



ASSESSMENT OF GAP IN SERVICE QUALITY OF STATE BANK OF INDIA IN CACHAR DISTRICT OF ASSAM

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ABSTRACT

With the entry of private sector banks in Indian banking sector it has become difficult for the public sector banks in India to retain their existing market share without giving due emphasis in the deliverance of quality services to their customers. Public sector banks in India have been facing cut throat competition from private sector banks and State Bank of India (SBI), the largest public sector bank in India, is no exception to this. In such a precarious situation, public sector banks in India need to give extra attention to their existing service policy and reset it accordingly. Delivery of quality services not only enables a bank to retain their existing customer base but also helps in attracting potential customers in their basket, which in turn, increases the profit earning capacity of a bank.

The present paper makes an attempt to compare the gap in service quality of State Bank of India (SBI) in Cachar district of Assam. In order to arrive at the findings of the study, statistical tools, such as, mean, standard deviation, Kruskal Wallis test have been applied. The study reveals that the gap (i.e. Perception of customers-Expectation of customers) with respect to all the five dimensions except reliability dimension of service quality is statistically significant across the select branches of SBI in Cachar district of Assam at 5% level of significance.

KEY WORDS: Perception, Expectation, Tangibility, Responsiveness, Assurance.

JEL Classification: M31

INTRODUCTION

The emergence of competitive environment generated due to the entry of private players and initiation of banking sector reforms since early 1990s has made it essential for the public sector banks in India to put an increased emphasis on service quality and SBI is no exception to this (Rathee et al., 2014). In today's cut throat competitive banking environment, banks offering quality services are in an advantageous position to retain and attract the existing as well as potential customers. Service quality has been considered as an important instrument of competitiveness for banking business in the globalized

regime (Adhikari and Paul, 2015). Infact, in such an increasingly complex and changing environment, deliverance of quality services not only enables a bank in making their customers feel satisfied but also increases its market share and profitability.

Service quality is a measure of how well the service level delivered matches customer expectations (Gronroos, 1984). It can be defined as the difference between customers' expectation of service and their perceptions of service performance. It is a global judgment or attitude related to the superiority of a service (Parasuraman et al.,

1985). In other words, service quality is the extent to which a firm successfully serves the purpose of customers (Zeithaml et al., 1990). Delivery of quality services enables a bank not only to fulfill the present needs of its customers satisfactorily but also anticipates its future needs (Anuradha, 2012).

REVIEW OF LITERATURE

The review of literature forms the basis in selecting the dimensions of service quality for the present study. Meenakumari (2008) found responsiveness dimension with highest gap and assurance dimension with lowest gap. Similarly, Nair and Nair (2013) observed that tangibility dimension of service quality had highest negative gap while assurance had the lowest. Rathee et al., (2014) revealed that among the five dimensions of service quality, reliability dimension showed highest negative gap followed by empathy, assurance, responsiveness and tangibility dimensions. Patra (2011) found empathy dimension of service quality with highest negative gap. Similarly, Muthusamy (2013) observed assurance dimension of service quality with highest negative gap. Adhikari and Paul (2015) revealed highest negative gap with respect to reliability dimension and lowest with respect to tangibility dimension of service quality.

Thus, in majority of the existing literatures the assessment of gap between perception of customers and expectation of customers of bank have been done with the help of reliability, tangibility, responsiveness, assurance and empathy dimensions of service quality. Thus, these five dimensions of service quality have been considered for the present study.

OBJECTIVES OF THE STUDY

- 1) To analyze the gap in dimensions of service quality of State Bank of India in Cachar district of Assam.
- 2) To compare the gap in dimensions of service quality across the select branches of State Bank of India in Cachar district of Assam.
- 3) To compare the gap in service quality across the select branches of State Bank of India in Cachar district of Assam.

HYPOTHESES OF THE STUDY

- 1) The gap in dimensions of service quality does not differ significantly across the select branches of SBI in Cachar district of Assam.

- 2) The gap in service quality does not differ significantly across the select branches of SBI in Cachar district of Assam.

DATA SOURCE AND METHODOLOGY

The present study is based on primary data. The population of the study includes customers of State Bank of India in Cachar district of Assam. The sample size for the present study is 132 customers taking 33 customers from each of the four sample branches (Kabuganj, Dargakona, New Silchar and Tarapur) of SBI in Cachar district of Assam. A structured questionnaire has been developed with twenty four (24) components of service quality grouped under five dimensions of service quality, namely, reliability, tangibility, responsiveness, assurance and empathy with a numerical scale having two verbal descriptors, namely, 'Strongly Disagree (= 1)' and 'Strongly Agree (= 5)' at the two extremes of the scale. Mean, standard deviation and Kruskal Wallis test have been used for analyzing the responses of customers. However, the gap in different dimensions of service quality has been computed by applying the well recognized method of measuring the gap developed by Parasuraman et al., (1985). $Gap = Perception\ of\ customers - Expectation\ of\ customers.$

RESULTS AND DISCUSSION

Table 1 shows the gap between perception of customers and expectation of customers regarding five dimensions of service quality in the branches of State Bank of India within Cachar district of Assam. The table reveals that there exists a negative gap in case of all the five dimensions of service quality. The mean values of perception of the customers are lower than the mean values of expectation of the customers with respect to all the five dimensions of service quality. This implies that the bank has not been able to meet the expectation of customers with respect to all the five dimensions of service quality. Highest negative gap has been observed with respect to responsiveness (-1.56) dimension which has been followed by reliability (-1.22), empathy (-0.95), assurance (-0.92) and tangibility (-0.64) dimensions of service quality. The gap between perception of customers and expectation of customers regarding service quality has also been found to be negative (-1.07) and deserves the attention of the branch management.

Table 1: Gap in Select Dimensions of Service Quality

Service Quality Dimensions	Expectation (E)		Perception (P)		Gap (P-E)	
	Mean	SD	Mean	SD	Mean	SD
Reliability	4.85	0.2163	3.63	0.5786	-1.22	0.5835
Tangibility	4.48	0.4594	3.84	0.6599	-0.64	0.7213
Responsiveness	4.83	0.2633	3.27	0.6636	-1.56	0.6970
Assurance	4.84	0.2132	3.92	0.6091	-0.92	0.6368
Empathy	4.58	0.3649	3.63	0.5711	-0.95	0.5779
Service Quality	4.72	0.2169	3.65	0.4707	-1.07	0.4850

Source: Field Survey

Table 1 also portrays the values of standard deviation in order to assess the consistency of responses of customers over all the five dimensions of service quality. Out of five dimensions of service quality, the consistency is the maximum in the expectation of customers with respect to 'assurance dimension' while the least consistency has been noticed in case of 'tangibility dimension'. In case of perception of customers, the consistency is the maximum with respect to 'empathy dimension' while the least consistency has been observed in case of 'responsiveness dimension'.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the maximum with respect to 'empathy dimension' while the least consistency has been observed in case of 'tangibility dimension'. However, the value of standard deviation of the gap between perception of customers and expectation of customers regarding service quality has been found to be 0.4850 and indicates a certain degree of consistency when compared with the responses of customers over individual dimensions of service quality.

Table 2: Branch-Wise Gap in Reliability Dimension of Service Quality

Branches of SBI	Expectation (E)		Perception (P)		Gap (P-E)		Kruskal Wallis Test
	Mean	SD	Mean	SD	Mean	SD	
Kabuganj	4.87	0.2483	3.65	0.7567	-1.22	0.7523	Chi Square Value = 1.222
New Silchar	4.87	0.1708	3.70	0.5318	-1.17	0.4773	
Dargakona	4.78	0.2365	3.57	0.5571	-1.21	0.5936	p value = 0.748
Tarapur	4.89	0.1942	3.62	0.4426	-1.27	0.4920	

Source: Field Survey

Table 2 depicts the branch-wise gap between perception of customers and expectation of customers of State Bank of India with respect to reliability dimension of service quality. The table reveals that there exists a negative gap in reliability dimension of service quality in case of all the select branches of SBI in Cachar district of Assam. The mean values of perception of the customers are lower than the mean values of expectation of the customers in case of all the select branches of SBI in Cachar district of Assam with regard to the said dimension of service quality. This implies that none of the select branches of the bank has been able to meet the expectation of customers with respect to reliability dimension of service quality. However, the highest negative gap has been observed in case of Tarapur branch (-1.27) which is followed by Kabuganj branch (-1.22), Dargakona branch (-1.21) and New Silchar branch (-1.17) of SBI.

Table 2 also shows the values of standard deviation in order to assess the consistency of responses of customers over reliability dimension of service quality. With respect to expectation of customers, the consistency is the maximum in case of 'New Silchar branch' of SBI while the least consistency has been noticed in case of 'Kabuganj branch' of SBI. Again with respect to perception of customers, the consistency is the maximum in case of 'Tarapur branch' of SBI while the least consistency has been observed in case of 'Kabuganj branch' of SBI.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the maximum in 'New Silchar branch' of SBI while the least consistency has been observed in 'Kabuganj branch' of SBI.

Table 2 also reveals that the Chi-square value of Kruskal Wallis test is 1.222 and the corresponding p value

is 0.748 which is greater than 0.05. Thus, it implies that at 5 % level of significance there is no statistical evidence for significant difference in the gap with respect to reliability

dimension of service quality across the select branches of SBI operating within Cachar district of Assam.

Table 3: Branch-Wise Gap in Tangibility Dimension of Service Quality

Branches of SBI	Expectation (E)		Perception (P)		Gap (P-E)		Kruskal Wallis Test
	Mean	SD	Mean	SD	Mean	SD	
Kabuganj	4.40	0.5075	3.86	0.8387	-0.54	0.8686	Chi Square Value = 10.788
New Silchar	4.59	0.4042	3.82	0.5530	-0.77	0.5908	
Dargakona	4.43	0.5313	4.05	0.6202	-0.38	0.6127	p value = 0.013
Tarapur	4.51	0.3723	3.64	0.5521	-0.87	0.7101	

Source: Field Survey

Table 3 shows the branch-wise gap between perception of customers and expectation of customers of State Bank of India with respect to tangibility dimension of service quality. The table reveals that there exists a negative gap in tangibility dimension of service quality in case of all the select branches of SBI in Cachar district of Assam. The mean values of perception of the customers are lower than the mean values of expectation of the customers in case of all the select branches of SBI in Cachar district of Assam with regard to the said dimension of service quality. This implies that none of the select branches of the bank has been able to meet the expectation of customers with respect to tangibility dimension of service quality. However, the highest negative gap has been observed in case of Tarapur branch (-0.87) which is followed by New Silchar branch (-0.77), Kabuganj branch (-0.54) and Dargakona branch (-0.38) of SBI.

Table 3 also portrays the values of standard deviation in order to assess the consistency of responses of customers over tangibility dimension of service quality.

Table 4: Branch-Wise Gap in Responsiveness Dimension of Service Quality

Branches of SBI	Expectation (E)		Perception (P)		Gap (P-E)		Kruskal Wallis Test
	Mean	SD	Mean	SD	Mean	SD	
Kabuganj	4.81	0.3080	3.46	0.7491	-1.35	0.7843	Chi Square Value = 8.035
New Silchar	4.91	0.1661	3.18	0.6971	-1.73	0.6868	
Dargakona	4.78	0.2818	3.36	0.5783	-1.42	0.6172	p value = 0.045
Tarapur	4.82	0.2663	3.08	0.5743	-1.74	0.6255	

Source: Field Survey

Table 4 depicts the branch-wise gap between perception of customers and expectation of customers of State Bank of India with respect to responsiveness dimension of service quality. The table reveals that there exists a negative gap in responsiveness dimension of service quality in case of all the select branches of SBI in Cachar district of Assam. The mean values of perception of the customers are lower than the mean values of expectation of the customers in case of all the select branches of SBI in Cachar district of Assam with regard to

With respect to expectation of customers, the consistency is the maximum in case of 'Tarapur branch' of SBI while the least consistency has been noticed in case of 'Dargakona branch' of SBI. Again with respect to perception of customers, the consistency is the maximum in case of 'Tarapur branch' of SBI while the least consistency has been observed in case of 'Kabuganj branch' of SBI.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the maximum in 'New Silchar branch' of SBI while the least consistency has been observed in 'Kabuganj branch' of SBI.

Table 3 also reveals that the Chi-square value of Kruskal Wallis test is 10.788 and the corresponding p value is 0.013 which is less than 0.05. Thus, it implies that at 5 % level of significance there is statistical evidence for significant difference in the gap with respect to tangibility dimension of service quality across the select branches of SBI operating within Cachar district of Assam.

the said dimension of service quality. This implies that none of the select branches of the bank has been able to meet the expectation of customers with respect to responsiveness dimension of service quality. However, the highest negative gap has been observed in case of Tarapur branch (-1.74) which is followed by New Silchar branch (-1.73), Dargakona branch (-1.42) and Kabuganj branch (-1.35) of SBI.

Table 4 also shows the values of standard deviation in order to assess the consistency of responses

of customers over responsiveness dimension of service quality. With respect to expectation of customers, the consistency is the maximum in case of 'New Silchar' of SBI while the least consistency has been noticed in case of 'Kabuganj branch' of SBI. Again with respect to perception of customers, the consistency is the maximum in case of 'Tarapur branch' of SBI while the least consistency has been observed in case of 'Kabuganj branch' of SBI.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the

maximum in 'Dargakona branch' of SBI while the least consistency has been observed in 'Kabuganj branch' of SBI.

Table 4 also reveals that the Chi-square value of Kruskal Wallis test is 8.035 and the corresponding p value is 0.045 which is less than 0.05. Thus, it implies that at 5 % level of significance there is statistical evidence for significant difference in the gap with respect to responsiveness dimension of service quality across the select branches of SBI operating within Cachar district of Assam.

Table 5: Branch-Wise Gap in Assurance Dimension of Service Quality

Branches of SBI	Expectation (E)		Perception (P)		Gap (P-E)		Kruskal Wallis Test
	Mean	SD	Mean	SD	Mean	SD	
Kabuganj	4.81	0.1836	4.09	0.6894	-0.72	0.6856	Chi Square Value = 21.883 p value = 0.000
New Silchar	4.92	0.1495	3.72	0.5470	-1.20	0.5589	
Dargakona	4.81	0.2118	4.14	0.5086	-0.67	0.4791	
Tarapur	4.82	0.2755	3.73	0.5781	-1.09	0.6634	

Source: Field Survey

Table 5 shows the branch-wise gap between perception of customers and expectation of customers of State Bank of India with respect to assurance dimension of service quality. The table reveals that there exists a negative gap in assurance dimension of service quality in case of all the select branches of SBI in Cachar district of Assam. The mean values of perception of the customers are lower than the mean values of expectation of the customers in case of all the select branches of SBI in Cachar district of Assam with regard to the said dimension of service quality. This implies that none of the select branches of the bank has been able to meet the expectation of customers with respect to assurance dimension of service quality. However, the highest negative gap has been observed in case of New Silchar branch (-1.20) which is followed by Tarapur branch (-1.09), Kabuganj branch (-0.72) and Dargakona branch (-0.67) of SBI.

Table 5 also portrays the values of standard deviation in order to assess the consistency of responses of customers over assurance dimension of service quality.

With respect to expectation of customers, the consistency is the maximum in case of 'New Silchar branch' of SBI while the least consistency has been noticed in case of 'Tarapur branch' of SBI. Again with respect to perception of customers, the consistency is the maximum in case of 'Dargakona branch' of SBI while the least consistency has been observed in case of 'Kabuganj branch' of SBI.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the maximum in 'Dargakona branch' of SBI while the least consistency has been observed in 'Kabuganj branch' of SBI.

Table 5 also reveals that the Chi-square value of Kruskal Wallis test is 21.883 and the corresponding p value is 0.000 which is less than 0.05. Thus, it implies that at 5 % level of significance there is strong statistical evidence for significant difference in the gap with respect to assurance dimension of service quality across the select branches of SBI operating within Cachar district of Assam.

Table 6: Branch-Wise Gap in Empathy Dimension of Service Quality

Branches of SBI	Expectation (E)		Perception (P)		Gap (P-E)		Kruskal Wallis Test
	Mean	SD	Mean	SD	Mean	SD	
Kabuganj	4.66	0.3588	3.82	0.7832	-0.84	0.6629	Chi Square Value = 10.737 p value = 0.013
New Silchar	4.59	0.3824	3.65	0.4338	-0.94	0.5111	
Dargakona	4.46	0.3914	3.66	0.4373	-0.80	0.4703	
Tarapur	4.59	0.3061	3.38	0.4908	-1.21	0.5808	

Source: Field Survey

Table 6 depicts the branch-wise gap between perception of customers and expectation of customers of State Bank of India with respect to empathy dimension of service quality. The table reveals that there exists a negative gap in empathy dimension of service quality in case of all the select branches of SBI in Cachar district of Assam. The mean values of perception of the customers are lower than the mean values of expectation of the customers in case of all the select branches of SBI in Cachar district of Assam with regard to the said dimension of service quality. This implies that none of the select branches of the bank has been able to meet the expectation of customers with respect to empathy dimension of service quality. However, the highest negative gap has been observed in case of Tarapur branch (-1.21) which is followed by New Silchar branch (-0.94), Kabuganj branch (-0.84) and Dargakona branch (-0.80) of SBI.

Table 6 also shows the values of standard deviation in order to assess the consistency of responses of customers over empathy dimension of service quality.

With respect to expectation of customers, the consistency is the maximum in case of 'Tarapur branch' of SBI while the least consistency has been noticed in case of 'Dargakona branch' of SBI. Again with respect to perception of customers, the consistency is the maximum in case of 'New Silchar branch' of SBI while the least consistency has been observed in case of 'Kabuganj branch' of SBI.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the maximum in 'Dargakona branch' of SBI while the least consistency has been observed in 'Kabuganj branch' of SBI.

Table 6 also reveals that the Chi-square value of Kruskal Wallis test is 10.737 and the corresponding p value is 0.013 which is less than 0.05. Thus, it implies that at 5 % level of significance there is statistical evidence for significant difference in the gap with respect to empathy dimension of service quality across the select branches of SBI operating within Cachar district of Assam.

Table 7: Branch-Wise Gap in Service Quality

Branches of SBI	Expectation (E)		Perception (P)		Gap (P-E)		Kruskal Wallis Test
	Mean	SD	Mean	SD	Mean	SD	
Kabuganj	4.72	0.2635	3.77	0.6703	-0.95	0.6463	Chi Square Value = 16.412
New Silchar	4.79	0.1774	3.61	0.3711	-1.18	0.3914	
Dargakona	4.66	0.2227	3.74	0.3655	-0.92	0.3399	P value = 0.001
Tarapur	4.74	0.1842	3.49	0.3634	-1.25	0.4387	

Source: Field Survey

Table 7 depicts the branch-wise gap between perception of customers and expectation of customers of SBI about service quality. The table reveals that there exists a negative gap in service quality in case of all the four branches of SBI in Cachar district of Assam since the mean values of customers' perception are lower than that of customers' expectation about service quality. This implies that none of the select branches of the bank has been able to meet the expectation of customers regarding service quality. However, the highest negative gap has been observed in case of Tarapur branch (-1.25) which is followed by New Silchar branch (-1.18), Kabuganj branch (-0.95) and Dargakona branch (-0.92) of SBI.

Table 7 also portrays the values of standard deviation in order to assess the consistency of responses of customers about service quality. With respect to expectation of customers, the consistency is the maximum in case of 'New Silchar branch' of SBI while the least consistency has been noticed in case of 'Kabuganj branch' of SBI. Again with respect to perception of customers, the consistency is the maximum in case of 'Tarapur branch' of

SBI while the least consistency has been observed in case of 'Kabuganj branch' of SBI.

In case of gap between 'perception of customer' and 'expectation of customers' the consistency is the maximum in 'Dargakona branch' of SBI while the least consistency has been observed in 'Kabuganj branch' of SBI.

Table 7 also reveals that the Chi-square value of Kruskal Wallis test is 16.412 and the corresponding p value is 0.001 which is less than 0.05. Thus, it implies that at 5 % level of significance there is strong statistical evidence for significant difference in the service quality gap across the select branches of SBI operating within Cachar district of Assam.

SUMMARY OF MAJOR FINDINGS

- 1) The negative gap has been observed with respect to all the five dimensions of service quality. However, the highest negative gap has been found with respect to responsiveness dimension which is followed by reliability, empathy, assurance and tangibility dimensions of service quality.

- 2) The gap in all the five dimensions of service quality has been found to be negative in case of all the select branches of SBI. Highest negative gap has been observed in Tarapur branch of SBI with respect to reliability, tangibility, responsiveness and empathy dimensions of service quality. However, in case of assurance dimension of service quality the highest negative gap has been noticed in New Silchar branch of SBI. There exist significant differences in the gap with respect to all the five dimensions except reliability dimension of service quality across the select branches of SBI at 5% level of significance.
- 3) The gap in service quality has been found to be negative in case of all the select branches of SBI. However, the highest negative gap in service quality has been found in case of Tarapur branch of SBI while the negative gap is the lowest in case of Dargakona branch of SBI in Cachar district of Assam. There exists significant difference in the service quality gap across the select branches of SBI at 5% level of significance.

CONCLUSION

In the regime of ever increasing competition and complex environment, deliverance of quality services enables a bank to gain a strategic advantage over their competitors. Infact, to become a leader in the market banks need to give their utmost attention in providing quality services to their customers. The study reveals negative gap between perception of customers and expectation of customers with respect to all the five dimensions of service quality. The objective of introduction of new and innovative schemes for attracting the customers of different segments will be jeopardized if the bank could not fulfill the expectation of customers over different dimensions of service quality. Thus, the bank is expected to provide due attention in order to address the issue of service quality so that the branches of SBI can meet the expectation of customers effectively.

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