

Chapter II

REVIEW OF LITERATURE

A number of research works have been conducted on customer satisfaction in the banking sector all over the world which postulated that service quality and customer satisfaction may be considered as key elements for performance of each bank keeping in mind the ever increasing demand of customers not only for quality banking services but also for services of diverse nature. The three essential factors, namely, welcoming the customers, appreciating enquiries of customers and complaints handling procedures normally have significant and deeper impact upon the service quality of a firm, and continuous improvement of these three areas generally ensures enhanced customer satisfaction.

Over the years, a large number of research works have been carried out to study customer satisfaction in the banking industry of different countries of the world. A few literatures which have made an attempt to study customer satisfaction in banking industry based upon different service quality dimensions have been referred in the following sections.

In this chapter, a brief account of the studies done relating to the service quality and customer satisfaction in retail banking has been listed below highlighting the objectives of such studies, methodology adopted and key findings of such studies. These may be arranged under two heads, viz., Studies conducted Outside India and Studies conducted Within India

2.1 Studies Conducted Outside India

In this section, a retrospective survey of some foreign literatures on service quality and Customer Satisfaction have been undertaken to gain an insight over the subject chosen for the study. A brief review of such literatures has been listed below:

Parasuraman et al. (1985) carried out an extensive exploratory investigation of quality in four service business organisation and developed a model of service quality. The research identified 10 determinants used in evaluating service quality- reliability, responsiveness, competence, access, courtesy, communication, credibility, security,

understanding the customer, and tangibles. Most of these determinants of service quality required the consumer to have had some experience in order to evaluate their level of service quality ranging from ideal quality to completely unacceptable quality. They further pointed out that when expected service was greater than perceived service, perceived quality was less than satisfactory and would tend towards totally unacceptable quality; when expected service equals perceived service, perceived quality was satisfactory; when expected service was less than perceived service, perceived quality was more than satisfactory and would tend towards ideal quality

Parasuraman et al (1988) advanced a 22 item model representing five dimensions called SERVQUAL for measuring and managing service quality in five different service and retail organizations- Repair and Maintenance, Retail banking, Long distance telephone, Securities brokerage and Credit cards. The study used gap analysis of an organization's service quality performance against the service quality needs of its customers. A specimen of 200 respondents of varied age starting from 25 and sex groups was chosen for the study. The two most important tools used in the study were correlation and factor analysis. These were used to verify the dimensionality of the overall scale. The major idea behind the whole thing was not only developing and establishing the 22 items scale (SERVQUAL), but also to engage the study to evaluate the SERVQUALs reliability and assess its validity and dependability. The SERVQUAL model based itself on a proposal of a five dimensional construct of perceived service quality- tangibility, reliability, responsiveness, assurance and empathy.

Cronin and Taylor (1992) carried out a study to re-examine the relationship between service quality, customer satisfaction and purchase intentions. Four service firms – bank, pest control, dry cleaning and fast food were identified for conducting the study. The study suggested that the current conceptualization and operationalisation of service quality was inadequate. The study further developed and tested a performance based alternative to the SERVQUAL measures.

Levesque and McDougall (1996) explored the consequences of service quality, service features and customer complaint handling on customer satisfaction in the Canadian retail banking sector. Based on their empirical analysis, they concluded that the determinants of satisfaction in retail banking were driven by a number of factors

which also included service quality dimensions. The service provider's offering could be expected to affect overall customer satisfaction and had a strong bearing upon ongoing patronage. The study concluded that the bank's features, the competitiveness of the bank's interest rates, the customers' judgments about the bank employees' skills lead to the customer satisfaction.

Jose et al (2010) conducted a study to discern the important aspects of transactions carried out by the banks for the service quality that influence customer satisfaction and affect their loyalty towards bank. A random 400 samples in total were carried out in Cucuta, a Colombian city along the border with Venezuela. The four dimensions used in the study were- operative aspect, physical aspect, new technology and human aspect. Cronback's α co-efficient analysis; correlation matrix analysis and factor analysis were applied in the study for analyzing the data. Operative aspect was found to be the one that most influence the service quality. The results also revealed that there was an influence of the operative aspects and the new technologies on service quality, as well as the confirmation of quality as a precedent to customer satisfaction, and how such satisfaction influenced customer's loyalty towards bank.

Hossain and Leo (2009) attempted to evaluate the service quality in retail banking of Qatar based on different levels of customers' perception regarding service quality. The study was conducted on 120 bank customers drawn from four Qatari banks by employing convenient sampling method. All the four primary service quality dimensions namely reliability, competence, tangibles and empathy had been contrived by reviewing various literatures by the author in order to assess the service quality based on customers perception in retail banking. A questionnaire with five point rating scale was developed covering age, occupation, education and gender for the four dimensions of service quality mentioned above for collecting data from bank customers. Statistical tools like mean, SD, co-efficient of variance, Z test, Chronbach's alpha value were employed to analyze the procured data. The segmented findings of the study specified that out of the 18 components of the four dimensions, the highest customers' perception were manifested in tangible area such as 'infrastructure facilities of the bank' followed by the empathy area such as 'timing of the bank and returns on deposit' and the lowest perception were noticed in

competence area such as ‘methods of imposing service charges’ followed by reliability such as ‘customer guidance’.

Gebre (2010) attempted to measure customers’ perception of each of the five dimensions of service quality by determining the gap in customers perceptions and expectations towards the service quality of the banking sector in Ethiopia. Three banks namely, Commercial Bank of Ethiopia (CBE), Awash International Bank (AIB) and United Bank (UB) were selected to conduct the study. The sample consisted of 135 bank customers taking 45 customers randomly from each of the three banks and data were collected by using a structured questionnaire with seven point Likert scale based on SERVQUAL model proposed by Parasuraman et al. The descriptive statistics were used to find out the mean and standard deviation of each SERVQUAL statement on both perception as well as expectation of the customers towards the quality of services provided by the Ethiopian banks. On the other hand, gap analysis was also used to analyze the data. The findings revealed that the customers’ expectations were not met in all the three banks selected for the study. Among the five dimensions of service quality, tangible and responsiveness had higher gap scores at CBE and AIB. The reliability dimension showed a negative gap score at all three banks. Farther, the empathy dimension had a higher negative gap at AIB and UB. While ranking the five dimensions, Reliability was found to be the most important service quality indicator at the three banks followed by Assurance, Responsiveness, Tangibles and Empathy.

Ahmed et al (2010) conducted a comparative study to examine the perception of bank customers regarding the service quality offered by Islamic and conventional banks in Pakistan. A sample size of 720 bank customers residing in ten big cities of Pakistan was selected by adopting stratified random sampling technique. Customers were selected randomly from each group of bank to procure data. A structured questionnaire covering age and gender with seven point Likert scale was developed for five dimensions of service quality (Tangibility, Reliability, Responsiveness, Empathy and Assurance) in the line of SERVQUAL instrument of Parasuraman et al (1988, 1991) for collecting data from bank customers. Apart from sum, mean and standard deviation, t-test and levene’s test for empathy of variances were also applied to analyze the procured data. The result of the study showed a significant difference in

the perception of male and female customers of Islamic banks while there was no difference in the service quality perception among customers of conventional bank on the basis of gender. The young and mature people having age ranging from 25 to 34 years were more interested to interact with Islamic Bank, whereas, young people within the age group of 18 to 24 years were inclined towards Conventional Bank. The study also revealed that customers of Islamic banks had greater scores of service quality perception as compared to conventional banks.

Bena (2010) attempted to evaluate the satisfaction level of customers based on their perception regarding various attributes selected for the study. The study was conducted in Romania and the responses were gathered from 50 retail clients of a Bucharest branch of a small Romanian bank. The study developed eight attributes namely, attitude and behaviour of staff, execution time, accessibility of the offices, price/quality relation, banks reaction to complaints, promotion of services, communication with the bank and business hours. Based on the above mentioned attributes, a questionnaire was constructed with five point rating scale ranging from 'very satisfied' to 'very dissatisfied' in order to assess the level of customer satisfaction. Chi-Square test was applied to analyze the collected data. The result of the study indicated that the two attributes 'staffs professionalism' and 'waiting time' were indirectly dependent, meaning thereby, as the customers' level of satisfaction regarding the professionalism rises, the waiting time shrinks. The attributes 'execution time' and 'accessibility of the offices' registered an average level indicating that customers were satisfied with the two attributes, whereas, the other attributes showed dissatisfaction among the customers.

Khalid et al (2011) conducted a study to evaluate the customer satisfaction based on the level of customers' perception regarding the service quality of banking industry in Faisalabad, Pakistan. Four banks, two from public sector and two from private sector banks were chosen for the study. The study was based on primary data collected from 132 respondents by adopting convenient sampling method. All the four primary service quality dimensions namely tangibles, reliability, responsiveness, empathy had been constructed by reviewing various literatures by the author to assess customer satisfaction. A questionnaire with five point rating scale was developed covering age, occupation, education, gender and monthly income for the four dimensions of service

quality mentioned above for collecting data from bank customers. In addition, statistical tools such as mean, SD, correlation were used for analyzing the data. The result of the study showed that all the service quality attributes were positively associated with customer satisfaction. However, customer's satisfaction inclination was the highest in responsiveness area followed by reliability, empathy and tangibles dimension.

Islam & Ali (2011) conducted a study to examine and establish an interrelationship among service quality, satisfaction and customer loyalty by identifying and measuring nine variables –reliability, responsiveness, tangibles, assurance, empathy, security, access to services, services offered and reputation. A sample of 222 bank clients was drawn randomly from both the private and public sector banks operating in Bangladesh. A questionnaire with seven point Likert scale was constructed for the nine dimensions selected for the study for collecting data from bank customers. Statistical tools like correlation & CFA (Confirmatory Factor Analysis) were applied for analyzing the data. Structural Equation Model was also used by the author to test the inter-linkage among service quality, satisfaction and loyalty. The study revealed that the service quality dimensions like responsiveness, assurance, empathy, security and reputation had a strong influence on satisfaction whereas, the dimensions like reliability, tangibles, access to services and services offered had no significant impact on customer satisfaction to banks. It was also found that the customer satisfaction and reputation of the bank leads to greater loyalty.

Mohammad and Alhamadani (2011) carried out a study to assess the level of service quality as perceived by the customers of banking sector and its effect on customer satisfaction. 260 bank customers were selected randomly from thirteen commercial banks operating in Jordan to procure the data. The study followed the SERVQUAL technique adopted by Parasuraman et al (1988) as a framework to examine the level of service quality. A survey instrument with five point Likert scale was developed for five dimensions of service quality covering age, gender, education level and occupation. Apart from mean, standard deviation and correlation; Factor analysis was performed to assess convergent validity and multiple regression analysis was also employed to test the impact of service quality on customer satisfaction. The study revealed that the dimension responsiveness was found to be the most dominant

service quality as it had the highest mean value (3.91) among the others followed by reliability, empathy, assurance and tangibles. The result of the study further revealed that service quality was positively and moderately correlated with customer satisfaction and had significant impact on customer satisfaction indicating the service quality as an important progenitor of customer satisfaction.

Rasheed et al (2012) conducted a study to compare and evaluate the level of customer satisfaction of foreign and Islamic banks in Pakistan by analyzing the relationship between customer satisfaction and bank selection factors identified for the study. A sample size of 500 customers taking 250 customers from each category of bank from 15 major cities of the country was selected by adopting simple random sampling method. The study identified six bank selection factors namely, customer handling, financial considerations, product assortment, bank's reputation, quality of services and communication with customers to construct the questionnaire with five point Likert Scale to procure data from the respondents. Apart from statistical tools like arithmetic mean, Correlation, factor analysis was also applied to analyze the procured data. The outcome of the study showed a significant and positive relationship between customer satisfaction and bank selection factors in case of both Islamic and foreign banks. Out of the six bank selection determinant factors, 'customer handling' ranked top with mean score of 2.61 in case of Islamic bank, whereas, 'bank reputation' scored high with 2.59 mean score in case of foreign bank. The analysis of the study also revealed a significant differences in bank selection determinant factors between Islamic banks and foreign bank respondents.

Sivesan (2012) made a study to find out the impact of service quality on customer's satisfaction in banking sectors. The study was conducted on 143 bank customers in Jaffna district of Srilanka. The study adopted five dimensions of Service quality, namely, Reliability, Responsiveness, Assurance, Design and Functionality to construct the questionnaire with five point Likert scale to procure data from the respondents. Apart from statistical tools like mean and standard deviation, correlation and regression technique were also used to analyze the data. The study showed a positive linear relationship between the service quality and customer satisfaction. The study also pointed out that keen attention should be paid to polish service quality because, service quality is inter related with customer satisfaction.

Dinh and Pickler (2012) made a comparative study of the inter-relationship of five service quality dimensions (tangibility, reliability, responsiveness, assurance and empathy) and further explored the correlation between perceived service quality and customer satisfaction in banking sector in Vietnam. For conducting the study 394 customers were chosen. Correlation analysis, multiple regression analysis, exploratory and confirmatory factor analysis were used in the study for analyzing the data. Moreover, structure equation modeling was also used to explore CFA measurement model. The study showed that all service quality dimensions were positively correlated with customer satisfaction. The study suggested that bank leaders need to prioritize reliability while setting up development plans for banking services. They were also advised to foreground employee training programmes so that personalized service could be advanced to customers. The study also proposed some specifications for policy makers and leaders of the banks to upgrade their service quality and customer satisfaction

Saghier and Nathan (2013) conducted a study to measure the quality of service from customers' perspective and to understand the main factors that affect customer satisfaction in banking sector. A sample size of 150, chosen on a convenient basis from Egyptian banks for the purpose of the study. A questionnaire with five point rating scale ranging from 'strongly disagree' to 'strongly agree' was developed for the reliability, responsiveness, assurance, empathy and tangibility dimensions of service quality. Reliability analysis, chi-square testing, regression analysis were used to analyse the procured data. The study revealed that customers' perception was found to be the highest in the reliability area and lowest in the assurance area. The result also indicated that the effect of the dimension of tangibility did not have any significant impact on customer satisfaction. The findings of the study were important to enable bank managers to have a better understanding of customers' perception of service quality of Egyptian banking.

Afzal and Sahiwal (2013) attempted to study the relationship of customer demographic factors, customer satisfaction and loyalty of customers in banking sector of Pakistan. In the study, customer demographics and customer satisfaction were considered as independent variable while customer loyalty acted as dependent variable. A sample of 200 respondents from different socio-economic background

covering age, gender, academic qualification, marital status was chosen by adopting random sampling method. A questionnaire with five point Likert scale ranging from 'strongly agree' to 'strongly disagree' was developed to procure the data from bank customers. Chi square analysis was applied for analyzing the procured data. The study revealed a positive impact of customer satisfaction on customer loyalty and customer demographics (age, gender, academic qualification, customer category, customer relationship tenure). The study concluded that loyalty could only be created when the satisfaction would be more effective.

Sabir et al (2014) carried out a study to examine the factors affecting customer satisfaction in banking sector of Pakistan and to find out the relationship between service quality, customer satisfaction and customer loyalty. Data was collected from 72 respondents belonging from four different cities: Sahiwal, Arifwala, Okara and Pakpatan in Pakistan by adopting simple random sampling technique. A structured questionnaire with five point Likert scale was constructed covering age, gender, qualification, family structure and experience for four dimensions of service quality (Tangibility, Reliability, Responsiveness and Assurance) for collecting data from bank customers. Apart from statistical tools like mean, standard deviation, correlation and regression, ANOVA was also applied to analyse the procured data. The study revealed a positive correlation between service quality attributes and customer satisfaction. The study finally concluded that service quality leads to satisfied customers and customer satisfaction leads to customer loyalty.

Sanjuq (2014) conducted a study to measure customer satisfaction and evaluate the impact of service quality dimensions on customer satisfaction in Saudi Arabia's banking sector. A sample size of 319 bank customers of various banks in the Saudi capital city of Riyadh was selected by adopting convenience sampling method. A structured questionnaire covering age, gender, education and income for five dimensions of service quality (Tangibility, Reliability, Responsiveness, Empathy and Assurance) in the line of SERVQUAL instrument of Parasuraman et al (1988, 1991) with five point rating scale ranging from 'Strongly Agree' to 'Strongly Disagree' was developed for collecting data from bank customers. Apart from descriptive statistics, factor analysis and regression were also applied to analyze the procured data. The study revealed positive relationship amongst assurance, empathy, and responsiveness,

but this relationship had no significant effect on customer satisfaction. On the other hand, reliability was found to have a negative relationship to customer satisfaction. Only tangibles were found to have a positive relationship and a significant impact on customer satisfaction. This study also revealed SERVQUAL model as the most effective model with which customer satisfaction in retail banking can be assessed.

Odhiambo (2015) conducted a study to determine the effect of service quality on customer satisfaction at Kenya Commercial Bank. A sample size of 100 bank customers (Selecting 20 respondents from the 5 branches) of commercial bank branches located in Nairobi Central Business District, Kenya was selected by adopting systematic random sampling method. A structured questionnaire covering age, gender and education with five point rating scale ranging from ‘Strongly Agree’ to ‘Strongly Disagree’ was developed for three dimensions of service quality (Reliability, Responsiveness and Empathy) for collecting data from bank customers. Apart from descriptive statistics, such as, frequencies, mean, and standard deviation; inferential statistics like correlation coefficient and regression were also applied to analyze the procured data. The result of the study showed a positive significant relationship between three select service quality dimensions (Reliability, Responsiveness and Empathy) and Customer Satisfaction. 55.6% of variation in customer satisfaction was attributed to the reliability dimension; 34.5% of variation in customer satisfaction was attributed to the responsiveness dimension and 28.8% variation in customer satisfaction was attributed to the empathy dimension. The study further recommended the need for banks to innovate new ways of enhancing the way they respond to customer needs so as to avoid service breakdowns.

2.2 Studies conducted Within India

In this section, a retrospective survey of some Indian literatures on service quality and Customer Satisfaction has been undertaken to gain an insight over the subject chosen for the study. A brief review of such literatures has been listed below:

Singh and Malhotra (1992) made an effort to study the customer satisfaction among the account holders of different banks regarding the various services offered by them. The study was confined to the banks of Amritsar city. By adopting convenient sampling method, 100 respondents from different socio-economic background

covering age, income, sex, occupation were chosen. In this study, various issues considered for analysis regarding customer services were the extent of difficulty faced in opening an account, satisfaction from loan procedure, satisfaction from service delivery system and satisfaction from amenities provided by the banks. The result of the study revealed that the respondents had mixed views regarding the satisfaction with regard to loan procedure. Most of the customers were not satisfied with the time taken for cheque clearance, grievance redressal, efficiency of the service, parking facility and lighting and air conditioning. However, the customers were satisfied with the location of the bank and sitting arrangement. The study suggested that in order to improve satisfaction of customers, the time consuming formalities in various services provided by banks should be curtailed to minimum. The findings of the study were expected to help the bank management in auditing their programmes and in formulating different strategies to improve the level of satisfaction among the customers.

Sharma and Singh (1993) observed that bank should rely on promotion and distribution of their services in order to promote their business. The crux of efficient customer service was formed by timeliness, accuracy, courtesy and concern. The objective of the study was to compare the quality of customer services provided by a foreign bank and an Indian bank. In order to study the quality of customer services, two banks namely Standard Chartered Bank (SCB) and Punjab National Bank (PNB) were chosen located in Amritsar, Punjab. The current account holders in both the banks constituted the universe of the study as they visit the banks more frequently. A sample of 40 respondents from each of the two banks was drawn for the purpose of conducting the study. The respondents were asked to give their opinion regarding the reasons for holding an account, awareness about time norms, actual time taken for completing various transactions, service after working hours, computerization, provision of ancillary services and general environment in different banks. After analyzing their responses, the study came to the conclusion that the quality of customer service of PNB was very poor in comparison to that of SCB. The study stressed on the fact that banks should adopt the modern marketing concept which emphasizes on satisfaction of customers.

Mathur (1995) studied different aspects of customer services which are technical aspect, efficiency aspect, advisory aspect, behavioural aspect, after sale service and customer amenities. Some major recommendations by public sector banks were that each branch must set up a customer service committee comprising branch managers and representatives from all categories of staff. The committee must meet at least once in a month to discuss the complaints/suggestions, cause of delay and other difficulties faced by customers. It also discussed the ways and means of improving services.

Gavini and Athma (1997) assessed the level of satisfaction of the deposit holders in retail banking and identified the most common areas of customer dissatisfaction. The focus of the study was on various services offered, time taken to complete various transactions, physical facilities provided and the efficiency of the customer service. The study found that there was very low customer awareness in the rural areas with regard to the schemes like instant credit facility, insurance coverage, customer grievance redressal mechanism and credit cards. However, awareness was found only among the educated customers of metro and urban areas. In this study, more than 80% of the respondents expressed satisfaction relating to counter service, courtesy and friendliness of the staff offered by the branch in general. The study also revealed that the customers in metro areas had high level of expectation from bankers as a result of which a lower percentage of customers were highly satisfied when compared to customers of urban and rural areas.

Sachdev (1997) attempted to measure the customer perception about service quality in Indian and foreign banks of Delhi. The study was conducted on 200 bank customers to evaluate the quality of services. Convenience sampling method was employed in the study to procure the data from customers on seven point scale for both expectation and perception about the service quality. The determinants of service quality used in the study were Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security and Tangibles to measure the perceived service quality level of the customers. Various demographic variables, namely, age, sex, marital status, occupation, income, school background and level of education were tested in the study to determine whether they affect customer perception of service quality.

Vijayakumar (1999) opined that the interaction of individual needs, motives, perception and attitudes with environmental influences cause the customer to act. Customer satisfaction will be the result of when the banks' products/services exceed expected benefits when realised and cost of bank products/services fall short of expected costs. When net benefit derived from the banks' products/services is higher, the level of customer satisfaction will also be higher. In order to satisfy customers, banks should try to minimise the monetary cost, time cost, energy cost and psychic cost. The study also suggested that banks can maximise the level of customer satisfaction by concentrating on- good and prompt customer service; courtesy and pleasant reception; display and decoration of the branch; safe deposit vault; convenience in terms of location/time or business hours; helpful and friendly attitude of employees; and reputation / recommendations.

Brahmbhatt and Panelia (2008) conducted a study to comparatively examine and measure service quality and customer satisfaction among select private, public and foreign banks of Gandhinagar and Ahmedabad by identifying the gap between customer expectation and perception about different dimensions of service quality. A sample size of 246 bank customers, taking 82 customers from each type of bank was selected by employing stratified random sampling technique to procure data from the respondents. The study followed the SERVQUAL technique proposed by Parasuraman et al as a framework to evaluate the impact of service quality on customer satisfaction. A structured questionnaire with five point Likert scale was developed for five dimensions of service quality for collecting data from bank customers. Apart from reliability analysis, factor analysis; mean, standard deviation, gap analysis were also applied to analyze the collected data. It was seen in the study that public sector and private sector banks had more service quality gap than foreign banks. The study also revealed that among all the dimensions of service quality, 'tangibility' had less gap score in all the three sector banks. The public sector performed well as compared to private sector in only one dimension 'assurance'. The study concluded that the performance of foreign banks was better than public and private sector banks.

Ahmed (2008) commented that a bank can be said as customer oriented if its various organizational activities like organizational restructuring, staffing and coordination

were geared up to fulfil customers' need. The study was based on the public sector banks in the Barak valley, Southern part of Assam. A sample of 100 customers, 50 from rural branches and 50 from urban branches was drawn for the purpose of the survey. Statistical tools like correlation matrix and factor analysis were employed for analyzing the data. The factors affecting customer satisfaction level in the three districts of Barak valley were grouped in routine operation factor, price factor, environmental factor, management factor, technological factor, interactive factor and service factor. It was found in the study that the customers were dissatisfied with the working of the bank. The study strongly emphasized on banker-customer meet, continuous upgradation of technology, innovative services, well illuminated, ventilated and clear surroundings and providing properly furnished waiting lounge for improved level of satisfaction of bank customers.

Uppal (2009) conducted a study to appraise the importance of time as a factor of customer services in public sector, private sector and foreign banks by assessing customer experiences with regard to time taken to transact business with the partially IT oriented banks and fully e-banks. Three banks were identified from different sectors: one public sector, one private and one foreign bank from partially IT enabled banks, and similarly three banks from e-banks were also located randomly for conducting the survey. A sample of 256 customers from each bank group was selected from the Amritsar district of Punjab at random for collecting the data needed for the study. A structured questionnaire covering bank group, gender, age, education level, occupation and income was developed to measure the time taken in rendering various services (withdraw cash, deposit cash, to get a cheque book, encash draft, open a fixed deposit account, purchase a bank draft, to get a local cheques credited to account and credit outstation cheque to account). Chi square test was used in order to check the level of significance and difference among various bank groups. The result of the study showed that the consumption of time to perform a business transaction was found to be one of the major factors that existed with significant difference among the three bank groups. The efficiency of the e-banks in terms of time and speed of bank services was found to be more than those of partially IT oriented banks. Among the eight variables of time factor selected for the study, seven variables namely, time taken to withdraw cash, to get a cheque book, encash draft, open a fixed deposit account, purchase a bank draft, to get a local cheques credited to account and credit

outstation cheque to account exposed significant difference regarding time taken in various banking services in partially IT oriented banks whereas, four variables namely, time taken to withdraw cash, open a fixed deposit account, to get a local cheques credited to account and credit outstation cheque to account showed a significant difference in e-banking.

Dey (2009) performed a two dimensional study to establish the general importance of customer satisfaction in banking industry and service quality offered by SBI and other PSBs in particular. The greatest benefit of the study was that it developed CS index, compared the CS across different components of CS for SBI and other PSBs in Meghalaya. In order to coordinate the study, 650 customers were randomly selected. The study primarily appraised the satisfaction of customers across five service quality dimensions developed by Parasuraman and with an underscore of 'response time' as an additional dimension. To analyze the data, various specific tools like F-test, regression analysis and correlation were used. The different dimensions selected for the study proffered responsiveness as the most predominant one that influenced customer satisfaction in banks. Female customers were found to be more pleased and satisfied as compared to their male customers. Amongst all the banks under study, PNB was champion in terms of customers Satisfaction Index (CSI) as compared to all other public sector banks.

Nittala and Kameswari (2009) laid importance of designing more customer centric strategies for satisfying the needs of the customers and thus enhancing the level of customer satisfaction. The study threw light on the perceptions of customers of State Bank of India in Vishakhapatnam city regarding the various services provided to them by the bank, and helped managers to design more customer centric strategies by improving the performance of the system according to the needs of their customers thus enhancing their customer relationship efforts while achieving customer satisfaction. This study had two main contributions to service quality in the context of banks. First, the findings from this study allowed bank managers to re-examine their services strategy development, particularly in the context of increasing customer satisfaction. Second, the discriminating variables could help to predict the group membership of satisfied customers and unsatisfied customers.

Lenka et. al. (2009) conducted a study on 350 bank branches out of 2286 commercial bank branches in Orissa to assess the level of customer satisfaction based on service quality provided by the scheduled commercial banks of Orissa. A purposive sampling method was used by selecting a valued customer (having certain minimum amount of fixed deposit as specified by the bank) from each branch was surveyed. The study concluded that human aspects of service quality influence customer satisfaction far highly than technical & tangible aspects of service quality that influence customer satisfaction & boost and impact customer loyalty.

Khan and Mahapatra (2009) explored the service quality of i-banking operative in India from customer's perspective. Customers with at least one year of experience in i-banking in India were identified by visiting retail branches/ATM branches of different banks across the country. A total number of 2500 IDs were collected from the selected banks (Public sector bank: 1556, Private sector bank: 647 and Foreign bank: 297). The dimensions used in this study were: Reliability, Accessibility, User-friendliness, Privacy/Security, Efficiency, Responsiveness and Fulfilment. The study observed that customers were satisfied with the reliability of the services provided by the banks but were not very much satisfied with the dimension 'User friendliness'. The two dimensions, viz. 'Privacy/Security' and 'Fulfilment' were not contributing significantly towards the overall service quality.

Mishra et. al. (2010) conducted a study to make a comparative analysis of service quality perceptions of banks with service quality expectations of their respective customers to determine whether the banks were at above or below the perceptions of their customers. A sample size of 387 customers from both the public and private sector banks was selected on stratified random basis to procure data from the respondents. A structured questionnaire covering age, gender, education, occupation and income with seven point interval scale was constructed for five dimensions of service quality (Tangibility, Reliability, Responsiveness, Empathy and Assurance) in the line of SERVQUAL instrument developed by Parasuraman et al for collecting data from bank customers. Apart from mean, t test, chi square test; factor analysis and gap analysis were also performed to analyze the data. The study revealed that less educated customers chose for public banks whereas, the post-graduates were more inclined to private banks. Again, the professionals and house-wives showed more

preference for private banks, while, almost all the businessmen had chosen to transact with public sector banks. The results of the study clarified that the customers of public sector banks were satisfied with tangibility and reliability factors, but in the rest of three factors (Responsiveness, Assurance and Empathy), the gap between the opinion of respondents for perceptions and expectations was found negative- specifying dissatisfaction among the customers of public sector banks. It was also found that the customer had high levels of satisfaction with private banks which was significant for reliability dimension whereas they were dissatisfied with assurance dimension.

Paul and Barman (2010) conducted a study to assess the perception of customers about the service quality offered by the RRB branches in Barak Valley of South Assam and thereby endeavour to identify the key determinants of customer satisfaction in the context of rural bank in the banking environment of Assam. A sample size of 154 customers was selected for the study taking 7 regular customers at random from 22 branches of Cachar Gramin Bank which were selected purposively to cover rural, semi-urban and urban branches. A schedule with five point Likert scale was developed for the six components namely, 'work culture and timeliness', 'efficiency factor', 'furnishing and basic amenities', 'product variety, accessibility and friendliness', 'procedural complexities' and 'locational factors' for collecting data from bank customers. Apart from deriving three consumer satisfaction indices, factor analysis was also performed to extract the components determining the level of satisfaction of customers. The study found that all the customers were dissatisfied with the service quality of the bank under study. The study also revealed that out of 21 attributes of 6 components under the study, the 'complexities in loan sanctioning' (87.66%) , 'the longer waiting time for withdrawal of money' (81.17%) and 'inadequate sitting arrangements' (79.22%) were the major areas which added to the dissatisfaction of the customers. The component 'work culture and timeliness' was identified as the prime factor affecting the satisfaction level of bank customers followed by 'efficiency factor', 'furnishing and basic amenities', 'product variety, accessibility and friendliness', 'procedural complexities' and 'locational factors'.

Kailash (2011) conducted a study to assess the customers' perception on service quality factors and to analyze the perception across the select demographic variables of customers. A sample size of 250 customers of four banks was selected from

Vijaywada city and simple random sampling technique was employed to procure data from the respondents. A questionnaire with five point rating scale was developed for five dimensions of service quality in the line of SERVQUAL instrument for collecting data from bank customers. Apart from reliability analysis, mean, standard deviation, coefficient of variation and student's t-test were applied to analyze the collected data. The study revealed that out of 23 statements, the mean score was the highest (4.18) in case of 'error free records' and the same was lowest (3.39) in case of two statements, namely, 'giving customers individual attention' and 'employees who have a neat professional appearance'. The study also found that customers' perception about all the dimensions of service quality did not vary across the age group and level of education of the respondents. However, fixed income group was likely to be more satisfied than flexible income group with respect to all the dimensions of service quality at 5% level of significance.

Ananth et. al. (2011) conducted a study to evaluate the quality of service in select private sector banks by identifying the gap between customer expectation and perception about different dimensions of service quality. The study was conducted on 200 bank customers in Nagapattinam district of Tamilnadu. Convenient sampling method was applied for conducting the survey. The study adopted six dimensions of SERVQUAL instrument, namely, Tangibility, Reliability, Responsiveness, Assurance, Empathy and Accessibility to construct the questionnaire with seven point Likert scale to procure data from the respondents. Apart from gap analysis, multiple regression technique was also used to analyze the data. The study found that the empathy dimension had the highest gap between customer expectation and perception of service quality followed by accessibility, responsiveness, reliability, assurance and tangibles dimension. The study also revealed that the dimensions Empathy, Reliability and Assurance influenced the service quality positively and out of them empathy was the major dimension influencing the quality of service.

Ghost and Gnanadhas (2011) attempted to identify the customers' perception on service quality factors in commercial banks and the customer satisfaction toward the bank by analyzing the impact of perception of service quality factors among different group of customers based on their demographics. Out of 143 branches of commercial banks (public sector banks, private sector banks and new private sector banks) in

Kanyakumari district, 79 branches were seen in semi urban area whereas 44 branches were in urban area. The remaining 20 branches were in rural area. A total of 312 customers, by applying purposive sampling technique, constituted the sample of the survey. A questionnaire with five point rating scale covering age, gender, education, income and occupation was constructed in the line of SERVPERF scale for collecting data from bank customers. In order to derive and measure customer satisfaction, twelve variables relating to the service offered by the banks, service provider (employees) and service cost were identified and thereby customer satisfaction index was developed. Again, to assess the customers' perception on service quality factors, five factors namely, reliability, responsiveness, assurance, tangibles and empathy were identified. Statistical tools like mean, standard deviation, coefficient of variation and regression analysis were used to analyze the procured data. The final observation recorded from the study showed a close link between the customer's perception on the service quality factors and the customer satisfaction. Tangible was found to be the highly perceived SQF among the customers followed by reliability, assurance, responsiveness and empathy. It was found that the impact of SQFs on customers' satisfaction in private sector banks was greater than new private sector banks and public sector banks and the most significantly influencing SQFs on the customer satisfaction among the urban and rural customers were found to be reliability and empathy respectively. The analysis also revealed that the degree of influence of the service quality factors on customer's satisfaction was higher among the male, higher income group and highly educated customers.

Singh and Arora (2011) attempted to study the customers' perception of quality of services taking on various traditional and IT enabled banking services used by the customers to determine the extent of IT adoption in commercial banks and to analyze the constituent factors affecting customer satisfaction with the quality of services. The study was carried out in public sector, private sector and foreign banks of Delhi. Three public sector banks along with two private sector banks and one foreign bank were selected for the study by adopting multistage random sampling technique. 10 customers were selected from each bank randomly to make a total of 60 customers as sample for the study. A schedule was developed based on different aspects of banking services used by customers and customer satisfaction with quality of services to procure data from bank customers. In order to assess the level of customer

satisfaction, five parameters of quality of services, namely, employee behaviour, accessibility, ambience, infrastructure and working hours were identified. The most popular banking services among the customers as revealed by the study were cheque deposition and cheque clearance in all the three categories of banks. However a few respondents in Delhi were found to be availing IT enabled services other than ATM, but no respondent in any of the bank was using online tax accounting or foreign exchange system. The major reasons behind non usage of IT enabled services were found to be lack of sense of security, no facility and no awareness among the customers. Behaviour of the employees, ambience and infrastructure were some of the areas where the customers of nationalized banks were found to be dissatisfied with whereas, customers of private and foreign banks were not satisfied with high charges, accessibility and good communication. The analysis of the study further revealed that customer satisfaction level with employee behaviour and infrastructure was higher in private and foreign banks than nationalized banks. Therefore, enhancement of infrastructure and ambience of the nationalized banks in order to compete with private and foreign banks were important suggestions derived from the study.

Kumar and Gangal (2011) attempted to assess the satisfaction of customers of new generation banks through the assessment of service quality perceptions. The study was conducted on 100 bank customers situated in Agra and Delhi city having the bank account in HDFC Bank Preet Vihar, Delhi by adopting random sampling method. The study was based on both primary and secondary data. A questionnaire for 31 important parameters which were clubbed into 5 different categories named- About Branch, Managing Account, Handling of Enquiries, Quality of Staff and General was developed for collecting data from the bank customers. The customers' expectation and observation regarding the various parameters was collected on 5 point Likert scale. Statistical tools like mean, S.D., Z value and Spearman rank correlation were used to analyze the collected data. The study revealed that in parameters like managing account and handling of enquiries, the bank totally failed to come true on the expectations of customers. Out of 31 parameters, the bank also failed to satisfy customers on 15 parameters, out of which important ones were - cost of services, privacy of transactions, response time and so on. However, regarding the quality of staff, the bank was in good position and the customers feel satisfy and also praised the efforts of the bank staff.

Adke and Dhande (2011) observed that in India, Customer Relationship Marketing is in a nascent stage probably because of improper implementation. Customer Relationship Management plays vital role in competitive banking industries. The study was conducted in the area of Nasik city by taking a sample of 120 respondents from different banks. The study laid emphasise on providing services like mobile banking, net banking and bills payment keeping in view the growing awareness about these services among the customers. The study also suggested that proper training should be provided to employees to handle the customers in a better way and retain them. The study also stressed on continuous innovation in retail banking, speeding up technology such as computerisation, e-banking, tele-banking, mobile banking and wide network of ATMs through channel migration process.

Mohideen (2011) attempted to analyze and compare the perceptions of the customers regarding service quality in private (ICICI) and public (SBI) banks located in the district Visakhapatnam, Andhra Pradesh. Fifty bank customers from each bank were contacted personally in order to seek responses on quality of service in banks. A structured questionnaire with five point Likert scale was developed for five dimensions of service quality (Tangibility, Reliability, Responsiveness, Empathy and Assurance) in the line of SERVQUAL instrument for collecting data from bank customers. Statistical tool mean was used for analysis of data. The study observed wide perceptual difference among the customers of Indian public sector banks regarding overall service quality as compared to that of private sector banks operating in India.

Thakur and Singh (2011) examined the relationship between service quality and customer satisfaction towards the public sector banking industries in India. The study identified three independent variables - service product, service delivery and service environment that influence customer satisfaction in banking industry. A structured questionnaire was developed covering age, gender, education level and marital status and answered by 304 respondents. Statistical tools like mean, standard deviation, correlation and multiple regressions were used to analyze the data. The finding of the study clearly depicted service product as better predictor of customer satisfaction than service delivery and service environment. The study further suggested that banks should focus on service product and a regular service should be given to the

customers through the website and the same may be continuously improved as well as updated by conducting regular survey in order to make the website customer friendly.

Jain et al (2012) attempted to explore and analyze the customer perception regarding service quality provided by the private sector banks in Moradabad region by identifying different dimensions of service quality in banking sector. A sample size of 100 customers of four banks namely, ICICI Bank, HDFC Bank, KOTAK Bank and INDUSIND Bank was selected to procure data from the respondents. A questionnaire with five point rating scale was developed for five dimensions of service quality in the line of service quality model developed by Zeithamal, Parsuraman and Berry (1988) for collecting data from bank customers. The statistical tool mean was used to analyze the procured data. HDFC bank was found to be the best bank among the three banks in all the five dimensions selected for the study.

Mehta (2012) conducted a study to measure the service quality in retail banking sector by segmenting the bank customers on the basis of having high service quality perception & low service quality perception in order to investigate the relationships between these segments and select demographic variables. The study also attempted to determine the relative importance of each five dimensions in influencing overall service quality, overall customer satisfaction, livelihood for recommendation & loyalty intention. A sample size of 293 customers of 6 major banks (one public sector bank, three private sector banks and two co-operative banks) was drawn from Gujarat and purposive sampling technique was employed to procure data from the respondents. A structured questionnaire covering age, gender, education, occupation, gross monthly income and types of account with seven point rating scale was constructed for five dimensions of service quality (Tangibility, Reliability, Responsiveness, Empathy and Assurance) in the line of SERVQUAL instrument for collecting data from bank customers. Mean, Chi-square, multiple regression technique were used for analyzing the data. The study revealed that the service quality dimensions Reliability & Assurance showed the highest & lowest shortfall respectively while compared with customers' expectation. The study observed that the customers who perceived banks as having high service quality were more likely to be current account holders, while, customers who perceived banks as having low service quality were more likely to be saving account holders meaning thereby type of

account had a significant relationship with service quality segments. The study also found that responsiveness was the most important dimension influencing overall quality, overall satisfaction, likelihood for recommendation and loyalty intention followed by tangibles.

Chand et. al. (2012) carried out a comparative study to analyze the satisfaction level of customers in public and private sector banks. A sample of 200 bank customers from four banks consisting of two public sector and two private sector banks were selected in Panipat city for conducting the study. To measure the satisfaction level, the study identified various factors like Availability of Customer Care Services, Interest on Deposits/Loans, Operational Performance and Reliability of ATMs, Banks Recovery Method and Query Handling Mechanism. A structured questionnaire with five point scale ranging from “very satisfied” to “very dissatisfied” covering age, gender, marital status, education, occupation and family income p.a was developed for collecting data from the respondents. The study found that the customers of private sector banks were more satisfied with the customer care services and other parameters of satisfaction, which was posing a challenge to the public sector banks. The study also revealed that private sector banks had been successful in attracting young and qualified customers from higher income groups. Further, the study suggested that in order to retain and widen the customer base, both public and private sector banks should give more importance to customer relationships along with offering better services.

Agarwal (2012) made a comparative study to analyze and compare the perceptions of customers regarding the service quality in public sector and private sector banks. Data was gathered from the different customers of the two banks, viz., State Bank of India and ICICI Bank located in the district Aligarh, Uttar Pradesh. Fifty bank respondents from each bank were selected for conducting the study. . A questionnaire with five point Likert scale ranging from ‘strongly agree’ to ‘strongly disagree’ was developed for five dimensions of service quality in the line of SERVQUAL instrument for collecting data from bank customers. Weighted Mean was used for the analysis of the data. The findings of the study showed that the mean score of SBI (71.24) when compared to mean score of ICICI (83.5), indicating a significant difference in the quality of service being delivered by SBI with the quality of service as perceived by

their respective customers. The study further revealed a wide perceptual difference among public sector banks regarding overall service quality with their respective customers, whereas the said perceptual difference in private banks was narrow.

Shah (2012) conducted a study to measure the overall levels of satisfaction of retail banking customers by identifying the major factors of customer satisfaction in retail banks of Vadodara, Gujarat. A total of 300 respondents were randomly selected to conduct the study. A survey questionnaire with five point interval Likert scale covering age, gender, marital status, education level, employment status and monthly income, for the select 32 variables was constructed to collect data from the respondents. Statistical tool factor analysis was applied to summarize the 32 variables into nine principal components. Apart from factor analysis; frequency, variances, chi-square, Bartlett's Test of Sphericity were also used to analyze the collected data. The findings revealed customer satisfaction, a transaction-specific attribute, as dependent on nine different factors namely, Traditional Banking Services, Internet Banking Services, Bank Image Positioning, Customer Convenience, Risk Privacy in Internet Banking, Bank Charges, Bank Price Policy, Bank CRM and Bank Parking Facility.

Mistry (2013) conducted a study to identify the various important service quality dimensions affecting customer satisfaction in banking industry and analyze their effects on the level of customer satisfaction. A sample of 120 customers from different public and private sector banks operating in Surat city was collected on convenience basis. A systematic and coherent approach was adopted for the research study. Apart from the items from the SERVQUAL model, additional items of RATER dimensions were taken for conducting the study. A questionnaire with five point rating scale ranging from 'strongly disagree' to 'strongly agree' was developed covering age, occupation, qualification, gender and monthly income for the reliability, responsiveness, assurance, empathy and tangibility dimensions of service quality for collecting data from bank customers. Statistical tools like mean and factor analysis were used to analyse the procured data. From the mean scores of service quality, it was found that customer of public sector bank perceived highest value in assurance dimension. While on other hand, customer of private sector bank perceived highest value in tangible dimension and in the reliability dimension. Moreover, the study also

found that a customer attached highest importance to reliability dimension followed by responsiveness and assurance dimension of service quality.

Ravi and Basavaraj (2013) conducted a comparative study to investigate the preference and satisfaction level of customers towards loans, deposit schemes, insurances and value added services rendered by private and public banks in Shivamogga district of Karnataka. For the purpose of the study, two leading commercial banks were selected - one public sector banks and another one private sector banks. The selected banks were ICICI bank and SBI bank. A sample size of 170 bank customers, 75 from each bank was selected by adopting simple random method. A structured questionnaire covering age, gender, marital status, education, occupation and annual income was developed for collecting data from bank customers. Percentage method was used for analysis of data. The result of the study showed that the business and vehicle loans were fast moving than other services. The study further revealed that overall satisfaction on bank deposit schemes resulted positively while other services of banking still need to be given attention by focusing on customers' issues.

Reddy and Ramana (2013) conducted a comparative study to assess the performance of the banks based on customer satisfaction, service quality, and other factors and also to identify the key factors which influence the performance of the banking sector other than customer satisfaction and service quality. The study was carried out by collecting responses from 838 respondents from different public sector, nationalised and private sector banks. A structured questionnaire with five point Likert scale was developed to collect the data from bank customers. The questionnaire includes few demographic variables like age, occupation, education, gender and monthly income and some questions which focus on the customer satisfaction and quality provided by the banking industries. Apart from frequency, percentage, mean and standard deviation, uni-variate and multivariate Statistical Techniques such as One way Analysis of Variance, Factor Analysis were also applied to the data to know the satisfaction levels of the customers as well as to observe the performance of public, private sector banks. The study revealed that the private sector banks provided higher customer satisfaction when compared to the nationalized and public sector banks. The study also identified some key factors along with customer satisfaction and service

quality; the most important among them were attitude of the bank employee in serving the customers, care and concern, physical facilities available in the bank and promptness in attending to the customers' needs.

Hazra (2013) carried out a study to examine the effect of demographic characteristics of customers on customer satisfaction, customer commitment, and customer trust. A sample of 300 bank customers of West Bengal, 160 from public sector bank and 140 from private sector bank from different socio-economic background covering different education levels and occupation was chosen by adopting purposive sampling method. Apart from statistical tools like mean, percentage; Independent samples *t*-Test, ANOVA and factor analysis were used to analyse the data. The results of the study showed significant difference between public and private sector banks with regard to customer satisfaction and customer commitment. The study further revealed that highly educated customers and the business professionals were more satisfied and committed to their banks compared to other education level and occupational categories.

Nautiyal (2014) conducted a study to measure the impact of service quality on customer satisfaction. A sample of 225 bank customers whose primary savings account was held with a private bank across Delhi was selected for the study. A structured questionnaire with five point Likert scale was developed for five dimensions of service quality (Tangibility, Reliability, Responsiveness, Empathy and Assurance) in the line of SERVQUAL instrument of Parasuraman et al (1988) for collecting data from bank customers. Regression analysis was conducted to measure whether these dimensions impact customer satisfaction. The analysis showed a positive correlation between all the five dimensions of service quality considered in the study and customer satisfaction. However the impact of Tangibility and Reliability dimension on customer satisfaction was of little statistical significance.

2.3 Gap in the Existing Literature

Today's prevailing competitive environment has led to various changes in the delivery of quality of services in banks. The banking industry strives hard to provide quality service which enhances the level of satisfaction of customers. In the present era, the quality of the service is of great concern for customer satisfaction. Customer

satisfaction can be derived from high quality services. The entire exercise with respect to review of literature gains an insight into various aspects of customer satisfaction. A large number of research studies have been conducted on customer satisfaction in different banks covering various dimensions of service quality with reference to different geographical location in India and abroad. These studies not only identified various service quality dimensions but also assessed customer satisfaction based on various service quality dimensions. However, no study has so far been undertaken on customer satisfaction of any single public sector bank in Cachar district of Assam. Hence, the present study is expected to be a pioneering work in this direction. Apart from this, the present study is also expected to be an unique one as the study has incorporated not only a good number of dimensions of service quality with numerous components under each of the service quality dimensions but the degree of satisfaction or dissatisfaction of customers over such dimensions has also been assessed. Apart from this, branch wise satisfaction/dissatisfaction of customers has been studied and finally satisfaction/dissatisfaction of customers of UBI in Cachar district of Assam has been compared across the select demographic variables of customers.