

A Study on the Perception of Rural Customers Towards Banking Services in Punjab

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Abstract

The necessity of financial inclusion is urgent, particularly in the rural hinterlands, where the vast majority of the population resides. However, these areas continue to remain excluded from formal banking facilities, despite various attempts made by the government, policy makers, and also credit institutions. The main objective of the present study was to study the perceptions of the rural customers towards banking services in Punjab and also to calculate the mean gap between customers' expectations and perceptions towards banking services in rural areas (with specific reference to Punjab). The current study was aimed at evaluating the service quality of banks in the rural areas. To support the objectives of the study, SERVQUAL technique was adopted by using 20 variables grouped under five dimensions, Tangibility, Reliability, Responsiveness, Assurance, and Empathy using the 5 point likert scale.

Keywords: banking services, rural customers, SERVQUAL, financial inclusion

JEL Classification: G11, G14, G21

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The Indian banking system has played a crucial role in the socioeconomic development of the country. The system is expected to continue to be sensitive to the growth and development needs of all segments of the society. The banking system in India is significantly different from that of other Asian nations because of the country's unique geographic, social, and economic characteristics. India has a large population and land size, a diverse culture, and extreme disparities in income, which are marked among its regions. The banking system is the backbone of a nation's economy. It provides the necessary funds for the nation's growth and development. Banks play a pivotal role-not just of accepting, depositing, and deploying large amounts of public funds, but also leveraging such funds through credit creation.

The necessity of financial inclusion is urgent today, particularly in the rural areas, where the vast majority of the population of our country resides. However, these areas continue to remain excluded from formal banking facilities, despite the various attempts made by the government, the policy makers, and credit institutions. Most of financial studies have revealed that vast majority of the rural population remains outside the purview of the formal banking system. So, the main objective of this study is to analyze the perceptions of the rural customers towards banking services.

Definition of a Rural Area

According to Kashyap and Raut (2009) :

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- ↳ NSSO (Census) defined a rural area as a place where the population density is 400 persons /sq km, 75% of the male working population is engaged in agriculture, and the area has no municipal corporation board.
- ↳ NABARD defined all locations with a population of up to 10,000 people as a rural area.
- ↳ The Planning Commission of India defined a rural area as towns having a population of up to 15,000 people .
- ↳ The Sahara group defined rural markets as commercial establishments located in areas serving less than 1000 people.

Literature Review

Arora and Menu (2012) examined the respondents' preferences for various sources of finance, formal and informal. The finding of their study stated that the formal sector, specifically the banking sector, has made a significant progress in achieving financial inclusion targets. However, in the rural areas, a lot of efforts are required for changing the attitude of the people towards the banking sector by creating awareness among people about new innovative services and products. Kannan (2012) examined the rural consumers' preferences for the banking services in Dindigul district. The data was collected from 122 respondents of rural areas in Dindigul district. The findings of the study revealed that the rural customers were overall satisfied with the services provided by the banks. Most of the rural people had their accounts in public banks, but they got good services from private banks as well.

Madan and Garg (2012) examined the perception of the customers (located in both rural and urban areas) towards the quality of financial services provided by the financial institutions in Karnal. A sample of 526 respondents from various villages and towns participated in the study, and the data were collected using a structured questionnaire to analyze the perception of the rural and urban population. The findings of this study showed that urban people were more satisfied with the quality of services provided by the banks and the rural people were less aware of the services. Therefore, they were less satisfied than the urban people. Adil (2011) applied SERVPERF 22 items scale to assess the quality of services. The study found that customers of urban bank branches were more satisfied with the service quality than those of rural branches. Dass and Pal (2011) identified the drivers and inhibitors for adoption of mobile financial services among the rural, under banked population, and compared the same with that of existing studies. The major finding of this study was that the demand for banking and financial services and the amount of hardship faced in availing these services through existing channels of delivery can act as strong drivers for MFS. Lack of technology and lack of readiness were found to act as barriers for the adoption of mobile financial services.

Reddy, Srivastava, and Shankar (2011) described various issues involved in extending ATM services in rural areas for inclusive growth. In their study, they described the role and benefits of ATM in the rural areas for providing good services to the rural people. Singh and Sunayna (2011) investigated the level of service quality of private banks from the customers' perspective and assessed their satisfaction levels from the services provided by the private banks. Ghost and Gnanadhas (2011) found out the customers' perceptions of service quality factors in commercial banks and the customers' satisfaction towards the banks. The study concluded that there is a close link between the customers' perception on service quality factors and the customers' satisfaction levels. The impact of service quality factors on customers is not unique. It depends upon the demographic profile of the customers.

Research Methodology

The data were collected from the customers of rural banks with the help of questionnaires to evaluate the customers' perception on the service quality dimension. For this purpose, SERVQUAL questionnaire was used by us. The questionnaire consisted of 5- point scaling technique to judge the perception of the customers for banks. The data were collected from the rural areas of Punjab. For this purpose, three districts were selected from the three

Table 1. Districts and Blocks Covered for Data Collection

Region	Majha	Doaba	Malwa
District	Amritsar	Jalandhar	Ludhiana
Blocks			
1	Rayya	Jalandhar 2	Ludhiana west
2	Jandiala	Nakodar	Ludhiana East
3	Verka	Lohian	Sahnewal
4	Chogawan	Katarpur	Doraha

regions of Punjab as mentioned in the Table 1. Furthermore, the respondents were selected block wise (four blocks from each district) through judgmental sampling. The sample distribution is depicted in the Table 1.

↳ **SERVQUAL Methodology :** This study uses the SERVQUAL scale designed by Parasuraman, Zeithaml, and Berry (1988) to measure the perceived service quality of banking customers in rural areas. This approach has a practical appeal, operational simplicity, and potential for immediate and long-term strategic impact. This study follows closely the steps taken to measure the unweighted average SERVQUAL scores and the weighted average SERVQUAL. In computing the unweighted average SERVQUAL scores and the weighted average SERVQUAL scores, 20 items of SERVQUAL in both the expectations and perception statements were grouped according to the five basic dimensions of Tangibility , Reliability , Responsiveness, Assurance , and Empathy.

Objectives of the Study

The current study aimed at evaluating the service quality of banks in rural areas. To support the objective of the study, the SERVQUAL technique was adopted by using five dimensions - Tangibility, Reliability, Responsiveness, Assurance, and Empathy using the 5 point Likert scale. This was based on the SERVQUAL tool developed by Parasuraman et al. (1988). The main objectives of this study are :

- (1) To analyze the perception of the consumers towards banking services in rural areas.
- (2) To study the mean gap between customers' expectations and perceptions towards banking services in rural areas.

Analysis and Results

↳ **Demographic Profile of the Respondents :** The data were collected from the respondents on the dimensions of sex, profession, age, and income. Three hundred bank customers participated in the study ; among the 300 respondents, 82% were male respondents and 18% were female respondents ; 50% of the respondents were more than 40 years of age, 30% of the respondents fell in the age group of 31-40 years, 13% of the respondents fell in the age group of 21-30 years, and 7% of the respondents were less than 20 years of age ; 41% of the respondents were farmers, 27% of the respondents were businessmen, 21% of the respondents were employees, 10% of the respondents belonged to 'other professions', and 1% of the respondents were home makers and students.

↳ **SERVQUAL Dimensions' Importance Score :** Understanding that the five dimensions of customer service quality had been identified and established by extensive research conducted by the SERVQUAL developers and that all five were found to be important to the customers, the authors also concluded that the customer assigns different levels of importance to each dimension (Zeithaml, Parasuraman, & Berry, 1990). The SERVQUAL customer perception tool - that was used to collect data from the banking customers - included a section between

the expectation and perception sections that asked the respondents to divide 100 points between the five dimensions based upon their perception of importance. The respondents were asked to assign the points to the *most important* dimension and fewer points to the *least important* dimensions. The respondents gave a score on the following dimensions:

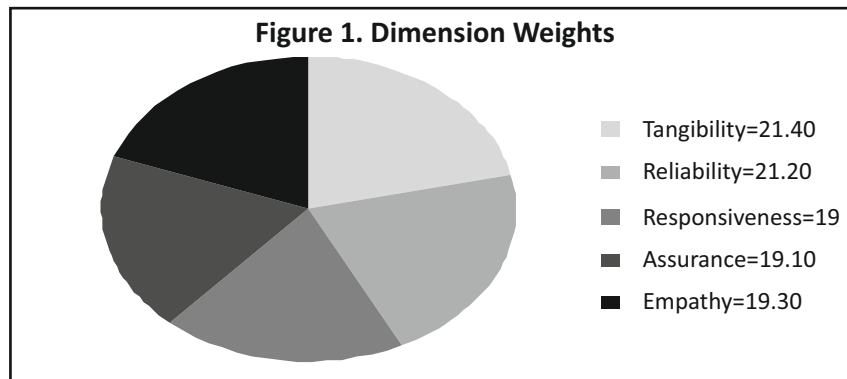


Table 2. SERVQUAL Score

Dimension	Statement	Expectation Score	Perception Score	Gap (-)	Average of Perception
Tangibility	1	1286=4.28	1179=3.93	0.35	15.19/4
	2	1260=4.20	1143=3.81	0.39	=3.79
	3	1178=3.92	1095=3.65	0.27	
	4	1232=4.10	1140=3.8	0.30	
Reliability				1.31	
	1	1245=4.15	1153=3.84	0.31	15.81/4
	2	1239=4.13	1162=3.87	0.26	=3.95
	3	1281=4.27	1219=4.06	0.21	
Responsiveness	4	1277=4.26	1212=4.04	0.22	
				1.00	
	1	1272=4.24	1209=4.03	0.21	16.12/4
	2	1272=4.24	1202=4.06	0.18	=4.03
Assurance	3	1266=4.22	1199=3.99	0.23	
	4	1231=4.10	1204=4.01	0.09	
				0.71	
	1	1263=4.21	1208=4.02	0.19	16.08/4
Empathy	2	1269=4.23	1217=4.05	0.18	=4.02
	3	1268=4.22	1197=3.99	0.23	
	4	1266=4.22	1207=4.02	0.20	
				.638	
Total	1	1278=4.26	1213=4.04	0.22	16.59/4
	2	1275=4.25	1215=4.05	0.20	=4.14
	3	1287=4.29	1275=4.25	0.04	
	4	1284=4.28	1275=4.25	0.03	
				0.49	
Total					19.94/5
					= 3.98

Table 3. Unweighted Average Gap Score

Sr. No.	Dimension	Average Gap Score
1	Tangibility	-0.33
2	Reliability	-0.25
3	Responsiveness	-0.18
4	Assurance	-0.16
5	Empathy	-0.12
Total		-1.04
Average Unweighted Score		-0.21

Table 4. SERVQUAL Dimensions Weight

Sr. No.	Features	Points
1	Tangibility	20(21.40)
2	Reliability	20(21.20)
3	Responsiveness	20(19.00)
4	Assurance	20(19.10)
5	Empathy	20(19.30)

Table 5. Weighted SERVQUAL Scores

Dimension	Score from Table 3	Score from Table 4	Weighted Score
Tangibility	-0.33	20	-6.55
Reliability	-0.25	20	-5.00
Responsiveness	-0.18	20	-3.55
Assurance	-0.16	20	-3.19
Empathy	-0.12	20	-2.45
Average weight score $-20.74/5 = -4.15$			

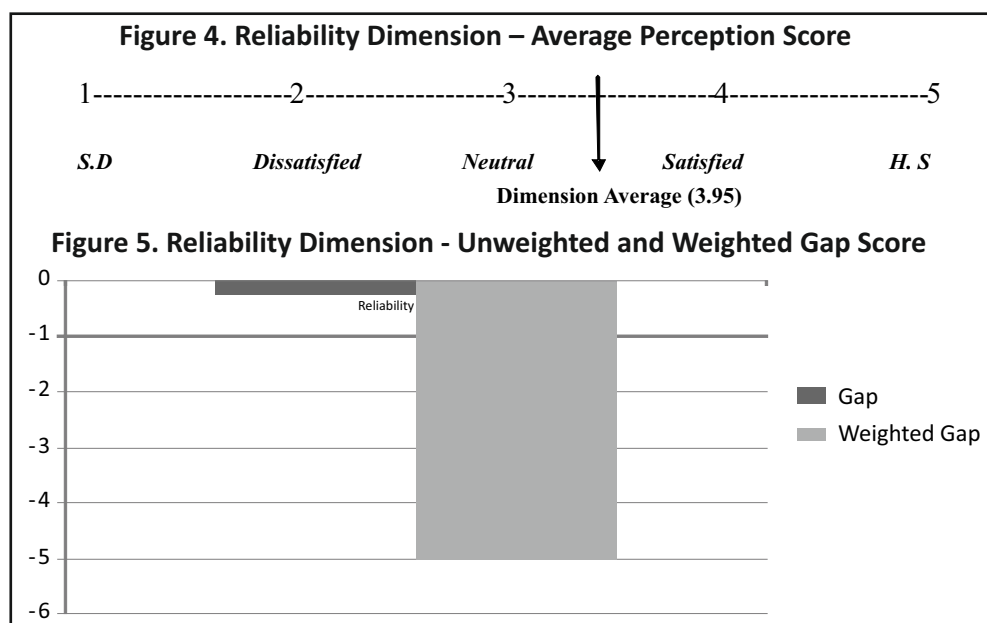
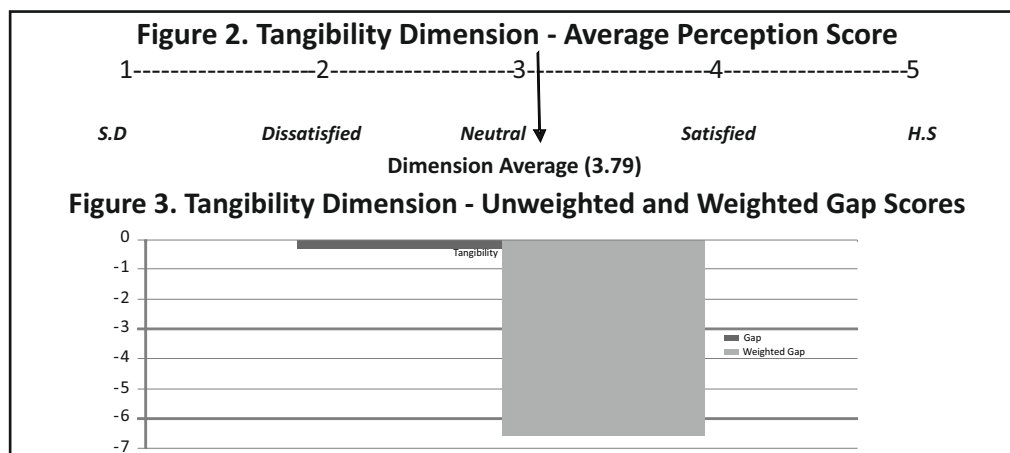
- (1) Reliability,
- (2) Assurance,
- (3) Responsiveness,
- (4) Empathy,
- (5) Tangibility.

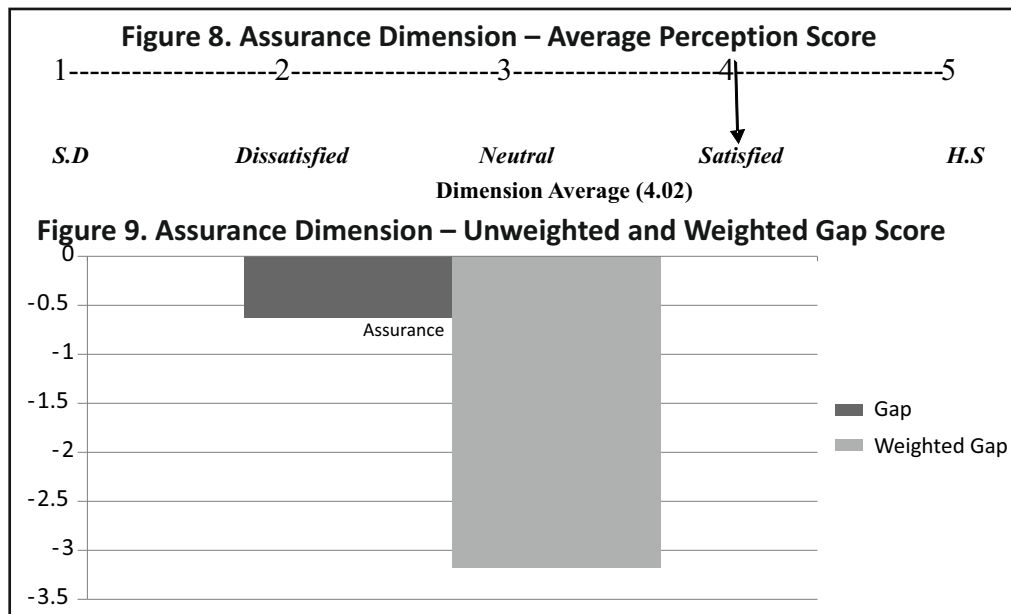
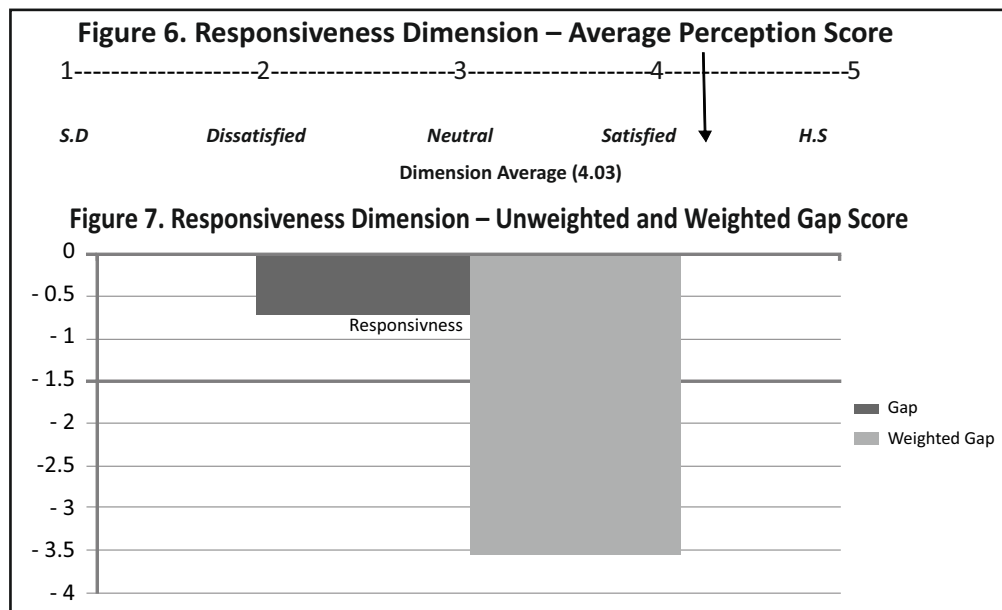
The data on the above mentioned dimensions collected from the customers is shown in the Table 4. The average importance score was also used to weigh the gap scores for each dimension. Weighted scores were established by multiplying the dimension weight and the dimension gap score. The weighted score helped to clarify the significance of the perception/expectation gaps that were measured during this research. The Figure 1 shows the dimension weights.

SERVQUAL Results by Dimension

(1) Tangibility : The Tangibility dimension of the SERVQUAL instrument assessed the banking customers' perceptions of the tangible appearance aspects (equipment, materials, physical facility, and employees) of rural areas of Punjab. As shown in the Figure 2 and Table 2, the average perception score of the tangibility dimension is 3.79. When looking at each of the four factors making up the Tangibility dimension of customer satisfaction (Table 2), the expectations of the banking customers exceeded their perceptions in the areas of “modern looking equipment” (gap score - P- E = - 0.35), “visually appealing materials” (gap score - P- E = - 0.39), “visually appealing facilities” (gap score - P-E = - 0.27), and “professional appearance of employees” (gap score - P- E = - 0.30). The average unweighted gap score (P- E) for the tangibility dimension of customer satisfaction, as shown in the Table 3, is -0.33. When the tangibility weight score of 20 is applied (Table 4) to the gap score, the weighted gap score jumps to -6.55 (Table 5), and the results show that the expectations of the banking customers in the rural areas exceeded their perceptions with regard to the tangible appearance aspects of the banks as presented in the Figure 3.

(2) Reliability : The Reliability dimension of the SERVQUAL instrument assessed the banking customers' perceptions of the reliability aspects (acting according to promises, sincerity in problem solving, performing the service right at the first time, providing service at the promised time, and insistence on error free records) in the rural areas of Punjab. As shown in the Figure 4 and Table 2, the average perception score of the tangibility dimension is 3.95. When looking at each of the four factors making up the reliability dimension of customer satisfaction (Table 2), the expectations of the banking customers in the rural areas of Punjab exceeded their perception in all four areas : "acting according to promise" (gap score - P- E = - 0.31), "if the bank promised to do something by a certain time, then they should do so" (gap score - P- E = -0.26), "providing service at the promised time" (gap score - P- E = -0.21), "and insistence on error free records" (gap score - P- E = 0.22). The average unweighted gap score (P-E) for the reliability dimension of customer satisfaction, as shown in the Table 3, is -0.25. When the reliability weight score of 20 is applied (see Table 4) to the gap score, the gap score jumps to -5.00 as shown in the Table 5. The results show that the perception score of the customers fall below the expectation score as presented in the Figure 5.





(3) Responsiveness : The Responsiveness dimension of the SERVQUAL instrument assessed the respondents' perceptions of the responsiveness aspects. As shown in the Figure 6 and Table 2, the average perception score of the tangibility dimension is 4.03. When looking at each of the four factors making up the responsiveness dimension of customer satisfaction (see Table 2), the expectations of the banking customers exceeded their perceptions in all four areas : "special care for special customers" (gap score - P-E = -0.09), "providing services promptly" (gap score - P-E = -0.21), "willingness to help" (gap score - P-E = -0.18), "replying to queries" (gap score - P-E = -0.23). The average unweighted gap score (P-E) for the responsiveness dimension of customer satisfaction (as shown in the Table 3) is -0.18. When the responsiveness weight score of 20 is applied (see Table 4) to the gap score, the gap score increases to -3.55 as shown in the Table 5. The results show that the perceptions of the customers fell below their expectations in the responsiveness aspects, as presented in the Figure 7.

(4) Assurance : The Assurance dimension of the SERVQUAL instrument assessed the respondents' perceptions regarding the assurance aspects in rural areas of Punjab. As shown in the Figure 8 and Table 2, the average perception score of the tangibility dimension is 4.02. When looking at each of the four factors making up the assurance dimension of customer satisfaction (see Table 2), the expectations of the banking customers exceeded their perceptions in all the four areas : "When customers face problems, the banks should be sympathetic and reassuring" (gap score - P - E = -0.19), "customers should feel safe while conducting transactions with the banks" (gap score - P - E = -0.18), "clients can trust the employees of their banks" (gap score - P - E = -0.23), and "employees of banks should be polite" (gap score - P - E = -0.20). The average unweighted gap score (P-E) for the Assurance dimension of customer satisfaction, as shown in the Table 3, is -0.16. When the assurance weight score of 20 is applied (see Table 4) to the gap, the gap score increases to -3.19, as shown in the Table 5. The results show that the perception of the banking customers fell below the expectations of the respondents with regards to the assurance aspects, as presented in the Figure 9.

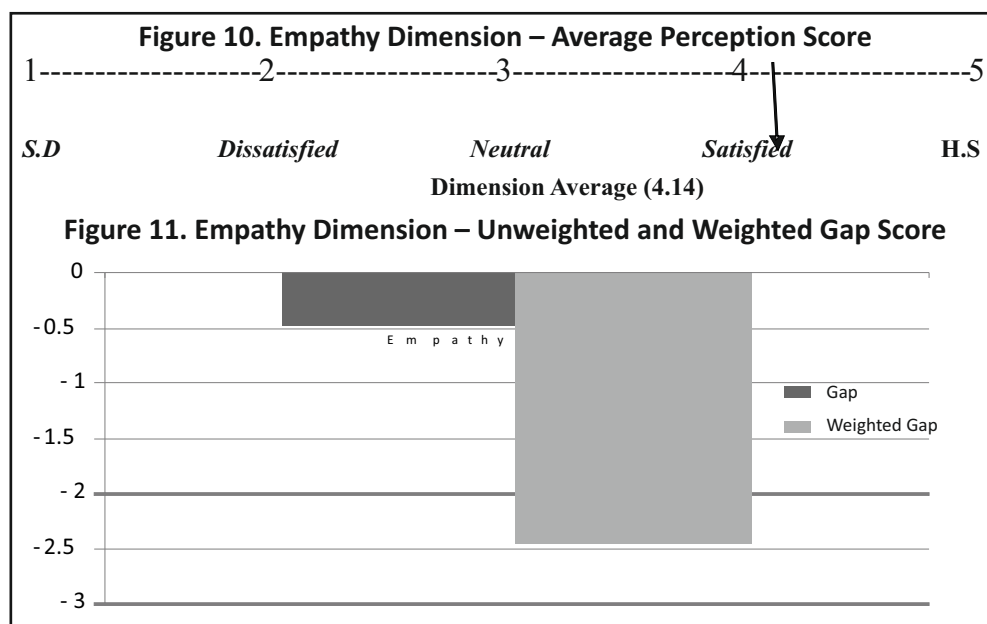


Table 6. Showing Hypotheses Related to Significance of Gap

Sr. No.	Null Hypothesis and Alternate Hypothesis	Statements
HI	H0	Gap between customers' expectations and perceptions towards tangibility dimension is insignificant.
	H1	Gap between customers' expectations and perceptions towards tangibility dimension is significant.
HII	H0	Gap between customers' expectations and perceptions towards reliability dimension is insignificant.
	H1	Gap between customers' expectations and perceptions towards reliability dimension is significant.
HIII	H0	Gap between customers' expectations and perceptions towards responsiveness dimension is insignificant.
	H1	Gap between customers' expectations and perceptions towards responsiveness dimension is significant.
HIV	H0	Gap between customers' expectations and perceptions towards assurance dimension is insignificant.
	H1	Gap between customers' expectations and perceptions towards assurance dimension is significant.
HV	H0	Gap between customers' expectations and perceptions towards empathy dimension is insignificant.
	H1	Gap between customers' expectations and perceptions towards empathy dimension is significant.

Table 7. One Sample Statistics & Sample Test (Tangibility)

Factors	Mean	Z-Value	Sig.(2-tailed)
Tan1	-3.07	-18.21	.000
Tan2	-3.02	-73.24	.000
Tan3	-2.65	-83.77	.000
Tan4	-2.75	-84.71	.000

(DF = Degree of Freedom is 299)

(At 0.05 Level of Significance)

Table 8. One Sample Statistics & Sample Test (Reliability)

Factors	Mean	Z-Value	Sig.(2-tailed)
Rel1	-.38	-21.24	.000
Rel2	-.38	-59.18	.000
Rel3	-.17	-15.51	.000
Rel4	-.23	-86.45	.000

(DF = Degree of Freedom is 299)

(At 0.05 Level of Significance)

Table 9. One Sample Statistics & Sample Test (Responsiveness)

Factors	Mean	Z-Value	Sig.(2-tailed)
Res1	-.32	-73.17	.000
Res2	-.37	-73.17	.000
Res3	-.31	-63.77	.000
Res4	-.15	-54.24	.000

(DF= Degree of Freedom is 299)

(At 0.05 Level of Significance)

(5) Empathy : The Empathy dimension of the SERVQUAL instrument assessed the respondents' perceptions of the empathy aspects in rural areas of Punjab. As shown in the Figure 10 and Table 2, the average perception score of the Tangibility dimension is 4.14. When looking at each of the four factors making up the Empathy dimension of customer satisfaction (see Table 2), the expectations of the banking customers exceeded their perceptions in all of four areas : "employees get adequate support from banks to do their job well" (gap score - P-E = -0.22), "bankers should give individual attention to the customers" (gap score - P-E = -0.20), "banks should have operating hours that are convenient to all their customers" (gap score - P-E = -0.04), and "bankers should try to know the needs of their customers" (gap score - P-E = -0.03). The average unweighted gap score (P-E) for the Empathy dimension of customer satisfaction, as shown in the Table 3, is -0.12. When the empathy weight score of 20 is applied (see Table 4) to the gap, the gap score increases to -2.45, as shown in the Table 5. The results show that the perception of the banking customers fell below their expectations with regards to the empathy aspects (as presented in the Figure 11).

Significance of the Mean Gap Between Customers' Expectations and Their Perceptions

The respondents were asked to rate the 20 statements as per their expectations and perceptions towards banking services in banks on a 5- point likert scale. After collecting the data, the mean gap between their expectations and perceptions was calculated by using SERVQUAL gap analysis. The Z test was applied to test that whether the gap between their expectations and perceptions was significant or insignificant.

Table 10. One Sample Statistics & Sample Test (Assurance)

Factors	Mean	Z-Value	Sig.(2-tailed)
Ass1	-.31	-71.09	.000
Ass2	-.23	-94.56	.000
Ass3	-.15	-25.88	.000
Ass4	-.36	-72.61	.000
(DF= Degree of Freedom is 299)		(At 0.05 Level of Significance)	

Table 11. One Sample Statistics & Sample Test (Empathy)

Factors	Mean	Z-Value	Sig.(2-tailed)
Emp1	-.29	-84.43	.000
Emp2	-.25	-25.91	.000
Emp3	-.12	-19.49	.000
Emp4	-.28	-80.76	.000
(DF= Degree of Freedom is 299)		(At 0.05 Level of Significance)	

(1) Tangibility: Here, the mean values for the gap against the Tangibility dimension [Tan 1,2,3,4] are -3.07,-3.02, -2.65, and -2.75, respectively and the Z values are -18.21, -73.24, -83.77, and -84.71 . The p - value is 0.000 and the level of significance is 0.05, which exceeds the p - value as shown in the Table 7. Therefore, we reject the null hypothesis (H0) and accept the alternate hypothesis (H1), that is, the gap between customers' expectations and perceptions is significant (Table 6).

(2) Reliability: Here, the mean values for the gap against the Reliability dimension [Rel 1,2,3,4] are -0.38,-0.38, -0.17, and -0.23, respectively and the Z values are -21.24, -59.18, -15.51, and -86.45. The p - value is 0.000 and the level of significance is 0.05, which exceeds the p - value as shown in the Table 8. Therefore, we reject the null hypothesis (H0) and accept the alternate hypothesis (H1), that is, the gap between customers' expectations and perceptions is significant (Table 6).

(3) Responsiveness: Here, the mean values for the gap against the Responsiveness dimension [Res 1,2,3,4] are -0.32,-0.37, -0.31, and -0.15, respectively and the Z values are -73.17, -73.17, -63.77, and -54.24. The p - value is 0.000 and the level of significance is 0.05, which exceeds the p - value as shown in the Table 9. Therefore, we reject the null hypothesis (H0) and accept the alternate hypothesis (H1), that is, the gap between customers' expectations and perceptions is significant (Table 6).

(4) Assurance: Here, the mean values for the gap against the Assurance dimension [Ass1, 2, 3, 4] are -0.31,-0.23, -0.15, and -0.36, respectively and the Z values are -71.09, -94.56, -25.88, and -72.61. The p - value is 0.000 and the level of significance is 0.05, which exceeds the p - value as shown in the Table 10. Therefore, we reject the null hypothesis (H0) and accept the alternate hypothesis (H1), that is, the gap between customers' expectations and perceptions is significant (Table 6).

(5) Empathy: Here, the mean values for the gap against the Empathy dimension [Emp1, 2, 3, 4] is -0.29,-0.25, -0.12, and -0.28, respectively and the Z values are -84.43, -25.91, -19.49, and -80.76. The p - value is 0.000 and the level of significance is 0.05, which exceeds the p - value as shown in the Table 11. Therefore, we reject the null hypothesis (H0) and accept the alternate hypothesis (H1), that is, the gap between customers' expectations and perceptions is significant (Table 6).

Suggestions

The quantitative findings that have been deduced by analyzing the perceptions of the rural customers on the service quality dimension through the SERVQUAL instrument are as follows:

(1) Tangibility: Satisfaction related with the physical aspects of the banks.

🔗 **Customers were Not Satisfied with the Tangibility Dimension.** The average SERVQUAL perception value for tangibility is 3.79 out of possible 5 (see Table 2). The customers gave a score of 20 for the importance dimensions, and the expectations score exceeds the perceptions score by 1.13 (see Table 2), which indicates that the customers were not satisfied with the banks' overall tangible appearance (equipment, materials, physical facilities, and employees). Hence, under the tangibility dimension, the physical facilities, environment, and the ambience of the banks should be visually appealing, and the banks should install the latest machines for the convenience of the customers. The highest gap is observed in case of this dimension (Table 12). Hence, the banks in the rural areas need to especially focus on the tangibility dimension.

(2) Reliability: The ability of the banks to perform the promised services dependably and accurately .

The respondents were not satisfied with the reliability dimension. According to the average SERVQUAL perception value for reliability, which is 3.95 out of possible 5 (Table 2), the performance of all the dimensions listed under reliability (acting according to promises, performing the service right the first time, providing services at the promised time, & insistence on error free records) is not satisfactory. Under the reliability dimension, the dimension of the banks "being dependable" has the highest gap score as shown in the Table 12. Hence, the banks in the rural areas should focus on this dimension.

(3) Responsiveness : Response and willingness of the employees while providing the banking services.

The average SERVQUAL perception value for responsiveness is 4.03 out of possible 5 (see Table 2). This score indicates that the rural customers were satisfied with the overall responsiveness of the banks. However, when we compare their (the respondents') perceptions with their expectations, there is a gap of -0.71 between their perceptions and expectations (Table 2). More specifically, when we consider only the perception part, they were

Table 12. Highest Gap Score Between Customers' Expectations and Perceptions

Sr. No	Attribute	Dimension	Score
1	Bank physical facilities should be visually appealing.	Tangibility	-0.39
2	Up to date equipment and instrument facilities should be available.	Tangibility	-0.35
3	Banks should be dependable.	Reliability	-0.31
4	The appearance of the physical facilities of the banks should match with the types of services provided.	Tangibility	-0.30

Table 13. Lowest Gap Score Between Customers' Expectations and Perceptions

Sr. No	Attribute	Dimension	Score
1	Bankers should make efforts to know what are the needs of the customers.	Empathy	-0.03
2	Banks should have operating hours that are convenient for all customers.	Empathy	-0.04
3	Banks should implement special facilities for special customers.	Responsiveness	-0.09

satisfied with the banks' performance in "providing services promptly," "willingness to help," and "the employees never being too busy to respond to their requests for service".

(4) Assurance : Assurance of competency, courtesy, credibility, and security.

The average SERVQUAL perception value for assurance is 4.02 out of possible 5 (see Table 2). This score indicates that the banking customers in rural areas of Punjab felt safe in their transactions with the banks. But their perceptions fall short as compared to their expectations. The gap score between their expectations and perceptions is 0.638 (see Table 2).

(5) Empathy : Caring for the customers, understanding their needs, and providing convenient operating hours.

The average SERVQUAL perception value for empathy is 4.14 out of possible 5 (see Table 2). This score indicates that the banking customers in the rural areas of Punjab were satisfied with the overall empathy displayed and demonstrated by the banks. But the perceptions of the customers fall short with gap of -0.49 (see Table 2). This reveals that the customers expected more from the banks on this dimension. Under the empathy dimension, the bankers should be well aware of the customers' needs and requirements, the banks should have operating hours that are convenient to all their customers. This dimension also has the lowest gap score (as shown in the Table 13). These are the positive aspects of the banks, and the banks should further improve upon these dimensions and should consolidate their strong areas to keep the customers satisfied.

Research Implications, Limitations of the Study, and Scope for Further Research

The gaps existing in service quality in terms of services delivered and outcomes are major factors that influenced the perceptions of the customers towards the banks. There is a negative gap between customers' expectations and perceptions. The managements of banks should focus on these gaps, and should try to bring improvements in these areas as there is tough competition between the public sector and private sector banks. Furthermore, future studies can analyze the perceptions of the customers towards financial services provided by the various financial institutions like non banking financial institutions, post offices, and so on. A comparative study between banks and the non banking financial institutions can also be conducted to study the customers' perceptions towards banking and non banking financial institutions.

The present study also has some limitations - the study was conducted in Punjab state, and therefore, the results obtained may not be generalizable to the country as a whole. The data for the study was collected from the respondents who visited the banks, and therefore, the limitation of the respondents' bias also exists.

Conclusion

The overall perceived SERVQUAL score for the five dimensions of customer satisfaction is 4.79. This indicates a satisfactory level of customer satisfaction in service quality. From the quantitative analysis, it is found that although gaps exist in the expected v/s perceived level of service quality satisfaction, customers of banks in rural areas of Punjab were satisfied with the quality of services being delivered by the banks. The negative gaps that existed in the expected v/s perceived level of service quality indicate that there are areas where efforts need to be directed to bring about an improvement. Dimensions having the highest gap score suggest that the banks should focus on these aspects and should prioritize and focus on improving these dimensions.

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