staff member has available to spend with each customer and also availability of cash counters. In the case of goods, availability includes both the quantity and the range of products made available to the customer.

Apart from the above mentioned dimensions of service quality, there are various other dimensions of service quality suggested and advocated by various authors from time to time which are capable of influencing customer satisfaction in banking sector of any country of the globe. But these above-mentioned dimensions of service quality have been propounded by different authors and have been used by different authors in their studies to assess the level of customer satisfaction/dissatisfaction in the context of the banking sector. In the foregoing paragraphs, only ten dimensions of service quality have been narrated since these dimensions have been identified and selected by the researcher for the present study on the basis of the review of literatures and the result of pilot survey. However, there is of course no disagreement that there exist a good number of service quality dimensions with various components under each of the dimensions other than these ten dimensions but majority of the researchers on the subject in vogue have been in consensus to use the aforesaid ten dimensions for the measurement of customer satisfaction with respect to service quality.

1.4 Objectives of the Study

The objectives of the study are as follows:

1. To assess the level of customer satisfaction about the select service quality dimensions in the branches of United Bank of India operating in Cachar district of Assam.

2. To analyze the influence of select service quality dimensions on overall customer satisfaction in the branches of United Bank of India operating in Cachar district of Assam.

3. To compare the level of customer satisfaction in the branches of United Bank of India operating in Cachar district of Assam across the select demographic variables of customers.

4. To suggest some measures for enhancing the level of customer satisfaction in the branches of United Bank of India operating in Cachar district of Assam.

1.5 Hypotheses of the Study

1. The level of satisfaction/dissatisfaction of customers about select dimensions of service quality does not significantly vary across the size of the branches of UBI operating in Cachar district of Assam.

2. The level of overall customer satisfaction/dissatisfaction does not significantly vary across the size of the branches of UBI operating in Cachar district of Assam.

3. There is no significant relationship between select dimensions of service quality and overall customer satisfaction/dissatisfaction in the branches of UBI operating in Cachar district of Assam.

4. There is no significant influence of select dimensions of service quality on overall customer satisfaction/dissatisfaction in the branches of UBI operating in Cachar district of Assam.

5. The level of satisfaction/dissatisfaction of customers in the branches of UBI operating in Cachar district of Assam about select service quality dimensions does not significantly vary across the gender of the customers.

6. The level of overall customer satisfaction/dissatisfaction in the branches of UBI operating in Cachar district of Assam does not significantly vary across the gender of the customers.

7. The level of satisfaction/dissatisfaction of customers in the branches of UBI operating in Cachar district of Assam about select service quality dimensions does not significantly vary across the age groups of the customers.

8. The level of overall customer satisfaction/dissatisfaction in the branches of UBI operating in Cachar district of Assam does not significantly vary across the age groups of the customers.

9. The level of satisfaction/dissatisfaction of customers in the branches of UBI operating in Cachar district of Assam about select service quality dimensions does not significantly vary across the income groups of the customers.

10. The level of overall customer satisfaction/dissatisfaction in the branches of UBI operating in Cachar district of Assam does not significantly vary across the income groups of the customers.

11. The level of satisfaction /dissatisfaction of customers in the branches of UBI operating in Cachar district of Assam about select service quality dimensions does not significantly vary across the educational qualification of the customers.

12. The level of overall customer satisfaction/dissatisfaction in the branches of UBI operating in Cachar district of Assam does not significantly vary across the educational qualification of the customers.

1.6 Data Source and Methodology

In order to conduct the research work, at the first instance literature review has been carried out to identify various components of service quality applicable in public sector banks. After the identification of various components of service quality, discussions with few academicians and some executives of the bank have been arranged to analyze the relevance of such identified components of service quality in the locale selected for the study. Further, discussions have been arranged with a few customers of UBI to develop a thorough understanding about the expectation of customers regarding various components of service quality. Based on the above

exercise, a list of components of service quality has been drafted for conducting the pilot survey.

The researcher conducted a pilot survey on thirty (30) customers of different branches of UBI operating in Cachar district of Assam in order to assess the importance of various components of service quality according to the perception of customers. The result of the pilot survey facilitated the researcher to finalize the list of components of service quality for the present study. Accordingly, forty (40) components of service quality have been selected and the same has been grouped into ten (10) service quality dimensions keeping in mind the literature available on the subject. Thus, literature review, consultation with academicians and bank officials, discussions with a few customers of UBI and the result of pilot survey together formed the basis of selecting the components of service quality and categorizing them into ten different service quality dimensions for the present study. Table 1.2 reveals dimension wise numbers of components selected for the study.

Table 1.2: List of Select Service Quality Dimensions and Number of Components

Sl. No.	Service Quality Dimensions	Number of Components
1	Reliability	4
2	Responsiveness	4
3	Tangibility	5
4	Competence	4
5	Communication	4
6	Security	4
7	Care	4
8	Access	5
9	Courtesy	3
10	Availability	3

Note: Based on Review of Literature and Pilot Survey

The names of the components under each of the service quality dimensions about which the degree of satisfaction/dissatisfaction of customers of UBI have been assessed are presented in the following tables.

Table 1.3 shows the components of Reliability dimension of service quality used in the present study

Table 1.3: Components of Reliability Dimension of Service Quality

Sl. No.	Components
1	Accuracy in providing service
2	Deliverance of services by the bank within promised time
3	Trustworthiness of employees in handling customers' problems
4	Consistency in technology based devices of the branch

Note: Based on Review of Literature and Pilot Survey

Table 1.4 shows the components of Responsiveness dimension of service quality used in the present study

Table 1.4: Components of Responsiveness Dimension of Service Quality

Sl. No.	Components
1	Readiness of employees to respond customers' request
2	Willingness of employees to provide services
3	Promptness of employees to rectify mistakes
4	Speed of technology based apparatus to respond customers' requisition

Note: Based on Review of Literature and Pilot survey

Table 1.5 shows the components of Tangibility dimension of service quality used in the present study

Table1.5: Components of Tangibility Dimension of Service Quality

Sl. No.	Components
1	Cleanliness of the branch premises
2	Appearance of apparatus and furniture
3	Sitting arrangement for the customers inside the branch
4	Appearance of frontline employees
5	Toilet facilities for the customers

Note: Based on Review of Literature and Pilot Survey

Table 1.6 shows the components of Competence dimension of service quality used in the present study.

Table1.6: Components of Competence Dimension of Service Quality

Sl. No.	Components
1	Knowledge of employees to meet customers' queries
2	Skill of employees to serve during busy hours
3	Acumen of employees to solve customers' problems
4	Ability of employees to instill confidence in customers' mind

Note: Based on Review of Literature and Pilot Survey

Table 1.7 shows the components of Communication dimension of service quality used in the present study.

Table1.7: Components of Communication Dimension of Service Quality

Sl. No.	Components
1	Clarity in proclamation made by the bank
2	Dissemination of (up-to-date) / latest information
3	Intimation by employees about new products and services
4	Narration of procedural formalities by bank employees

Note: Based on Review of Literature and Pilot Survey

Table 1.8 shows the components of Security dimension of service quality used in the present study.

Table1.8: Components of Security Dimension of Service Quality

Sl. No.	Components
1	Maintenance of confidentiality of customers' account and information
2	Security arrangement inside the branch
3	Extent of security in processing of transaction
4	Maintenance of safety while providing ATM card

Note: Based on Review of Literature and Pilot Survey

Table 1.9 shows the components of Care dimension of service quality used in the present study.

Table 1.9: Components of Care Dimension of Service Quality

Sl. No.	Components
1	Employees' level of understanding about varied needs of customers
2	Personal attention by bank employees towards customers
3	Quality of suggestions and advices by bank employees
4	Employees' concern for the benefits of customers

Note: Based on Review of Literature and Pilot Survey

Table 1.10 shows the components of Access dimension of service quality used in the present study.

Table 1.10: Components of Access Dimension of Service Quality

Sl. No.	Components
1	Ease of access to branch
2	Ease of access to account information
3	Accessibility to branch manager and senior officials
4	Business hours of the branch
5	Ease of contact the branch via technology

Note: Based on Review of Literature and Pilot Survey

Table 1.11 shows the components of Courtesy dimension of service quality used in the present study.

Table 1.11: Components of Courtesy Dimension of Service Quality

Sl. No.	Components
1	Politeness of frontline employees
2	Etiquette of branch manager or officer
3	Preparedness of employees to admit the lapses

Note: Based on Review of Literature and Pilot Survey

Table 1.12 shows the components of Availability dimension of service quality used in the present study.

Table 1.12: Components of Availability Dimension of Service Quality

Sl. No.	Components
1	Number of cash counters in relation to customers
2	Availability of employees at the counters during business hours
3	Number of employees in relation to customers

Note: Based on Review of Literature and Pilot Survey

A structured schedule comprising of a numerical scale ranging from 'Highly Satisfied (=5)' to 'Highly Dissatisfied (=1)' has been used for the assessment of satisfaction or dissatisfaction of customers. The schedule prepared for the survey has been comprised of largely structured questions after considering the result of pilot survey. In order to conduct the survey on customers of UBI in Cachar district of Assam, it has been decided to contact a sample of two hundred seventy (270) numbers of customers of United Bank of India in Cachar district of Assam. The said sample size of two hundred seventy (270) has been decided by using sample size calculator (www.macorr.com) after accepting a sampling error of 6% with confidence level of 95%.

Further, two hundred seventy (270) numbers of customers of United Bank of India were asked to share their opinion with regard to the *'needed degree of improvement'*

in each of the ten dimensions of service quality selected for the study. The customers were asked to rate the needed degree of improvement on five point rating scale, namely, 'To a very little extent (=1)', 'A little extent (=2)', 'To a moderate extent (=3)', 'To a large extent (=4)' and 'To a very large extent (=5)'.

Before initiating the field survey, the researcher procured necessary information from the Regional Office of UBI located at Silchar, the district Head Quarter of Cachar district. The researcher collected the information regarding number and name of the branches as well as the location of branches and the volume of business (i.e., Deposit + Credit) of each of the branches as on 31st March, 2014. It has been found that as on 31st March, 2014 there were twenty five (25) numbers of branches of UBI operating in Cachar district of Assam. To select the branches out of all the branches of UBI operating in Cachar district of Assam, at first, all the twenty five branches (25) have been arranged in ascending order on the basis of their volume of business (i.e., Deposit + Credit).

The volume of business has been considered as the proxy for the size of the branch which has been used as a stratifying factor for classifying the branches of UBI operating in Cachar district of Assam. So, based on size (i.e., Volume of business) of the branch, these twenty five (25) branches have been classified into five strata, namely, Very Large Branch, Large Branch, Medium Branch, Small Branch and Very Small Branch. In each of the five strata thus created contains five branches of UBI. Out of these five branches of each stratum, two branches have been selected from each stratum randomly. Thus a total of ten branches have been selected for the purpose of the survey which is 40% of the total number of branches of UBI operating in Cachar district of Assam.

Accordingly, from the selected ten (10) branches, 270 numbers of customers have been surveyed. After selecting the branches, equal numbers of customers from each of the ten (10) sample branches have been surveyed. Since the sample size decided for the study is 270, so the responses of twenty seven (27) numbers of customers from each of the ten select branches have been considered. The survey was conducted by undertaking personal visit by the researcher in each of the ten (10) branches selected for the study. The field survey has been conducted during the year 2015 which may be considered as the reference year for the survey.

Table 1.13: Volume of Business of Sample Branches

Sl. No.	Name of the Sample Branches	Volume of Business (in Crore) as on 31.3.2014	Size of the Sample Branches
1	Udarbandh	67.95	Very Large
2	Silchar	471.11	Very Large
3	Kalain	43.32	Large
4	Lakhipur	47.44	Large
5	Shibbari Road	33.94	Medium
6	Bhangarpar	27.80	Medium
7	Hospital Road	6.07	Small
8	Dalu	16.38	Small
9	Dholai	2.10	Very Small
10	Itkhola	5.09	Very Small

Note: Based on data obtained from office records of LDM (UBI) of Cachar district, Assam

After the collection of data through field survey, the same have been fed into 'Microsoft Excel' and 'SPSS - version 16.0' for the purpose of analysis. The collected data have been suitably classified and tabulated. Statistical tools like, mean, standard deviation, correlation and multiple regression analysis have been used to analyze the data obtained through field survey. Apart from these, independent two sample t test and one way ANOVA have been performed to arrive at the findings of the study.

1.7 Scope of the Study

1. The scope of the present study is confined to those customers who are having *atleast* one savings bank account for a period of *atleast* one year before the date of survey in any of the ten sample branches of United Bank of India operating in Cachar district of Assam.

2. Customer in this study implies individuals only. Institutional customers like Government departments, educational institutions, hospitals, charitable trust etc. have been kept outside the purview of the study.

3. The satisfaction/dissatisfaction of customers about service quality dimensions have been assessed only on the basis of forty (40) components of service quality categorized into ten (10) dimensions of service quality.

1.8 Limitations of the Study

1. The present study is confined to customers of United Bank of India in Cachar district of Assam only ignoring all other public sector and private sector banks even within the same district.

2. Each location or the area has its own demographic specificities. So, the findings of the study need to be interpreted with great caution while making any kind of generalization.

3. The satisfaction/dissatisfaction of customers have been assessed only on the basis of forty (40) components of service quality categorized into ten (10) dimensions of service quality ignoring all other possible components in each of the dimensions of service quality selected for the present study and other dimensions of service quality.

4. The study is subject to all the limitations that are inherent in any study based on perception of the respondents.

1.9 Chapter Scheme

The chapter scheme of the study is as follows:

Chapter-I: Introduction

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

Chapter-II: Review of Literature

This chapter contains review of the literature on the subject selected for the study. The chapter makes an attempt to review the studies conducted both in India and abroad.

Chapter-III: Profile of the Study Area and Respondents

This chapter entails in it the profile of study area, a brief profile of UBI and the profile of the sample respondents.

Chapter-IV: Customer Satisfaction about Service Quality Dimensions

This chapter analyses the status of customer satisfaction with respect to select dimensions of service quality. The chapter also shows the relationship between service quality dimensions and overall customer satisfaction as well as the influence of service quality dimensions on overall customer satisfaction in the branches of United Bank of India operating in Cachar district of Assam.

Chapter-V: Demographic Variables and Customer Satisfaction

This chapter makes an attempt to compare the level of customer satisfaction across the select demographic variables of customers, namely, gender, age, average monthly income and educational qualification of the respondents in the branches of UBI operating in Cachar district of Assam.

Chapter-VI: Findings, Suggestions and Conclusion

Being the final chapter, it includes the summary of major findings of the study based on analysis and interpretation of data as well as certain suggestions which is followed by a conclusion.