# Extent of Service Quality in Commercial Banks in Punjab

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## Abstract

Commercial banks in India have experienced vital alterations in their system. Liberalization, globalization, and privatization provided banks with freedom, technology, and improved internal systems, which help them to serve their customers better. The purpose of this paper was to measure the extent of service quality in commercial banks in Punjab. The extent of service quality helps in filling up the gap between expected and perceived service quality and gives a wider picture to recognize the needs of the customers. The SERVQUAL multi-item scale was used to measure the extent of service quality in commercial banks in Punjab. The scale consists of five parameters, that is, Tangibility, Reliability, Responsiveness, Assurance, and Empathy. The study conducted a comparative analysis of extent of service quality in private and public sector banks in Punjab. Primary data was collected from 200 top managers of private as well as public sector banks. It was found that among all the five factors of the SERVQUAL model, Responsiveness acted as a dominant factor and had a greater impact on customers' expected level of satisfaction and service quality.

*Keywords:* Service quality, customer satisfaction, SERVQUAL, banking industry

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With the high growth in the service sector in India, service quality has become an important issue in customer satisfaction and developing long term customer relationship. This concept is foremost important for service providers to retain their customers (Yavas, Bilgin, & Shemwell, 1997). Every customer expects quality service from his or her service provider. Hence, service quality is observed as a strategic organizational weapon that not only helps in satisfying the customers, but also helps in anticipating the changing needs of customers in the future.

Research has revealed over and over again that service quality has a major impact on organizational performance outcomes such as improvement in sales profit, increase in market share, strengthening customer relations, and promotes customer loyalty (Wong & Sohal, 2003). Moreover, service quality supports customer pleasure. Therefore, providing quality service to customers is requisite for growth, expansion, progress, and continued existence in today's aggressive environment.

According to Newman and Cowling (1996), being an integral part of customer life, banks want to give maximum satisfaction to their customers. Every customer is unique and has different expectations based on their prior experience, personal, and potential needs (Buttle, 1996). As competition increases, rather than the products, the quality of service has become a significant characteristic for winning and retaining customer's faith. Banks have understood the significance of service quality for maintaining a good relationship with customers and have

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framed their strategies to maintain a competitive edge in the market (Hung, Huang, & Chen, 2003). In order to enhance their customers' base, banks have put in efforts to understand the customer point of view of service quality so that they can offer services according to the expectations of their customers. Banks have tried to give individual and personal attention to each customer so that they may feel safe, and the relationship developed is convenient to them.

However, mere understanding the value of service quality is not enough for service providers. Service delivery also plays an influential role in customers' evaluation of overall service quality because most of the time, customers have a hard time in recognizing the service outcome. So, expected service quality as well as perceived service quality - both are essential for overall extent and measurement of quality of service provided by a service provider (Ha, Minh, Anh, & Matsui, 2014).

## Concept of Service Quality

In this competitive market, every service provider tries to offer the best available service to its customers, but still, the service providers usually fail to fulfill all the requirements and demands of their customers. It is primarily because in the present times, customers know their requirements very well and have set high standards, but the companies are not able to understand it from the perspective of their customers. Earlier, there was a huge gap between perception and expectation of service quality, but with the changing time, this gap is getting reduced because service providers are trying their level best to understand this gap from customers' perspective and are committed to match the level of service desired by their customers.

The concept of service quality has been researched by a number of scholars, but due to its intangible, imprecise, and conceptual nature, it has been complicated to define and gauge it. So, studies of only few researchers like Grönroos (1984) ; Parasuraman, Zeithaml, and Berry (1988) ; Brown, Churchill Jr., and Peter (1993) ; and Cronin Jr. and Taylor (1992) have been widely accepted. These researchers have epitomized service quality as a product of attempt as every member of an organization devotes his or her time as well as efforts to please and satisfy the customers. Researchers have also propounded that service quality is not limited to an internal system only, but also works equally for the external system of an organization as it provides information about the competitors in the market. So, an organization can make its strategy accordingly and train its employees to give their best in order to retain and maintain long term profitable relationship with their customers (Chang & Chen, 1998).

Service quality is known as an excellent strategy against customer expectations. Zeithaml, Berry, and Parasuraman (1988) defined service quality as the level of difference between consumers' perceptions and expectations in terms of diverse but comparatively imperative magnitude of service quality, which can concern their potential behavior. Parasuraman et al. (1988) conceptualized five dimensions of service quality, that is, Tangibility, Reliability, Responsiveness, Assurance, and Empathy, ultimately directed to the development of SERVQUAL, a model for measuring service quality. So, SERVQUAL multi-item scale is a service quality evaluation tool and it has been comprehensively applied in a variety of businesses for better business models. In the present study, the 22 item SERVQUAL scale is used to examine the level of service quality offered by banks in Punjab. It would further help in measuring the difference in service provided by public and private sector banks in the region of Punjab.

## Conceptual Model of Service Quality

Parasuraman, Berry, and Zeithaml (1991) propounded a multi-item scale of SERVQUAL which consists of five dimensions namely:

**(1)** Tangibility
**(2)** Reliability

Figure 1. Conceptual Model of Service Quality

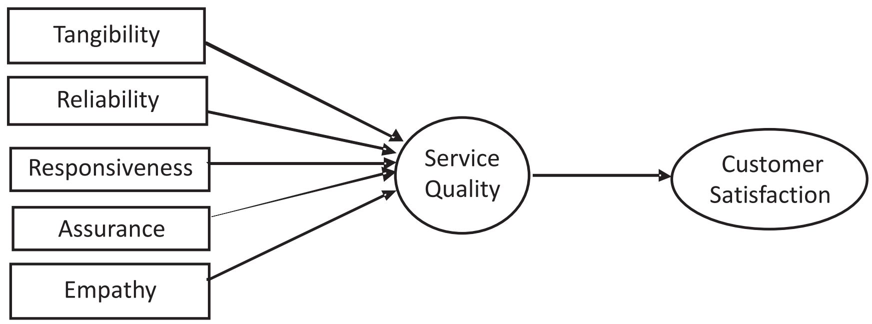
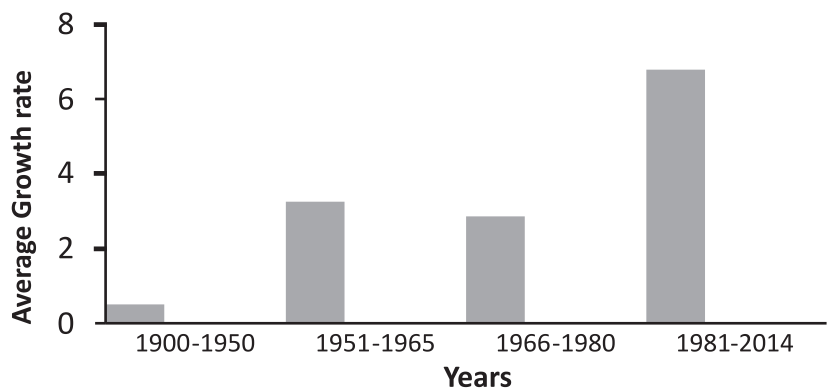



Figure 2. Average Banking Growth in the Relevant Period




Source: RBI (Handbook of Statistics on Indian Economy, 2013-14)

**(3)** Responsiveness
**(4)** Assurance
**(5)** Empathy

The conceptual model representing the relationship between service quality and customer satisfaction is represented in the Figure 1. This conceptual model depicts that extent of service quality is measured by its five dimensions, and furthermore, the level of service quality leads to customer satisfaction. This theoretical framework is assumed to be best suited for the measurement of service quality in the banking sector.

## The Banking Industry : An Overview

At the time of independence, India was economically unstable, so was the Indian banking sector. At that point of time, economic development was the foremost priority of the government. The establishment of the Reserve Bank of India (RBI) in 1935 and Industrial Policy in 1948 played an important role to develop and improve the Indian banking sector. RBI was authorized to regulate and control commercial banks of India, and the industrial policy took a major step to nationalize the banks in 1969. The Banking Regulation Act, 1949 and nationalization of commercial banks were two major actions taken for regulation, growth, and development of the banking sector in India. These actions played a pivotal role in expansion of the banking system and economic development as the government tried to execute numerous welfare schemes. The average growth of the banks is represented in the Figure 2.

Every country is different from another depending upon their distinctive regional, societal, and economic

**Table 1. Descriptive Statistics of Sample**

| Category of Bank | Frequency | % |
|---|---|---|
| Private | 100 | 50.0 |
| Public | 100 | 50.0 |
| **Age of Manager** | | |
| 25-35 years | 13 | 6.50 |
| 36-45 years | 136 | 68.0 |
| 46-60 years | 51 | 25.5 |
| **Mean Age = 43 years** | | |

characteristics. India has a large population and land size, diverse culture, and distinctiveness in income. A large portion of population in India is illiterate, but the country has a large basin of managerial and technological skills. So, banking played an important and significant role during LPG (liberalization, privatization, and globalization) of the Indian economy, and this gave a new direction to the Indian economy. Before LPG, there was no major competition in the banking sector, and public sector banks dominated in the banking industry in context of size of assets, profits, and customer base. To make the banking sector more competitive, the banking industry was opened to the private sector, which resulted in expansion of their operations. This encouraged positive competition, and banks became more efficient and effective in their work. It was also realized that survival of any bank depends upon customer satisfaction.

Recently established commercial banks are giving aggressive and innovative opposition to the public sector banks in the form of time saving services such as tele banking, net banking, home banking, credit cards, ATMs, providing educational loans, personal loans, and housing loans at low interest rates, and so forth (Goode & Moutinho, 1995). The private sector banks tried to match the level of public sector banks, and those who had the first-mover advantage, they are now providing much better services than the public sector banks. Moreover, with the passage of time, the attitude of the customers has also changed. They have learnt the difference in quality of service provided by different service providers. They are no longer willing to stay with time consuming banking services in the public sector banks. This competition and aggressiveness in the banking sector has made it mandatory for public sector banks to reconsider and modify their strategies to retain their existing and potential customer base in the market (Kim & Jin, 2002).

According to the Reserve Bank of India (2014), there were 3240 branches of commercial banks in Punjab in 2009. Out of the total of 47 commercial banks operating in Punjab, 28 were in the public-sector, 15 were in the private-sector, and 4 were foreign banks. The banking sector in Punjab is confronting swift changes in the market as new technologies and innovations, strong competition, and demanding customers direct to an inevitable set of challenges. Now, effectiveness and efficiency has become the exhortation for the success of the banking sector. Service is intangible, so its quality can only be measured by understanding the level of satisfaction experienced by a customer. An efficient service quality is extended properly by understanding the needs of the customers. Moreover, the service process needs continuous improvement as it is dynamic in nature.

## Service Quality in Banks of Punjab : Analysis, Results, and Discussion

**(1) Descriptive Statistics :** This technique is used to present numerical facts or data in the form of tables and graphs to analyze and summarize the important information and figures. Banks were selected on the basis of their position and share in the market. The Table 1 represents the total branches of private and public sector banks taken for analysis. The major parameters on which these banks were chosen are their ranking, market share, profitability, strength, soundness in market, and credit quality. The mean age of the managers was 43 years, which depicts that more than 50% of the respondent managers were between 36 and 45 years of age. Banks were working with

**Table 2. Reliability Analysis**

| Components | Scale Items | Alpha Value *N* = 200 | Item to Total Correlation |
|---|---|---|---|
| **Tangibility** | The bank has up to date equipment. | 0.739 | 0.607 |
| | The bank's physical facilities are visually appealing. | | 0.552 |
| | Employees of the bank are well dressed and well groomed. | | 0.509 |
| | The appearance of the physical facilities of the bank is in keeping with the type of services provided. | | 0.459 |
| **Reliability** | If a bank promises to do something by a certain time, then it should do so. | 0.774 | 0.588 |
| | When customers have problems, the bank is sympathetic and reassuring. | | 0.602 |
| | The bank is dependable. | | 0.506 |
| | The bank provides its services at the promised time. | | 0.504 |
| | The bank maintains accurate records. | | 0.532 |
| **Responsiveness** | The bank provides prompt services to the customers | 0.739 | 0.544 |
| | Employees of the bank are always willing to help customers. | | 0.467 |
| | The bankers patiently reply to the queries of the customers. | | 0.417 |
| | The bank arranges special care for special customers. | | 0.500 |
| **Assurance** | The clients trust the employees of their bank. | 0.700 | 0.482 |
| | Customers feel safe in transactions with the bank. | | 0.492 |
| | Employees of the bank are polite. | | 0.427 |
| | Employees get support from the bank to do their job well. | | 0.424 |
| **Empathy** | The bank gives individual attention to every customer. | 0.803 | 0.748 |
| | The bank gives personal attention to its customers. | | 0.688 |
| | The bank knows what customers' needs are. | | 0.510 |
| | The bank has customers' best interests at heart. | | 0.543 |
| | The bank has operating hours that are convenient to the customers. | | 0.459 |

middle-aged employees who used their experience and enthusiasm to make their bank better as compared to their competitors.

**(2) Scale Reliability :** Scale reliability is a key factor to determine whether all items are supporting the present study or any item is needed to be abolished from the scale in order to get better results. It comes to the forefront when variables are developed from summated scales. Variables derived from test instruments are confirmed to be reliable only when they present stable and reliable responses over a repeated implementation of the test. It is measured with the help of "coefficient alpha," which is an absolute measure of quality of the scale items. Scale reliability is used to improve the existing scale. The measurement of scale reliability is supported on the correlations between the individual items relative to the variances of the items. Low coefficient alpha points out that a particular scale item is performing poorly in overall construct reliability, but here, in the Table 2, the reliability of the scale is significant (more than 0.7) for all the constructs of the present study.

Cronbach's coefficient alpha was used to determine the reliability of the scale ; 200 top managers of various banks participated in the study. In the Table 2, correlation and total reliability of individual construct is measured. Reliabilities of all items are more than 0.7, and the overall reliability of the 22 multi-item SERVQUAL scale comes out to be 0.859, which recommends that the scale is reliable for measuring the level of service quality in commercial banks of Punjab.

**Table 3. Actual Mean Score of Service Quality and its Components**

| Parameters | No. of Scale Items | Theoretical Score Range | Expected Mean | Score Actual Mean Score | | |
|---|---|---|---|---|---|---|
| | | | | Public | Private | Prob. (*F*-value) |
| Tangibility (T) | 4 | 4 - 20 | 12 | 15.33 | 17.80 | 0.003 |
| Reliability (RE) | 5 | 5 - 25 | 15 | 14.06 | 18.33 | 0.005 |
| Responsiveness (RS) | 4 | 4- 20 | 12 | 17.82 | 19.14 | 0.002 |
| Assurance (A) | 4 | 4 - 20 | 12 | 14.35 | 15.86 | 0.010 |
| Empathy (E) | 5 | 5 - 25 | 15 | 15.62 | 16.93 | 0.009 |
| **Service Quality (SQ)** | **22** | **22 - 110** | **66** | **77.18** | **88.06** | **0.015** |

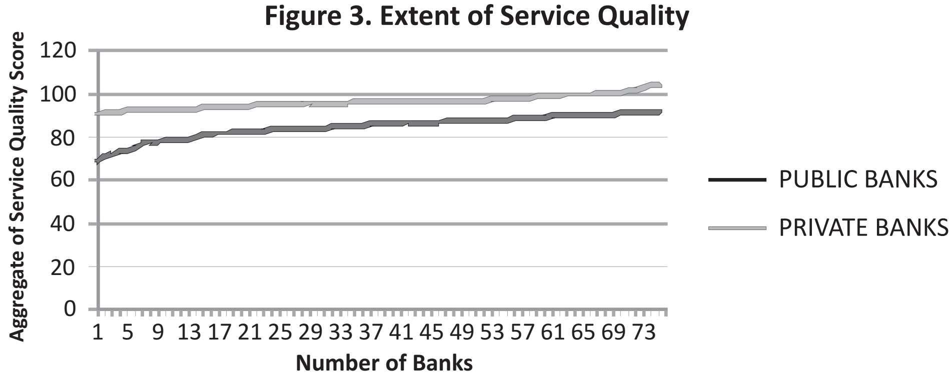
Notes:

1.Responses were obtained on a 5-point Likert scale, with 1 standing for *'strongly disagree',* and 5 standing for *'strongly agree'.*

2.The theoretically possible range has been determined by multiplying the lowest and the highest responses by the number of items in a scale.

3.The *'F'* values pertain to the one-way analysis of variance (ANOVA).

**Figure 3. Extent of Service Quality**




**(3) Evaluation of Extent of Service Quality :** In order to find out the extent of service quality, the mean scores of all the five parameters of service quality are added up. Numerically,

$$SQ = T + RE + RS + A + E$$

The Table 3 represents the actual mean scores of overall service quality and its determinants for public and private sector banks. As can be inferred from the Table 3, the actual mean score of service quality for public sector banks is 77.18, and for private banks, it is 88.06, which is higher than the expected mean score of 66. The significance level of individual scale is less than 0.5, which suggests that the overall scale is significant. From the Table 3, it can be clearly seen that parameter wise results are also more than the expected mean score, which suggests that the level of service quality among commercial banks is quite good. As far as the public and private sector banks are concerned, the mean score of private banks is quite high as compared to public banks, so, private banks provide better services to customers than public sector banks. The one-way ANOVA analysis of overall service quality revealed that there is a difference between the service offered by public and private banks.

The Figure 3 shows a clear difference in the aggregate mean score of service quality of public and private banks. The range of overall service quality score of public sector banks is from 69 to 92, and for private sector banks, it is from 91 to 104, depicting that the performance of private sector banks is better than that of public sector banks. From the Table 3, it can also be interpreted that among the five factors of service quality, mean score of responsiveness is the highest. This also reflects that the private sector banks are sufficiently service oriented to sustain themselves in a competitive market.

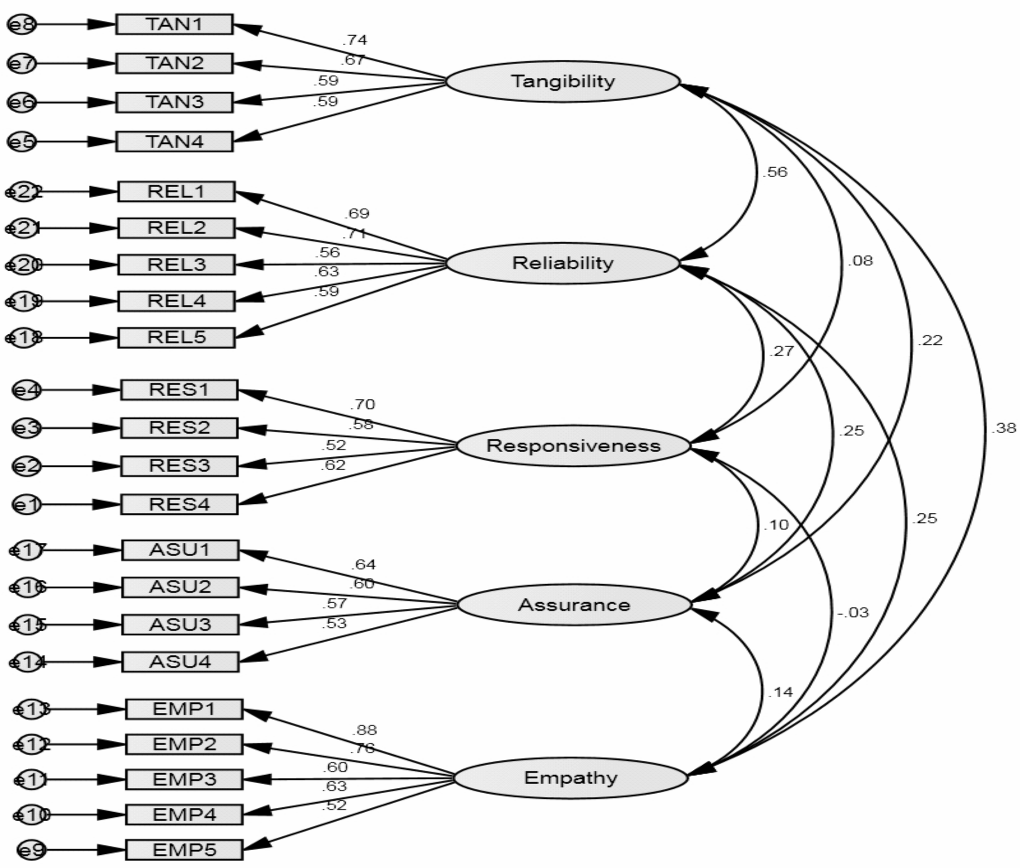
**(4) Validity:** Construct validity refers to the measurement of the variable. It has three components named as discriminant, nomological, and convergent validity. Discriminant and convergent validity is the extent to which the construct is truly different and related to other constructs, respectively. High discriminant validity shows that a construct is unique and depicts the phenomenon which other factors do not ; whereas, convergent validity helps that all the constructs are part of one component. The Table 4 depicts that the construct validity is more than 0.80 for individual components, which reflects the accuracy of the overall model.

**(5) First Order CFA :** Confirmatory factor analysis (CFA) was used to verify whether particular data is fit for

**Table 4. Validity**

| Components | *CR* | *AVE* |
|---|---|---|
| Tangibility | 0.831 | 0.511 |
| Reliability | 0.811 | 0.518 |
| Responsiveness | 0.808 | 0.513 |
| Assurance | 0.838 | 0.565 |
| Empathy | 0.804 | 0.507 |

**Figure 4. First Order CFA on Components of Service Quality**

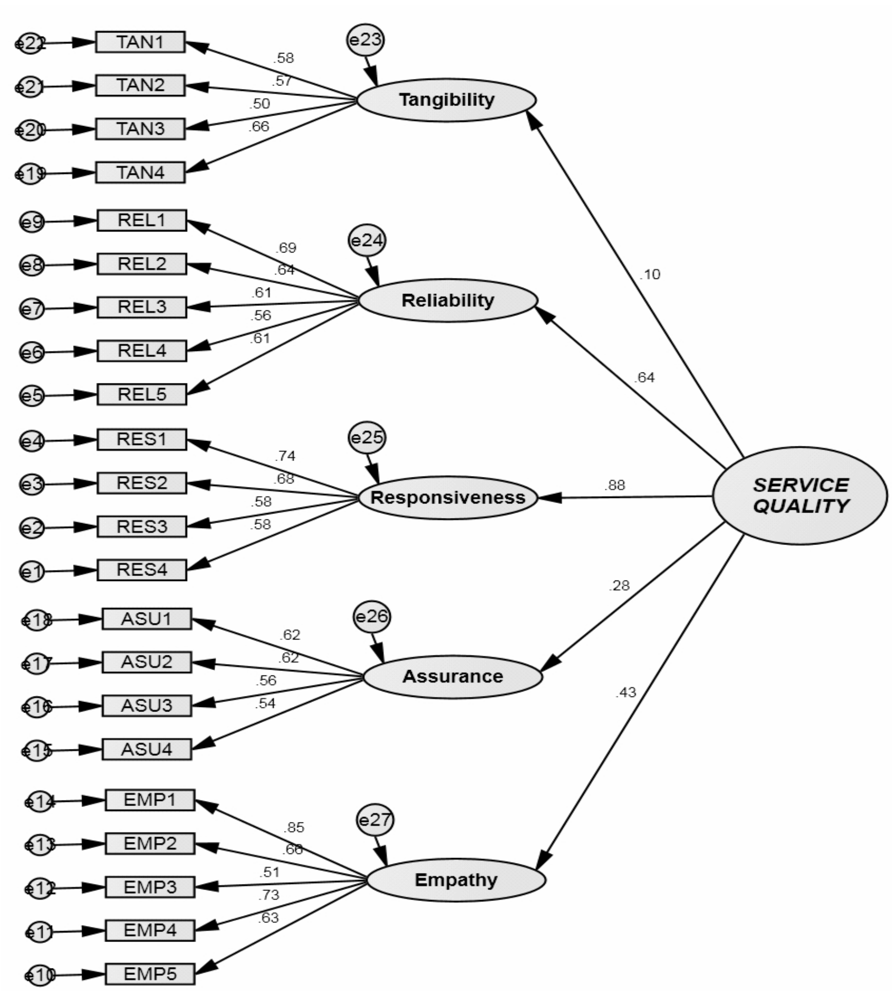



Notes: Confirmatory first order factor analysis (AMOS)
*GFI* = 0.906, *AGFI* = 0.880; *RMR* = 0.013

hypothesized measurement model, which is based on previous analytic research. It inquires about the connection among subsets of indicator variables. Indicator variables are selected on the basis of SERVQUAL multi-item scale to see if they load as predicted on the expected number of factors. CFA also helps to establish if measures created to represent a latent variable really belong together or not.

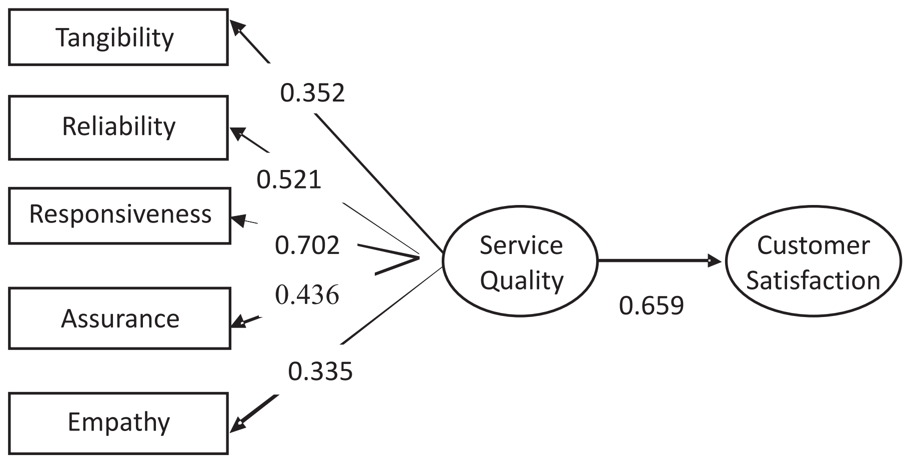
In order to test the relationship among the five factors of service quality, a confirmatory first order factor analysis was performed, which is a sub model of the general AMOS model. A confirmatory factor analysis using AMOS 16.0 by considering 20 items under five constructs namely Tangibility, Reliability, Responsiveness, Assurance, and Empathy provided results shown in the Figure 4. The Figure 4 indicates the dimensionality of each variable or factor and also tests the model fit of five factors. It is clear from the confirmatory first order analysis that all the five factors of service quality are closely correlated to each other ; so, service quality is not affected by one factor only. There is a strong and high correlation (0.56) between Tangibility and Reliability. Responsiveness is also closely correlated with Reliability (0.27). It can be seen from the Figure 4 that banks need to focus on all the factors together so that they can provide maximum satisfaction to their customers. It will further help them to

**Figure 5. Second Order CFA on Service Quality Constructs**




Notes: Confirmatory second order factor analysis (AMOS)
*GFI* = 0.904, *AGFI*= 0.881; *RMR* = 0.015

**Figure 6. SERVQUAL Model**




Note: Structural model analysis (AMOS)
Goodness of fit: *GFI* = 0.924, *AGFI* = 0.893; *RMR* = 0.015

maintain a long term relationship with them. Hence, service quality helps the banking sector to be service oriented and have a competitive edge over the other competitors.

**(6) Second Order CFA:** Second order CFA was applied to find out the impact of each construct on service quality. All the five constructs have shown their different and positive impact on overall service quality. This shows that all the constructs play an important role in measuring service quality. Among all the constructs of service quality, the factor loading of Responsiveness (0.88) is found to be the highest. It acts as the most important aspect of service quality because it eliminates the gap between perceived and expected quality of service. Through responsiveness, banks get to know about the actual needs and preferences of their customers (Wisniewiski & Donnelly, 1996). This creates a base for success and high market share of a bank as compared to other service providers. This further helps in converting customer satisfaction into customer loyalty.

Reliability (0.64) also has a significant impact on service quality as it helps in binding the customers with their service providers. Reliability is an important factor because without reliability, the customer will never get ready to maintain a long relationship with his or her service provider. Other components also have above average scores, which means that all the components have a significant effect on service quality. Banks are expanding their market so that they can serve a large number of people, and they can penetrate their roots into the market by offering a good level of service.

It is evident from the Figure 5 that apart from Responsiveness (0.88) - Tangibility (0.10), Reliability (0.64), Assurance (0.28), and Empathy (0.43) are also significantly supporting service quality so that banks may provide maximum satisfaction to their customers. In the modern era, the banking sector has become high-tech and highly competitive. So, banks need to put in extra efforts to survive in a competitive market. Reliability is quite significant as it is important for the customers. If customers feel assured and safe with their bank, then they will maintain a long-term relationship with the same. Banks need to focus on all five parameters of service quality so that they may retain their customers for a long period of time.

**(7) Model :** The Figure 6 illustrates the SERVQUAL model and depicts the association between the constructs of service quality and customer satisfaction. In the Figure 6, it has been depicted that Responsiveness has the greatest impact on service quality. However, along with Responsiveness, all the other constructs have a significant impact on overall service quality. The SERVQUAL model reveals that Reliability (0.521) also contributes significantly to customer satisfaction. The business environment has become highly competitive and unpredictable as the customers' demands are changing with time. Banks need to be proactive so that they can meet the desired level of customer satisfaction. This cannot be possible by concentrating on a single factor of service quality. There is cut throat competition in the market, so banks need to be very active. So, every aspect of service quality, that is, Tangibility, Reliability, Responsiveness, Assurance, and Empathy are important and have their own place in offering quality service. So, good service quality leads to customer satisfaction, which is the ultimate aim of every service provider.

## Managerial Implications

The ultimate goal of any service firm is profit maximization through customer satisfaction. This goal or objective can only be posited by giving quality service to the existing and potential customers. Customers are well aware and intelligent. Hence, service providers need to be smart enough to understand and fulfill the needs of their customers by gathering proper information about them. Hence, service quality is crucial for banks as it plays an important role for them to understand the needs and expectations of customers. Customers can even compare the performance of their competitors in order to gain a competitive advantage. Moreover, the study demarcates the factors that should be promoted or dampened to enhance the extent of service quality in banks for customer satisfaction. This research provides insights for managers to focus on important components of service quality to attain their objectives and goals.

## Conclusion

The study has revealed that commercial banks of Punjab are noticeably service-oriented, but both public sector banks and private sector banks are significantly different from one another in terms of overall as well as dimension-wise mean scores of service quality. It entails that both public sector banks and private sector banks apply service quality differently to attract their customers. It has been revealed from the study that private sector banks are more service oriented as compared to public sector banks. Public and private banks have strong competition between them for expanding their share in the market by offering quality services to their customers.

Service quality is an important function of customer satisfaction. Moreover, establishing valid and trustworthy model of service quality may serve as a strong, strategic tool for an organization because it will enable the top managers to measure the overall perception and expectations of customers. It has also been researched that no method of resource distribution is more proficient than pure competition to increase effectiveness and efficiency. Therefore, strong competition is a source of development of new products and services, which can help the organization as well as customers to fulfill their goals and desires, respectively (Jaiswal, Sahu, & Matharu, 2010). The present analysis of commercial banks of Punjab depicts the real time performance of banks in the market.

The findings elucidate that the domain of service quality is not limited to organizations or customers only. Service quality is an important factor of performance also and highlights the relation how service quality contributes to the success of banks. The service quality scale consists of five important factors named as Tangibility, Reliability, Responsiveness, Assurance, and Empathy. All these factors play a vital role for an organization to provide a good level of service quality to its customers. Among these five factors, Responsiveness was revealed to have a central and dominant impact on the service quality provided by commercial banks. But on the other hand, the other four factors of service quality are also important. Consequently, a successful model of service quality will not be possible without all the five factors because the concept of service quality is not limited to responsiveness only. Responsiveness is one of the important factors that help in improving the service quality of banks. Therefore, service quality is summed up with five important factors.

Similarly, Munusamy, Chelliah, and Mun (2010) also focused on measuring customer satisfaction through service quality in banks. Through this research, it was concluded that Assurance, Reliability, Responsiveness, and

Empathy have a positive relationship, but these factors have no significant impact on customer satisfaction ; whereas, Tangibility has a positive relationship and also has a significant impact upon customer satisfaction. Another research by Al - Tamini and Al - Amiri (2003) about the banks suggested that Empathy and Tangibility were the most important dimensions of service quality ; whereas, Andaleeb and Conway (2006) proposed that responsibility was a superior factor over the other factors of service quality. Therefore, these conclusions underscore suggestions for managers in banks to improve the delivery of service quality.

As far as the extent of service quality is concerned, it was discovered that both types of banks were highly service oriented. They were following all possible ways to satisfy their customers. Service quality cannot work internally or externally alone. It should work from both ends so that customers get the maximum benefit from it. Banks make their internal system strong by educating and giving proper training to their employees, and they also keep a proper eye on their competitors so that they can plan strategies to retain their existing as well as potential customers.

With changing times, customers as well as service providers are better aware of market conditions. The customers is the king, so service providers need to be well prepared so that they can delight their customers. Banks can get a competitive advantage only when they are well-equipped and highly service oriented. Strong service orientation will enhance a business probability to sustain in the market for a long period of time. With this, banks will also be able to fulfill their short- term goals and objectives. This means that service quality is not only for delighting customers, but it can also provide success to an organization.

Service quality is not only a trend, but it works like an instrument which provides valuable and useful information to managers for evaluation of perception and expectation of bank customers. SERVQUAL in the banking system gives a clear overview of quality of the provided service, and also helps in understanding the needs and expectations of customers. Through this analysis, managers can set standards for prerequisite of services in the banking sector. So, in a service organization, service quality is a significant concept that endows them to understand their customers.

It has been scrutinized that service quality and customer satisfaction are highly correlated. Between private and public sector banks, private sector banks were found to be more service oriented and provided better services than the public sector banks. Moreover, the concept of quality service provides success to an organization in the long run as well as in the short run. Service quality enables an organization to measure both expectations and perceptions, which may further guide the organization to fill the gap between the two. However, Responsiveness acts as the most important factor of service quality, but without the other factors, it is not possible for banks to offer best services to their customers. So, by offering exceptional service quality, banks can maintain a long run relationship with their customers to survive in the market.

## Limitations of the Study and Scope for Further Research

The present research design focused on the commercial banks of Punjab only. In this case, results cannot be generalized for all the banks in different states of India as service quality also varies according to the kind of environment people live in. It is quite possible that other banks have different work cultures, and they might be providing different services to their customers. In this study, only 12 commercial banks were included. So, probably, other banks have different priorities where customer service and satisfaction are concerned. Secondly, data was collected through a structured questionnaire which can only give quantitative information about the service quality instrument. Therefore, qualitative information about the procedures and methods followed by the banks cannot be determined from this data.

The results of the present study have advocated that the SERVQUAL scale can play a vital role for comprehending and evaluating customer satisfaction in the banking sector in Punjab. The outcomes proposed three probable areas that can be covered by further research. The first area for further study is in gazing at other service organizations as every service provider wants to know the perceptions and expectations of its customers. This study has studied the extent of service quality in the banking sector only. Hence, different types of firms and sectors could be inflated and investigated further. Secondly, service quality deals with both the perception of the service provider and expectations of customers. The actual gap between these two components gives a clear picture of customer satisfaction and orientation by service firms. Therefore, it becomes a key challenge for researchers to formulate such instruments that can measure this gap effortlessly. Furthermore, future studies can examine how regulations and procedures of RBI (Reserve Bank of India) have had an impact upon the service quality provided by banks. This area will further help in studying the differences in services delivered by different organizations. It will further explain the other factors on which the service quality offered by the banking sector depends.

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