

Banking Service Experience and Customer Satisfaction: An Empirical Study of Rural Customers in Rajasthan

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ABSTRACT

This paper investigates the effect of banking services experience (on the five SERVQUAL dimensions of reliability, responsiveness, assurance, empathy and tangibles) on customer satisfaction of the rural banking scenario in Rajasthan, India. While institutions in rural India are gradually growing as part of the country's financial inclusion initiatives, there has been relatively less research on the quality of service experiences provided to rural customers by formal banking institutions compared to those in urban and digital banking. A structured questionnaire was developed using established questionnaires, SERVQUAL and customer satisfaction, and data was collected from 384 rural banking customers in Rajasthan. The internal consistency of scales was verified for all the constructs using Cronbach's alpha (all above 0.85), and the five hypothesised relationships were tested using Pearson's correlation. As regards customer satisfaction, all five service-experience dimensions were highly significantly and positively related, with reliability ($r = .515$) and responsiveness ($r = .503$) being the strongest correlates of customer satisfaction, followed by assurance ($r = .432$), tangibles ($r = .409$) and empathy ($r = .353$). The findings contribute a new extension of the SERVQUAL–satisfaction relationship in an under-studied rural and agrarian banking context and provide further dimension-specific suggestions for banks and financial-inclusion planners to consider when aiming to increase customer satisfaction in rural banking.

Keywords: Banking Service Experience; Customer Satisfaction; SERVQUAL; Rural Banking; Rajasthan; India

INTRODUCTION

In the past two decades, the Indian banking system has gone through significant structural changes, driven by liberalisation, technological advancement, and a policy commitment to the goal of financial inclusion and promoting access to formal financial services to customers beyond the urban and metropolitan centres. This expansion has been particularly focused on rural India, which still has a significant proportion of the population in it and is heavily reliant on agriculture and allied activities. Financial inclusion policy, outreach through Regional Rural Banks (RRBs) and business correspondents (BCs), and migration of branches among states contributed to banking's geographical reach, e.g., Rajasthan (Bhatia & Saraswat, 2022; Kumar, Yadav, & Pandya, 2024). However, opening access to a bank branch or an account is just the first part of financial inclusion – how rural customers experience banking services once they have entered the banking system is also playing an important and much less noticed role in determining whether this actually leads to continued interaction and satisfaction with the bank (Kirtiraj & Singh, 2023).

Perceived quality of services are generally defined under five dimensions, namely reliability (the dependence of

doing promised service rightfully and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (the knowledge and courtesy of employees and inspiration of trust and confidence), empathy (caring and individualised attention provided to customers), and tangibles (the appearance of physical facilities, equipment, personnel and communication material). This framework has been thoroughly tested in banking environments around the world (Alolayyan, Al-Hawary, Mohammad, & Al-Nady, 2018; Garg, 2022; Pavlović & Tešić, 2023) and also has been adapted to new channels of bank delivery such as the use of digital banking and AI banking services (Bhuvaneswari & Maruthamuthu, 2024; Shunmugasundaram et al., 2023).

Customer satisfaction, in turn, is a measure of how a customer's overall service experience with the bank is consistent with or exceeds their expectations and consistently related in the banking literature with customer retention, cross-selling potential and long-term profitability (Khan & Fasih, 2014; Sahi, Khalid, Abbas, & Khatib, 2021). Customers who are satisfied with the services of one bank will more likely single out one bank for their service needs rather than other banks, suggest the bank to other customers and will not be tempted to shift to

other service providers (Mitić & Brzaković, 2023; Yusuf, Alam, Saha, & Turja, 2024).

Although numerous studies have employed SERVQUAL to examine and assess banking service quality, the vast majority of empirical research is in the context of urban, metropolitan, and digital banking or on educated, technologically focused banking customers (Bhuvaneswari & Maruthamuthu, 2024; Shetty et al., 2023). Rural banking customers continue to be relatively under-represented in this literature, as they do not bank online and instead utilise either physical bank branches or banking correspondents and may have lower levels of financial literacy, face infrastructural difficulties, and be socially and economically vulnerable (Kirtiraj & Singh, 2023; Mahjudin, Daengs G. S., & Istanti, 2025). Existing empirical studies specifically on financial inclusion in rural banking customers of India are geographically constrained or descriptive in nature or are financial-inclusion indicator centric rather than being service-experience to its satisfaction relationship (Bhatia & Saraswat, 2022; Kumar et al., 2024). This puts a significant disconnect around what exactly aspects of the banking service experience may be significant in determining satisfaction among rural customers in a large, agrarian, and geographically diverse state like Rajasthan.

It is particularly instructive to pose this question in the context of Rajasthan. As India's largest state in terms of area, the bulk of its population lives in rural and semi-arid areas, and banks such as public sector banks, regional rural banks, and cooperative banks with a limited number of private banks cater to the needs of this rural population. Although the state-led studies have captured the progress and trends of financial inclusion in certain districts in Rajasthan (Bhatia & Saraswat, 2022; Kumar et al., 2024), none of these have systematically explored and mapped the connection between the five SERVQUAL dimensions of banking service experience and customer satisfaction using a validated multi-item instrument and statistical testing. This paper provides an important theoretical and empirical contribution to the literature on the SERVQUAL-satisfaction relationship by shedding light on the same relationship in an under-researched rural, emerging-market context, and it is also useful for those who plan service enhancements in action, such as bank managers, policymakers, and financial-inclusion planners, as they can identify from dimension-specific evidence on where they stand to gain the most when improving services in rural areas.

Based on this problem and gap, the present study aims to empirically explore the relationship between the five dimensions of banking service experiences, namely, reliability, responsiveness, assurance, empathy, tangibles and satisfaction of rural banking customers of Rajasthan. The following are specific objectives of the study:

1. To examine the relationship between reliability and customer satisfaction among rural banking customers in Rajasthan.
2. To examine the relationship between responsiveness and customer satisfaction among rural banking customers in Rajasthan.

3. To examine the relationship between assurance and customer satisfaction among rural banking customers in Rajasthan.

4. To examine the relationship between empathy and customer satisfaction among rural banking customers in Rajasthan.

5. To examine the relationship between tangibles and customer satisfaction among rural banking customers in Rajasthan.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Reliability and Customer Satisfaction

The reliability, as banks' capacity to provide services as they promised, is consistently stated to be one of the banking research's most influential predictors of customer satisfaction (Alzaydi, 2022; Garg, 2022). Kirtiraj and Singh (2023) studied rural banking customers and uncovered that customers also rely heavily on the reliability of the service when assessing their overall banking experience, which arguably has greater significance in the rural setting where customers have limited recourse or awareness of how to detect and correct services. Warrick et al. (2023) also found that reliability and quality of service constituted a major positive contributor to customer satisfaction in the banking sector in Saudi Arabia, and Mitić and Brzaković (2023) identified stable and reliable service delivery as central factors for satisfaction with banking services in general. Similarly, in the realm of banking, which is also digitised, Bhuvaneswari and Maruthamuthu (2024) highlighted that promptness and dependability in service provision are critical to customer satisfaction. Since this trend has been observed across the two banking channels, traditional banking and online banking, and is more relevant for customers in rural areas, the hypothesis is:

H1: There is a significant relationship between reliability and customer satisfaction among rural banking customers in Rajasthan.

2.2 Responsiveness and Customer Satisfaction

Responsiveness refers to how well a service provider is attuned to their customers, promptly assisting them, answering their questions, and delivering timely service. Hoang Anh and Nguyen Thanh (2022) discovered that all five dimensions of SERVQUAL were significant and contributed to customer satisfaction in the banking sector in Vietnam, with the responsiveness dimension being meaningfully enhanced by reliability and empathy. Responsiveness was found to significantly impact customer satisfaction, particularly in the realm of digital banking services in India, indicating the increasing importance of timely services among the banking customers, as reported in the study by Bhuvaneswari and Maruthamuthu (2024). Shetty et al. (2023) explored the bounded relationship between responsiveness and overall perceptions of the service quality of Indian public sector banks using a modified SERVQUAL. Factors related to service speed and the bank personnel's willingness to serve may be more prominent in determining satisfaction

for the rural community, where customers may be travelling long distances to arrive at a branch and may not have a great deal of alternative access points. Based on these findings, it is hypothesised that:

H2: There is a significant relationship between responsiveness and customer satisfaction among rural banking customers in Rajasthan.

2.3 Assurance and Customer Satisfaction

Assurance conveys trustworthiness, courtesy and knowledge of the bank's workforce as well as confidence placed by their clients. Alolayyan et al. (2018) revealed that the most important SERVQUAL dimensions that affect customer satisfaction of the commercial bank's customers are assurance, before reliability dimensions, tangibles, empathy and responsiveness dimensions. Shetty et al. (2023) found that assurance, along with other dimensions such as empathy, responsiveness, and tangibles, had significant associations with service quality perceptions in a similar study conducted in the Indian public sector banking industry. In the study of banking services in Croatia, Pavlović and Tešić (2023) discovered that dimensions that are found in close proximity to the assurance dimension are significantly and positively associated with customers' overall service quality perception. In rural areas, bank employees' confidence-building demeanour is key and likely has a larger impact on customers' feelings of comfort towards the bank and their satisfaction with it, especially since these customers may be less familiar with formal banking processes, paperwork, and financial products. This results in the third hypothesis:

H3: There is a significant relationship between assurance and customer satisfaction among rural banking customers in Rajasthan.

2.4 Empathy and customer satisfaction.

Empathy refers to the bank employees' ability to treat the customer as an individual and not someone with a balance or an account. According to Hoang Anh and Nguyen Thanh (2022), reliability and empathy were the two aspects of SERVQUAL having the greatest impact on customer satisfaction in the banking industry in Vietnam. Similarly, in the context of cooperative banking in India, Kumar (2024) reinforced the fact that customer satisfaction is greatly influenced by "the refined behaviour of bank staff", which serves as the main determinant of customer satisfaction, especially for the semi-urban and rural customers who are the ones who have a lifetime relationship with their bank branches. Similarly, Shunmugasundaram et al. (2023) used an improved SERVQUAL tool in the banking sector of India and found that the courtesy and politeness of the bank staff were still significant for fostering customer relationships in the long run. Empathy is likely to continue to play an important role in satisfaction, since building a personal relationship tends to be important with rural customers. Accordingly:

H4: There is a significant relationship between empathy and customer satisfaction among rural banking customers in Rajasthan.

2.5 Tangibles & Customer Satisfaction

Tangibles include the physical facility of branches, the look of employees, the reliability of service equipment (such as ATMs, passbook printers, telephones, etc.), and the maintenance of the physical surroundings during the service interaction. Studies on the importance of tangibles in the customers' satisfaction with banking show conflicting results; Shetty et al. (2023) found that tangibles were significantly associated with customers' satisfaction with service quality in Indian public banks, while Bhuvaneswari and Maruthamuthu (2024) found that tangibles had a comparatively smaller impact on satisfaction compared to responsiveness/reliability (tombstones) in a digital banking environment. In a broader sense, infrastructural challenges are reported issues for creating financial inclusion in Rajasthan, particularly in rural areas (Bhatia & Saraswat, 2022; Kumar et al., 2024), and there is a possibility that tangibles are one of the visible cues by which customers may judge their satisfaction with financial services in rural areas. Based on these findings, it is hypothesised that:

H5: There is a significant relationship between tangibles and customer satisfaction among rural banking customers in Rajasthan.

2.6 Research Gap

A review of the literature discussed above on a whole confirms that there exists a strong and consistent relationship between the SERVQUAL dimensions of banking service experience and customer satisfaction in general propositions. However, three areas still require attention. First, most of the banking SERVQUAL studies have used samples from urban, semi-urban, or digital banking customers; there is no indication of whether the same patterns or the relative ordering of dimensions apply to rural customers, who rely; there is no indication as to whether it's the same pattern or dimensions' relative ordering for the rural customers who depend more on their banking relationships and branch-based services. Second, prior research on financial inclusion through rural banks in the Indian context has been predominantly descriptive in nature, or it has only found the relation between financial inclusion and the financial inclusion indicators like account ownership and the usage of accounts (Bhatia & Saraswat, 2022; Kumar et al., 2024). Third, none of the identified studies have specifically studied this association amongst the rural customers of banking in the large state of Rajasthan, in which the geographical and demographic characteristics give a unique banking access behaviour. To fill the gaps, the present study has been conducted using a validated SERVQUAL-based instrument and also conducting some inferential statistical testing on a sample of 384 rural banking customers representing all of Rajasthan.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study is quantitative research with a cross-sectional descriptive-cum-correlational design. Rural banking customers' perception of banking service experience on the five SERVQUAL dimensions, along with their overall customer satisfaction, was measured through a structured questionnaire so that the five hypotheses mentioned above could be statistically tested.

3.2 Study Area

The RBS was undertaken among the rural banking customers spread all over the state of Rajasthan, which is a large north-west region in India with a predominantly rural economy and a banking system consisting of public sector banking, private sector banking, regional rural banks and cooperative banks. The respondents were sampled in rural & semi-rural localities of the branches of these categories.

3.3 Population of the Study

The population includes all adults living in the rural areas of Rajasthan who have an active bank account and are availing themselves of services from a bank operating in those areas.

3.4 Sampling Technique

The respondents were selected using a non-probability convenience cum-purposive sampling technique during the data collection period, which focused on rural banking customers who had transacted with the bank in the six months prior and met the criterion of having an active bank account.

3.5 Sample Size

The total sample size of rural banking customers was 384, which reflects the rule of thumb for determining an adequate sample size in a population of unknown size, ensuring a 95% confidence level and a 5% margin of error. Data screening resulted in all 384 questionnaires being useful for data analysis.

3.6 Data Collection Procedure

A structured close questionnaire was used to gather data based on face-to-face contact with the rural banking customers. The respondents were informed about the purpose of the research, promised confidentiality and full voluntary participation, and helped to ensure completion of the questionnaire when desired due to language and literacy difficulties.

3.7 Research Instrument

The study instrument used was a questionnaire with two parts: (i) questionnaire items for demographic data such as gender, age group, education, occupation, monthly income, type of bank, and length of banking relationship; and (ii) 30 questionnaire items measuring the five dimensions of SERVQUAL (25) and satisfaction (5) using a five-point Likert scale (coded: 1-strongly disagree, 2-disagree, 3-neither agree nor disagree, 4-agree, and 5-strongly agree). Items/satisfaction measured with Reliability, Responsiveness, Assurance, Empathy, and Tangibles were adapted from Parasuraman, Zeithaml, and Berry (1988), and in the banking context, Customer Satisfaction items were adapted from Sahi, Khalid, Abbas, and Khatib (2021).

3.8 Measurement of Variables

The study measures the following constructs and their dimensions:

Table 3.1: Constructs and Dimensions

Construct	Dimensions
Banking Service Experience	Reliability
Banking Service Experience	Responsiveness
Banking Service Experience	Assurance
Banking Service Experience	Empathy
Banking Service Experience	Tangibles
Customer Satisfaction	Customer Satisfaction

Table 3.2 presents the item codes, number of items, and adaptation source for each variable measured in the study

Table 3.2: Variable and Scale Adaptation

Variable	Item Codes	No. of Items	Adapted From
Reliability	REL1–REL5	5	Parasuraman et al. (1988); Al-Hawary et al. (2021)
Responsiveness	RES1–RES5	5	Parasuraman et al. (1988); Al-Hawary et al. (2021)
Assurance	ASS1–ASS5	5	Parasuraman et al. (1988); Al-Hawary et al. (2021)
Empathy	EMP1–EMP5	5	Parasuraman et al. (1988); Al-Hawary et al. (2021)
Tangibles	TAN1–TAN5	5	Parasuraman et al. (1988); Al-Hawary et al. (2021)
Customer Satisfaction	CS1–CS5	5	Sahi et al. (2021)
Total	—	30	—

Note. Scale: 5-point Likert scale, where 1 = Strongly Disagree and 5 = Strongly Agree. Adaptation sources reproduced as specified in the original research instrument.

3.9 Pilot Study

Before the questionnaire's full-scale administration, a pilot study was conducted to determine the clarity, appropriateness of the wording, and cultural appropriateness of the questionnaire items among a sample of 30 customers of a rural bank. Pilots' feedback (minor wording changes in an instrument) was incorporated before it was finalised for full deployment.

3.10 Reliability Testing

In order to determine the internal consistency of each construct, data was analysed using Cronbach's alpha with a value of 0.70 or higher representing an acceptable level of reliability (Nunnally, 1978). Complete reliability information for the final sample is presented in Section 4.3.

3.11 Data Analysis

The collected data was analysed using SPSS. Descriptive statistics (frequency and percentage, mean and standard deviation scores) were used in the profiling of the sample and summarising of scores of the constructs. Internal consistency reliability of the scales was measured with Cronbach's alpha, and Pearson analysis was conducted to examine the five hypothesised correlations among

banking service experience dimensions and customer satisfaction.

4. RESULTS AND DISCUSSION

4.1 Demographic Profile of Respondents

Table 4.1 presents the demographic profile of the 384 rural banking customers surveyed.

The largest majority of the sample population fell within the 26-35 age range (28.1%), and male respondents comprised 56.8%. For education, the majority of the respondents were in secondary/senior secondary school or with a graduate degree, whereas a significant proportion (21.4%) had education below the secondary level, which was the overall education status of rural Rajasthan. Given the predominantly agrarian nature of the study area, agriculture and allied occupations constituted the largest category of jobs at 34.1%, followed by small business and self-employment at 22.7%. Over 60% of the respondents had monthly income below Rs 20000/- per household. The most used bank type was public sector bank (45.6%), followed by regional rural bank (25.5%), which is mainly because public and rural banks have always shown greater efforts towards improved access to the RUSACCO and banking services in rural areas. The majority of respondents had maintained their banking relationships for three years or longer, which provides a reasonably experienced group to evaluate their banking service experiences.

4.2 Descriptive Statistics

Table 4.2: Descriptive Statistics of Study Constructs

Construct	N	Mean	Std. Deviation
Reliability	384	3.77	0.79
Responsiveness	384	3.69	0.77
Assurance	384	3.83	0.75
Empathy	384	3.76	0.76

Construct	N	Mean	Std. Deviation
Tangibles	384	3.44	0.81
Customer Satisfaction	384	3.71	0.80

Table 4.2 presents the means and standard deviations of each construct, which we determined by averaging the constituent items. The mean scores for ‘Assurance’ (M = 3.83, SD = 0.75), ‘Reliability’ (M = 3.77, SD = 0.79) and ‘Empathy’ (M = 3.76, SD = 0.76) showed that respondents in the rural areas rated the conduct and dependability of staff favourably. The mean score for tangibles was the lowest (M = 3.44, SD = 0.81), indicating relatively poor

perceptions of the physical banking infrastructure and facilities in rural branches. Customer satisfaction recorded a moderately positive mean score (M = 3.71, SD = 0.80), signifying that rural customers in the sample were generally reasonably satisfied with their banking service—but it was not excellent.

4.3 Reliability Analysis

Table 4.3: Reliability Statistics (Cronbach's Alpha)

Construct	No. of Items	Cronbach's Alpha (α)
Reliability	5	0.894
Responsiveness	5	0.870
Assurance	5	0.886
Empathy	5	0.867
Tangibles	5	0.886
Customer Satisfaction	5	0.901

Cronbach's alpha for all six constructs was greater than 0.7, which is the benchmark for a good level of internal consistency reliability in measurement instruments; additionally, both the constructs of banking service experience and customer satisfaction demonstrated strong internal consistency reliability, as shown in Table 4.3. The correlation-based hypothesis testing reported in Section 4.4 validates these results.

4.4 Hypothesis Testing

The Pearson correlation was used to measure the five hypothesised relationships between the dimensions of banking service experience and customer satisfaction. A two-tailed alpha of $p < .05$ was used throughout. Results for each of the five hypotheses are summarised in Table 4.4; then, the SPSS output for each dimension is given along with an interpretation of the results

Table 4.4: Summary of Pearson Correlation Results

Hyp.	Relationship	r	Sig. (2-tailed)	N	Decision
H1	Reliability → Customer Satisfaction	0.515	< .001	384	Supported
H2	Responsiveness → Customer Satisfaction	0.503	< .001	384	Supported
H3	Assurance → Customer Satisfaction	0.432	< .001	384	Supported
H4	Empathy → Customer Satisfaction	0.353	< .001	384	Supported
H5	Tangibles → Customer Satisfaction	0.409	< .001	384	Supported

4.4.1 Hypothesis Testing 1 – Reliability and Customer Satisfaction

H1: There is a significant relationship between reliability and customer satisfaction among rural banking customers in Rajasthan

Table 4.4.1: Correlations — Reliability and Customer Satisfaction

		Reliability	Customer Satisfaction
Reliability	Pearson Correlation	1	0.515
	Sig. (2-tailed)		.000
	N	384	384
Customer Satisfaction	Pearson Correlation	0.515	1
	Sig. (2-tailed)	.000	
	N	384	384

Pearson's correlation coefficient showed that there is a moderate positive correlation and statistically significant relationship between the reliability and customer satisfaction ($r = .515$, $p < .001$, $N = 384$). Thus the hypothesis H1 is accepted. Reliability was the only dimension that showed a strong positive correlation with customer satisfaction, aligning with previous studies in the banking sector which found that assurance of service quality, such as reliability and error-free service delivery,

were significant determinants of customer satisfaction (Alzaydi, 2022; Kirtiraj & Singh, 2023).

4.4.2 Hypothesis Testing 2 – Responsiveness and Customer Satisfaction

H2: There is a significant relationship between responsiveness and customer satisfaction among rural banking customers in Rajasthan

Table 4.4.2: Correlations — Responsiveness and Customer Satisfaction

		Responsiveness	Customer Satisfaction
Responsiveness	Pearson Correlation	1	0.503
	Sig. (2-tailed)		.000
	N	384	384
Customer Satisfaction	Pearson Correlation	0.503	1
	Sig. (2-tailed)	.000	
	N	384	384

A moderate positive $(r = .503, p < .001, N = 384)$ relationship between responsiveness and customer satisfaction was statistically significant. H2 thus holds true. This finding aligns closely with the reliability–satisfaction relationship and is consistent with other studies in India that have indicated that prompt and responsive service is significant (Bhuvaneswari & Maruthamuthu, 2024; Shetty et al., 2023).

4.4.3 Hypothesis Testing 3 – Assurance and Customer Satisfaction

H3: There is a significant relationship between assurance and customer satisfaction among rural banking customers in Rajasthan

Table 4.4.3: Correlations — Assurance and Customer Satisfaction

		Assurance	Customer Satisfaction
Assurance	Pearson Correlation	1	0.432
	Sig. (2-tailed)		.000
	N	384	384

		Assurance	Customer Satisfaction
Customer Satisfaction	Pearson Correlation	0.432	1
	Sig. (2-tailed)	.000	
	N	384	384

A significant and positive correlation was observed between the variable 'Assurance' and customer satisfaction ($r = .432$, $p < .001$, $N = 384$). This finding is in support of H3 and aligns with previous research indicating that knowledge, courtesy, and credibility of employees have a meaningful impact on customer satisfaction in banking settings (Alolayyan et al., 2018; Shetty et al., 2023).

4.4.4 Hypothesis Testing 4 – Empathy and Customer Satisfaction

H4: There is a significant relationship between empathy and customer satisfaction among rural banking customers in Rajasthan

Table 4.4.4: Correlations — Empathy and Customer Satisfaction

		Empathy	Customer Satisfaction
Empathy	Pearson Correlation	1	0.353
	Sig. (2-tailed)		.000
	N	384	384
Customer Satisfaction	Pearson Correlation	0.353	1
	Sig. (2-tailed)	.000	
	N	384	384

No other dimension had a correlation lower than that of empathy and customer satisfaction ($r = .353$, $p < .001$, $N = 384$), and that correlation was still statistically significant. Thus, hypothesis H4 is supported. The comparatively weak relationship between empathy and satisfaction in the present sample could be due to rural customers placing more emphasis than individualised

attention on transactional dependability and promptness in making their overall satisfaction rating.

4.4.5 Hypothesis Testing 5 – Tangibles and Customer Satisfaction

H5: There is a significant relationship between tangibles and customer satisfaction among rural banking customers in Rajasthan

Table 4.4.5: Correlations — Tangibles and Customer Satisfaction

		Tangibles	Customer Satisfaction
Tangibles	Pearson Correlation	1	0.409
	Sig. (2-tailed)		.000
	N	384	384
Customer Satisfaction	Pearson Correlation	0.409	1
	Sig. (2-tailed)	.000	
	N	384	384

Tangibles was positively correlated with customer satisfaction, and the correlation was significant ($r = .409$, $p < .001$, $N = 384$). This finding implies that, though rural banking outlets suffer from infrastructural limitations

typical of rural areas (Bhatia & Saraswat, 2022), the physical quality of banking facilities and equipment matters, as it is one of the dimensions of rural customer service when assessing their banking experience.

4.5 Discussion of Findings

The results of this study provide strong empirical support for all five hypothesised relationships, confirming that each dimension of banking service experience—reliability, responsiveness, assurance, empathy, and tangibles—is significantly and positively associated with customer satisfaction among rural banking customers in Rajasthan. This pattern is broadly consistent with the wider SERVQUAL literature in banking, which has repeatedly found that all five dimensions matter for customer satisfaction, even as their relative importance varies across markets and customer segments (Alolayyan et al., 2018; Garg, 2022; Hoang Anh & Nguyen Thanh, 2022; Pavlović & Tešić, 2023).

Reliability emerged as the strongest correlate of customer satisfaction in the present sample, followed closely by responsiveness. This ordering aligns with evidence from other rural and emerging-market banking contexts, where dependable, error-free transaction processing and prompt service have consistently been identified as primary satisfaction drivers (Alzaydi, 2022; Kirtiraj & Singh, 2023; Mitić & Brzaković, 2023). For rural customers who often travel considerable distances to reach a branch, incur an opportunity cost of time away from agricultural or informal-sector work, and may have limited digital alternatives to in-person banking, the assurance that a transaction will be completed correctly and promptly on a single visit appears to carry disproportionate weight in shaping overall satisfaction. This is a somewhat different emphasis from findings in some urban and digital banking studies, where empathy or overall service atmosphere has occasionally been found to dominate (Hoang Anh & Nguyen Thanh, 2022), suggesting that the relative importance of SERVQUAL dimensions may indeed vary meaningfully between rural, branch-based banking relationships and more urban or digitally mediated ones.

Assurance and tangibles occupied an intermediate position in the present findings. The significant, moderate correlation between assurance and satisfaction reinforces prior evidence that the perceived competence, courtesy, and trustworthiness of bank staff remain central to how customers—rural customers especially, who may have lower financial literacy and therefore rely more heavily on staff guidance—experience and evaluate their bank (Alolayyan et al., 2018; Shetty et al., 2023). The significant relationship found for tangibles, despite its comparatively lower mean score, indicates that while rural branch infrastructure in Rajasthan may be perceived as less developed than customers might ideally want, the physical service environment nonetheless meaningfully colours their overall satisfaction—an observation consistent with documented infrastructural gaps in rural financial inclusion efforts in the state (Bhatia & Saraswat, 2022; Kumar et al., 2024).

Empathy, while still significantly and positively related to customer satisfaction, registered the weakest correlation among the five dimensions. This finding contrasts with several banking studies—particularly in cooperative and relationship-banking contexts—that have identified empathy as the single most influential driver of satisfaction (Hoang Anh & Nguyen Thanh, 2022; Kumar, 2024). One plausible explanation is that, for many rural

customers in the present sample, the functional and transactional aspects of the service encounter—getting the transaction done correctly, quickly, and by a trustworthy staff member—may take precedence over the relational, individualised-attention aspects of empathy captured in this study, at least in comparison to the other dimensions. This does not diminish the practical relevance of empathy but suggests that, in resource-constrained rural branch settings, banks may achieve the largest satisfaction gains by first securing reliability and responsiveness before layering on more relationship-oriented service enhancements.

Taken together, the findings extend the SERVQUAL–customer satisfaction relationship to a rural Indian banking context that has been comparatively under-represented in prior research, and they offer a dimension-specific evidence base that rural-serving banks in Rajasthan and similar states can use to prioritise service-improvement investments.

5. CONCLUSION AND IMPLICATIONS

5.1 Summary of Findings

The present study aimed at finding the relationship between five dimensions of banking service experience, namely reliability, responsiveness, assurance, empathy and tangibles, and customer satisfaction for 384 rural banking customers of Rajasthan. Based on these data, all five hypothesised relationships were significant and positive, with the strongest relationships being between customer satisfaction and reliability as well as responsiveness, and the weakest being between customer satisfaction and empathy, despite the latter correlation being significant.

5.2 Conclusion

The study draws the conclusion that banking service experience, conceptualised in the present study through the SERVQUAL approach, is a multi-dimensional determinant and significant determinant of customer satisfaction among rural customers of Bank Rajasthan State. All five dimensions are important, but the reliability and speed of banking product delivery seem to be of special concern for this group of clients, indicating the need to be sensitive to the conditions and limitations present in rural banking. These findings enrich the SERVQUAL studies by adding another previously not well-researched dimension, the rural emerging-market banking context, and offer an empirical basis for targeted service-quality interventions in rural financial-education programmes.

5.3 Practical Implications

- Considering the strong effect of reliability on customer satisfaction in rural areas, prioritise the accuracy of the transactions and make sure that the service delivery is dependable and error-free.
- Improve responsiveness of staff and decrease waiting and service time of rural branches/banking correspondents.
- Put money into employee education to create

product knowledge, courtesy and a level of behaviour that creates assurance and trust.

- Promote individualised, relationship-based interaction with rural consumers to keep the important element of empathy alive for satisfaction.
- To strengthen tangibles, improve physical branch infrastructure, ATMs and passbook/printing equipment in rural areas.

5.4 Recommendations

- Thus, managers of banks that serve rural markets should consider these factors to be first-order service priorities because they are more associated with satisfaction as compared to the present study.
- Low-cost customer satisfaction pulse surveys should be conducted periodically to measure over time customer perceptions of the services, for the various dimensions, at rural branches.
- Technical accuracy and soft-skills/courtesy trainings shall be integrated for banking correspondents and branch staff to complementarily build their reliability, responsiveness and assurance.
- Improving infrastructure at rural branches to close tangibility gaps must be done in a phased manner while taking into account the number of customers visiting the branch and the magnitude of the tangibility gaps.

5.5. Limitations of the Study:

Interpreting the findings of the study requires considering some of its limitations. One limitation is the cross-

sectional design of the research, which makes it impossible to determine causality among the studied relationships. Secondly, although a non-probability sampling technique offers advantages in reaching a widely dispersed rural population, the findings obtained through this method may have limitations in generalising to the larger population of rural banking customers in Rajasthan. Third, the study is based solely on perceptions, and there is always a risk for social desirability or recall bias in self-reported data. Fourth, the analysis only examines the bivariate relationships between the five dimensions and fails to evaluate those dimensions' predictive strength relative to and combined when taken together.

5.6. Scope for Future Research.

Future research may expand the study by using probability sampling to achieve greater generalisability; using multiple regression or structural equation modelling to gain insight into the relative and combined power of the five SERVQUAL dimensions; and identifying whether digital literacy, income and services level, or type of bank (public, private, regional, rural, or cooperative) acts as a moderator variable. Comparative studies at the state level or between rural and urban customers would help determine if the results of this study (especially the importance of reliability and responsiveness over empathy) apply to other groups.

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