Chapter – II

Review of Literature
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2.1 INTRODUCTION

An attempt has been made by the researcher to study the literature pertaining to the topic to draw a deeper insight into the concept. A review of related literatures can provide the researcher to understand the contributions made by others and in creating a link to the chosen topic. Reviewing related literature is inevitable for a researcher to identify the work done and also to identify the research gap. Such an effort can help to design the framework of the study and in the formulation of the questionnaire.

2.2 SERVICE QUALITY

Service quality has become an important factor among the customers in retail banking. The success and survival in the banking sector, provision of high service quality is necessary in meeting several requirements such as customer satisfaction and its consequent loyalty, attracting new customers and to increase the market share and profitability.

- Parasuraman, Zeithaml and Berry (1985) attempted to develop a model for determinants of service quality in four service business organization. Ten dimensions, namely reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customers and tangible were considered for the study. The model developed were used
and tested in customer expectation and perception gap, service quality gap, communication gaps and service performance gap are the four gaps in the service, provides that affect service quality as perceived by consumers and a conceptual service quality model is developed.

- Parasuraman, Zeithaml and Berry (1988) attempted to develop SERVQUAL to assess perception of customer about service quality in service and retail organization. They came up with five dimensions, namely tangibles, reliability, responsiveness, assurance and empathy. Parasuraman, Berry and Zeithaml 1991 investigated the impact of organizational barriers to deliver high quality service performance with the help of customer perception and expectations. The model developed by Zeithaml, Berry and Parasuraman was used and tested in five gaps involving marketing information gap, standard gap, service performance gap, communication gap and service quality gap. The results have shown that service performance gap and communication gap found to be significant in explaining the service quality.

- Parasuraman (1989 and 1990) introduces the key premise to customer satisfaction in the prerequisite understanding and delivering superior service as customer satisfaction compare perceptions with expectations, when judging a firm's service. One of the key influences of customer expectations is price and they believe that the more they pay the better the service. Nonetheless, low price with high quality adds on to satisfy if the customers perceive the value of the services to be higher than what they pay. This depends on the communication, image of the firm, flow of information to the customers and the delivery of firms promise made to the market.
Cronin and Taylor (1992) conducted a study to investigate conceptualization and measurement of service quality. An alternative method of operationalizing relationship, significance of relationships, perceived service quality, customer satisfaction and purchase intentions were taken for the study. 22 items of SERVQUAL were taken and a weighted measure of performance was compared with weighted SERVQUAL and weighted SERVPERF. The sample size of 660 respondents was taken across the industries and the result of factor analysis has shown that SERVPERF scale measures more of variance in service quality than alternative scales. It has been observed that both service quality and satisfaction affects purchase intentions and SERVQUAL had a good fit in two industries of four, whereas SERVPERF had an excellent fit in all four industries.

Ashish M. Joshi (2014) the researcher analyzed the impact of service quality dimensions and to identify the factors on the customer satisfaction in banks. Statistical tools are percentage analysis, ‘t’ test and U test is taken for the study and two hypotheses were framed. The result reveals that, except assurance it leads to customer satisfaction and banks has to provide better quality service to retain the customers.

Abednego Feehi Okoe et al. (2013) discussed about the service quality plays an impact on service delivery in the Ghanaian banking sector. Attributes like reliability, responsiveness, assurance, tangibility and empathy are based on customer perception and expectation. SERVQUAL dimensions were used to structure the questionnaire and encompass four major indigenous and foreign banks. T test and mean weighted difference between perception and
expectation of customers were taken for the study and the result reveals that a gap between customers of service delivery and service quality is perceived as low in reliability, accessibility and responsiveness attracted low favorable customer dissatisfaction and even banks can perform better on the tangibility dimension.

- Agha Tahir Ijaz and Asghar Ali (2013) conducted a study to measure service attitude by assessing employees and customer perception of Pakistani banks. Service quality is considered as integral part of the strategic focus of contemporary business. Five dimensional instrument of service quality attributes such as tangible, reliability, responsiveness, assurance and empathy were taken for the study and the employees of banks participated in the survey and tools like mean, ‘t’ test and variance analysis were used. The results revealed to describe the difference of customers and employees of banks in terms of measure of service quality. Banks have to focus on customer oriented and service quality initiatives in order to survive in the financial market as competition. Training to employees improve better customer services, especially in responsiveness dimensions and followed by reliability and empathy and it reduces the gap of perception between employees and customers.

- Swati Tripathi (2013) did a broad study to evaluate the quality of the service gap between customer expectation and perception of selected private sector banks in Varanasi district and also studied the customer awareness of service quality and identified the areas of improvement. RATER model developed by Parasuraman et al. 1988 namely reliability, assurance, tangible, empathy
and responsiveness was used for analysis. The study identified the service gap between customer expectation and perception and reveals that reliability, assurance; empathy and responsiveness are the dimensions needed to be taken utmost care by the banks to improve the customer’s satisfaction. It included that bank has to prepare their marketing plans and strategies on the basis of the customer segment to reap the competitors.

- Nazia Nabi (2012) conducted a study to assess the customer’s level of expectation towards service quality and the dimensions of SERVQUAL developed by Parasuraman et al. 1985, 1988 instrument included 22 attributes, grouped into five dimensions such as, tangible, reliability, responsiveness, assurance and empathy. The questionnaire is designed namely demographic factor and expectation level of the customers. Mean, standard deviation and ranking of attributes are analyzed and the study concluded that among the several dimensions, customers are highly influenced on tangible, responsiveness and assurance, while evaluating service quality and bank must focus on customer’s expectations and improvement in the delivery of service quality.

- Anshu Chaudhary (2012) attempted to study service quality dimensions and to find the gap between expectations and realizations in terms and to propose workable guidelines for strengthening service quality and to identify the areas that need to improve the quality of service of banks. SERVQUAL statements tangible, reliability, responsiveness, assurance and empathy upon which service quality was evaluated. The mean and percentage analysis tools were taken and the result showed that the reliability and assurance need to be
improved in private sector banks and better physical facility, communication
gap, timely training and income strata need to be improved in the public
sector banks, expectation and perception of the customers have to be
considered by the banks.

- Aashish Shashikant Jani (2012) stated the relative importance of factors
affecting the areas of strength and weaknesses of private and public sector
banks in terms of different technologies offered to customers and future
growth of e-channels in retail banking. Parameters like money transactions,
efficiency, financial services, reliability and motivation were used to find the
above and hypotheses were framed. Tools like mean, standard deviation,
coefficient of variance, correlation analysis and Z test were used and the
result revealed that use of technology inferred a positive perception of the
customers of public sector and private sector banks.

- Sudha (2012) conducted a study and assessed the differences between
expected quality and actual quality of facilities provided by the private sector
banks that satisfies the customers. Quality rating dimensions are reliability,
responsiveness, accessibility, competence, courtesy; product range, security,
tangibility and empathy were used to assess the perception of customers and
banking executives of private sector banks. The hypotheses were framed and
the results revealed that phone transaction banking, ATM and A/C statement
incident related to other aspects of service providers in the areas in private
sector banks have to meet the customer requirement.
Md. Abdul Muyeed (2012) empirically tested the service quality in retail banking in Bangladesh. Service quality dimensions, namely reliability, competence, tangible and empathy with 14 parameters were measured and demographic profile of the customers was taken for the study. The questionnaire was designed on the basis of the study of Parasuraman et al. 1985 and the researcher personally distributed questionnaire to a sample of 250 respondents of private and public sector banks. Percentage analysis, mean, standard deviation and Z test were taken for the study and the results indicated that customer perception has reached highest in the prompt and accuracy in transactions and safety of customer’s investments keep confidentiality of accounts, transactions, lowest in the service of modern equipment and decor and the bank need to consider the weak areas in order to meet customer perception.

Naji D. Mualla (2011) measured the internal consistency of the service quality variable and assessed the overall quality of service provided by banks in Jordan by using the gap analysis approach. Parasuraman’s five criteria were used in evaluating service quality: reliability, responsiveness, assurance, empathy, tangible and overall service quality gap. Data was collected from 1000 customers of randomly selected banks. Five hypotheses were framed to know the perceived and expected service quality of banks and the result reveals that banks quality of services is low unsatisfactory, and in turn suggested that the banks have to devote considerable effort towards the quality of their services.
• Abdul Qawi Othman and Lynn Owen (2011) the author revealed that performance of alternative measures of service quality proposed by different authors and suggested unique measures such as Parasuraman, Berry and Zeithaml 1985, 1988, 1990, 1993 and 1994 and Cronin and Taylor 1992 and 1994 in an Islamic banking. The researcher identified CARTER six dimensions like compliance, assurance, reliability, tangible, empathy and responsiveness based on 34 items. SERVQUAL five dimensions are tangible, reliability, responsiveness, assurance and empathy with 22 items scale. Percentage analysis and ranking method were used for the above and author concluded that cultural difference in service quality suggests a new model to measure the validity and training has to adopt for better service quality.

• Md. Ismail Haidar and Mohammad Saiful Islam (2011) disserted the study with the objective to determine the importance of perceived service quality factors of private commercial banks (PCB) in Bangladesh. Six factors namely accessibility, security, reliability, assurance, empathy and tangible proposed by Parasuraman, Zeithaml and Berry (1988) was used in determining perceived service quality provided by commercial banks. A total of 300 customers were taken for the study and demographic variables namely, age, gender, education and occupation determined the six dimensions across the variables. The researcher used multiple regression analysis, multivariate analysis and ANOVA. The results revealed that tangible is the most important factor in determining the service quality followed by reliability, empathy, accessibility, assurance, demographic
variables differ across and determine the importance of perceived service quality factors.

- Meenakshi Gandhi (2010) did a broad study to attempt and identified the service quality factors of customer expectation on service quality that discriminate the three groups of banks. Five factors considered namely tangibility, reliability, responsiveness, assurance and empathy discriminating the public, private and foreign banks. Data collected from 234 respondents of distribution in services are analyzed using correlation and ‘t’ test. Results indicated that bank has to perform the promised services dependably and accurately, expectations of customers are highest in private and public sector banks.

- Shobhana and Savitha (2009) in their study analyzed customer rating of various services of public sector banks and new private sector banks and examined the significance difference in service quality of the banking sector. Dimensions of Service quality factors such as tangible, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding and access were considered for the study. Chi-square test and percentage analysis were used for the study and the result indicated that the majority of the respondents says overall quality of service are good and it depends on the banker's ability to serve better to meet the customer expectation.

- Hitendra Bargal and Ashish Sharma (2008) examined the various processes and sub process of the operational features of banks and analyzed a
comparative study on the public sector and private sector banks. Variables like excellent status, service rating scale, attitude of staff members, quality of operation, perception of bank employees about job, e-commerce operation, customer help desk, innovation, communication system of banks, customized software applications and satisfaction with services were considered. The authors totally researched upon different kinds of variables and two hypotheses were framed for the above. The result indicated that banks have to adopt innovation of new technology and full-fledged marketing strategy to the customers.

A thorough review over the above discussed studies has thrown light on the various aspects of service quality and most of the studies have considered SERVQUAL as the base model. While some studies have either added or removed some factors and conducted study in different areas. It is further assessed that the bank’s ability to meet the customer’s expectation determines the effectiveness of service quality technique adopted by the banks.

2.3 CUSTOMER PERCEPTION

Customer perception and service quality is concerned with the judgment and the attitude of the customers towards the quality of the services after availing the same and in turn this perception decides whether the services were able to satisfy the customers. The customer perception is an ever dynamic process, keeps changing every time the competition comes out with a new service standard.

- Vasanthi and Gowri (2013) did a broad study on the gap towards customer’s perception and service quality attributes between private and public sector
banks and to investigate whether the demographic factors have any significant influence. Attributes like infrastructure, customer care, technology, transactional, procedural and security were taken for the study. Three hypotheses were framed and a sample of 500 respondents was selected and questionnaire was directly collected from the bank customers. Tools like correlation, mean, standard deviation, t test and multiple regression analysis were used for the above and the results revealed that transaction service, technology service has the highest contribution over other dimensions.

- Biranchi Narayan Swar and Prasanta Kumar Padhy (2012) the paper examined each element of service quality perceptions and expectation of customers influencing the overall service quality and service delivery among public, private and foreign banks. Service delivery is taken as an independent variable and dependent variable were service quality elements like reliability, assurance, tangibility, empathy and responsiveness to provide better service. A sample of 524 customers had been analyzed and two hypotheses were framed. Multiple regression analysis and percentage analysis of demographic data were taken for the study and the outcome showed that reliability and responsiveness is the most important dimensions followed by assurance, empathy and tangible respectively. Banks can assess dimensions of service quality to determine the level of services provided and need improvement.

- George Amoako (2012) discussed the attitude of target market and identified the areas were the bank needs to improve its image and reputation in commercial banks in Ghana. Service quality dimensions tangible, reliability,
assurance, responsiveness and empathy. Percentage analysis and pie chart were taken for the study and results show that highest customer perception are demonstrated in tangible and empathy and increase in number of new customers and maintenance of existing customers increases the profitability. Reliability has the negative perception and customer service is not satisfactory and the bank has to improve the quality of service.

- Vibhor Jain et al. (2012) conducted a study in five different dimensions of customer perception regarding service quality effect on the banks. Service quality, namely reliability, responsiveness, assurance, tangibility and empathy were taken for the study. Mean and ranking method are analyzed reliability and assurance had direct impact on the customers. Private sector banks have to enhance training and serve the customer’s quality perceptions.

- Rakesh (2012) discussed the concept of service quality and demonstrated the model of service quality gaps and difference between customer expectations and perceptions. The SERVQUAL model developed by Parasuraman et al. and Zeithaml et al. and its five generic dimensions tangible, reliability, responsiveness, assurance and empathy was adopted. A total of 400 questionnaires were distributed and out of that 242 were collected. Ranking method and weighted average method was taken to know the gap between perceptions and expectations of the customers. The author concludes that service quality gap is associated with external customer services and major gap is developed for internal customers that are employees of the banks.
Ahmed Audu Malyaki (2012) presented a holistic model of combined exogenous and endogenous variable to assess the psychometric properties of measures in the study. Variables like functional quality (tangibility, reliability, assurance, responsiveness and empathy), technical quality, and corporate image, perceived value, switching cost, culture, behavioral intention and actual behavior were taken by the researcher. A total of 800 questionnaires were distributed and 555 were taken for the study in Nigeria. Statistical tools like regression, multiple correlation and structural equation model SEM model were used in the above study. The author concluded that the model fits the empirical data and is set to conducting the construct validity and structural model.

RamlugunVidisha Devi and Heman Kumar Singh Ramburuth (2012) attempted to establish the perception and expectations of customers as regards to service quality of the products in the Mauritian banks. The study focused on five service quality dimensions, namely tangibility, reliability, responsiveness, assurance and empathy. The mean and standard deviation were carried out to measure 22 items of the service quality dimensions and the results show that reliability and empathy were the two factors having the highest gap and tangibility has the lowest gap. The expectations of customers are higher than perceptions indicating that in general, customers are disappointed with the service quality level. The study suggested that the bank need to identify cost-effective ways and complaints handling system in terms of speed response and understand the customer’s specific needs.
The study carried out by Abdul Aziz Abdullah et al. (2012) specified customer perception of Islamic banking products and services in Malaysia. Demographic variables based on religion, race, gender, age, occupations, level of education, monthly income and type of period of years were taken for the study. Pre-test was done on 180 customers among non-Muslim is carried out as recommended by Dillman in 1978. The study is divided into four sections containing open questions and pre-coded questions and seven hypotheses were framed in the study. Percentage analysis and chi-square were used and the author concluded that the link between religion and education are not established with the perception of Islamic banking products and services and they are gaining popularity among non-Muslim customers.

Neelotpal Banerjee and Santosh Sah (2012) did a broad study to assess customer’s expectation and perception level towards service quality of public and private banks in India use SERVQUAL model and to find and compare the service quality gap between the customer’s expectation and perception of the service quality of the banks. The five generic dimensions of 22 items, each item measuring both the perception and the expectation of service attribute like tangible, responsiveness, assurance, empathy and reliability was considered. The questionnaire consisted of two sections expectation and perception and the measurement of service, quality of the SERVQUAL instrument developed by Parasuraman et al. 1991. Mean, standard deviation, percentage analysis and U test were taken and the results revealed that customer expectation is more with the private banks and the level of satisfaction is also higher while they deal with the private banks. The banks
have to focus on improving the service quality in terms of tangibility, reliability, responsiveness and empathy.

- Biranchi Swar and Prasant Sahoo (2012) the overall aim of the research article is to develop a conceptual foundation for investigating the customer perception process, with the use of the service delivery dimensions of customers. The major measures for the study were tangible, reliable, responsiveness, assurance, empathy, core service or service product, human element of service delivery, systematization of service delivery, non-human element. The researcher tested through ANOVA and percentage analysis. The relationship between the data identifies tangible and social responsibilities have critical point to view the strength and weakness pertaining to the customers of banks to assess and determine the level of services delivered and decide which dimensions need improvement.

- Poolad Daneshvar and Ramesh (2011) aimed to evaluate customer gap between their perception and expectation levels of interpreting internet banking services and predicting the key factors of the customer perceived towards service quality in Indian banks and to examine the effectiveness of interpretation services and to determine if the interpretive services provided by the private sector banks to meet the need of the general public. 16 variables were taken for the study and three hypotheses were framed. Correlation analysis and multiple regression analysis were applied and the results indicated that reliable services, performance of bank web site, safeness, online customer services, loyalty and acquisition of the bank has to
improve the quality to know about the customers' expectation level about
internet banking service networks.

• Ananth et al. (2011) the researcher evaluated the gap between customer
expectation and perception of service quality and the areas that need to
improve and deliver superior quality of service in private sector banks. Five
service quality dimensions include tangible, reliability, responsiveness,
assurance, accessibility and empathy were taken for the study. Data was
collected from the 200 respondents and multiple regression analysis was
taken for the above study and the results showed that the dimensions of
service quality such as empathy, reliability, assurance are positively
influenced accessibility and tangibility has more gap on the customer
expectation and banks have to enhance the services. The bank has to reduce
the service gap to deliver superior quality of service to retain existing
customers as well as to attract new customers.

• Aparna Mishra and Kamini Tandon (2011) an attempt to understand and
analyze the customer's perception of the retail banking services offered by
five private sector banks in Delhi. The major factors influencing their choice
of banks and its products, namely competence, responsiveness, tangibles,
convenience, assurance, empathy, reliability and bank charges are the most
common and repetitive factors for identifying the service quality of the retail
banking sector. Structured questionnaire was taken for the study and 150
respondents of various retail banking were taken for the study to measure the
service quality. Statistical tools like factor analysis were analyzed and the
result states that, service quality of retail banking is a critical factor in customer satisfaction and these various dimensions of service quality are an integral component of a customer retention strategy implemented by banks as a part of their retail marketing program.

- Vasantha Kumari and Sheela Rani (2011) conducted a study to identify the perception of customers and banks through the relationship of five service quality dimension factors along with demographic characteristics of customers. They tested four hypotheses and analyzed the practicality of measuring the retail service quality perception and it influences the demographic factors. Factor analysis, ANOVA and ‘t’ test were used to identify the same and found that four factors in income, services, reliability, tangible and time duration, three factors in qualification, reliability, tangible and time duration and one factor in marital status, reliability and age group, time duration indicates a significant relationship between demographic characteristics and customer perception towards the services offered by their banks.

- Emari et al. (2011) aimed at exploring the dimensions of service quality in the banking industry in Iran. The study empirically examined Groonor’s model, suggesting that service quality dimensions like, to modify the SERVQUAL scale of tangible, assurance, responsiveness, reliability and empathy were used to measure functional quality, technical quality service items were developed by image, overall service quality and customer satisfaction. A standard questionnaire was used to collect the data and tools
like confirmatory factor analysis and chi-square test was utilized to verify the construction of validity and reliability test. The results revealed that the overall service quality is influenced more by a customer’s perception of technical quality than functional quality.

- Abu Bakar Siddique et al. (2011) the author in the study investigated the different constructs, are used to measure the qualitative variables in foreign and public bank in Dhaka city. The author specified service quality namely, reliability, responsiveness, competence, accessibility, courtesy, communication, credibility, security, understanding and tangibility including variables with 34 items. Structured questionnaire was framed and few questions were open ended. Close-ended question were also used to collect data from the respondents. A regression model was used for data analysis and the study indicates that reliability, credibility, communication, security and tangibility were found to be directly affecting the service quality. On the other hand, in foreign banks' reliability, credibility and tangibility are the significant factors affecting their service quality.

- Hari Sundar G. Ram and Gemini V. Joy (2011) did a broad study on the relationship between customer perception and various dimensions of service quality and overall satisfaction provided by private and public sector banks. Factors like system availability, e-fulfillment, easiness, efficiency, responsibility, cost effectiveness, problem handling, compensation and overall satisfaction were utilized. Eight hypotheses were framed for the study and result indicated that e-fulfillment and responsibility in EFT service
remain constant in public and private banks, cost effectiveness and compensation policy are comparatively to be lower in public sector banks.

- Poonam Kumar and Veena Nandi (2011) the author examined the service quality gap between customer expectations and perceptions of service offered in the south Delhi area. SERVQUAL scale Parasuraman et al. (1985) dimensions namely reliability, empathy, assurance, responsiveness and tangible in the structured questionnaire of 36 items, were considered for the study. Empathy had a positive effect and directly significant and the gap was higher and had a negative effect in responsibility and responsiveness. The banks had to reorient in customer service parameters to instill the concept of quality service and improve the infrastructure, information technology, internal environment and layout.

- Christopher Bond and Marc Ting-Chun Hsu (2011) conducted a study on international student expectations and perceptions of service quality gap experienced by customer segment and recommendations on service quality could be improved for the particular customer segment. SERVQUAL and GAP model developed by Parasuraman, Zeithaml and Berry (1988) dimensions like tangible, reliability, responsiveness, assurance, empathy and overall were taken for the research study. A total of 297 international students studying in UK respondents were taken from the survey. U test, H test and chi-square test were applied for the above and the results revealed that tangible such as physical layout and appearance are dominant factors that satisfy the international students. Reliability and empathy were the key
areas of dissatisfaction factors. The study highlights that international students are growing within many developed economies and globalization service industries need greater consideration to meet the needs of particular groups.

- Rajaram and Sankar Ganesh (2011) in their study attempted to identify the most prioritized and least prioritized dimension of service quality to the customer’s point of view and suggest the ways to improve the service gap between customer expectation and perception among the customers. SERVQUAL dimensions tangible, reliability, responsiveness, assurance and empathy. RATER dimensions of service quality containing 26 constructs distributed to 395 respondents of samples were taken for the study and four hypotheses were framed in the above. Chi-square test, ‘t’ test and percentage analysis were used to analyze the service gap. The result shows that banks have to improve their quality of service offered and rectify the problems encountered and consider for implementation.

- Kailash (2011) in his empirical study measured the customer perception on the service quality factors and the association between various demographic variables and perception of customers. 250 respondents were chosen randomly. The study focused on SERVQUAL developed by Parasuraman et al. (1988) containing 22 statements of 5 key dimensions of tangible, reliability, responsiveness, assurance and empathy. T-test analysis showed that empathy and reliability have negative impact and strong attributes had to
be enhanced by the banks and need to gear customer service and quality improvement effort.

- Singh and Sunayna Khuran (2011) examine gender wise customer expectations and perceptions of service quality provided by the private banks. 300 customers were selected randomly and 22 service attributes were tested and four hypotheses were framed. Mean, Standard deviation, and ‘t’ test were used and the results shows that attributes like bank staff, giving customers best interest at heart, personal attention given, friendliness and courtesy of bank staff, the bank promises to do something by a certain time, individual attention given by bank staff, the service quality gap was high and suggested that the banks should adopt measures to reduce the service quality gaps.

- Dharmalingam and Kannan (2011) conducted the study to identify the gap between customer expectation and perception of service quality and the areas that need to be improved by banks and deliver superior quality of service in selected new private sector banks. 32 variables were found less than nine various dimensions of service quality, namely tangible, reliability, responsiveness, assurance and empathy and other dimensions are security, accessibility, price, product variety. A sample of 240 customers was selected on a convenience basis. Percentage analysis, ‘t’ test showed product variety and security of transactions have more gaps between customer expectation and perception and the bank has to introduce new products based on customer needs of service quality.
Balaji et al. (2011) did a broad study on the relationship between expectation and perceptions of various service dimensions towards banking services. Service dimensions are tangible, reliability, responsiveness, assurance, understanding the consumer, accessibility, communication, competence, courtesy and security influences the customer satisfaction in banks. The descriptive analysis revealed that service dimensions that influence customer expectation are almost met by the banks. The banks have to continuously monitor the changing customer’s preference and improve services and reduce the gap and improve customer satisfaction with respect to service quality.

Ashfaq Ahmad et al. (2010) studied the customer perception of service quality of products offered by Islamic and conventional banks in Pakistan. Service quality attributes namely reliability, tangible, responsiveness; assurance and empathy were taken for the study. Sample of 720 respondents were selected and questionnaire was developed by using stratified random sampling. Descriptive statistics are used to assess the demographic characteristic of the respondent ‘t’ test, mean and standard deviation was used to show that policy makers and bankers to make effective and quality oriented arrangements to have satisfied and delighted customers for long term benefits and service quality score offered by Islamic banks are greater as compared to conventional banks.

Shankari, L. (2010) aimed to identify the various factors influencing service quality of banks and the impact of customer perception on the various quality
dimensions of rural and urban branches. Service quality dimensions like tangibility, reliability, empathy, assurance and responsiveness were the major factors and a sample of 895 customers chosen using stratified sample were taken for the study. Multiple regression and factor analysis were used and the results showed that impact on service quality among the rural and urban customers, which influences the overall perception in reliability, assurance and responsiveness. In Electronic banking era the banks have to offer innovative products that match the personality and attitude of the urban and rural customers.

- Ravichandran et al. (2010) did a broad study to identify the key dimensions of perceived service quality as well as to investigate the prevailing service quality level in the private retail banking customers and to find out a regression equation on the five dimensions of the service quality with that of the overall service quality. SERVQUAL items like tangible, reliability, responsiveness, assurance, empathy and price were the dimensions to influence service quality to customer satisfaction. A sample of 300 respondents was selected and tools like percentage analysis, mean, standard deviation and regression were considered and the results showed that responsiveness were found to be significant in predicting overall satisfaction with the banking service.

- Swati Anand and Kailash Saklani (2010) discussed the important parameter affecting the service quality and determine the dimensions of internet banking (I-banking) and their relationships with the overall service. Seven
quality dimensions such as reliability, accessibility, user friendliness, security, efficiency, responsiveness and fulfillment were identified based on principle component of factor analysis. The first part of the questionnaire comprised 12 questions of the demographic profile and the second part consisted of 26 variables about the service quality of I-banking. Through factor analysis and regression analysis, the results revealed that the independent variables are reliability, accessibility, security, user-friendliness, efficiency, responsiveness and fulfillment and the overall quality of I-banking services are treated as dependent. The bank must focus on the different parameters to improve their services.

- Arash Shahin (2010) disserted the study with the objective of ascertaining an actual and perceived gap between customer expectations and perceptions of the services offered and to point out how management can improve services and become more logical and integrated with respect to the prioritized service quality dimensions and increasing the quality gaps. 22 statements measuring the performance of the SERVQUAL dimensions like tangible, reliability, responsiveness, assurance and empathy were taken for the study. The author used factor analysis and percentage analysis to find out the important factors. The study concluded that lack of service quality and the gap plays a crucial role in the success of customer expectation to be launched at the right time to offset the competition.

- Puja Khatri and Yukti Ahuja (2010) conducted a research study to explore the dimensions of customer perceived service quality in the context and
understand the applicability of the SERVQUAL model in private and public sector banks and to identify the critical variables that customers seek from a quality of service delivery. Various dimensions, including tangible, reliability, responsiveness, assurance and empathy were taken for the study. Mean, standard deviation and student ‘t’ test were used to know the credit facilities and insurance services that needed to be concentrated in private sector banks. Public sector banks need to improve their service quality by improving their physical facility, infrastructure and giving proper training to their employees.

- Daing Maruak Sadek et al. (2010) this paper examined the association between the customer's perceptions on service quality of bank and determine the difference in mean scores of dimensions in service quality of the bank. SERVQUAL model comprising 33 items named CARTER with six dimensions compliance, assurance, reliability, tangible, empathy and responsiveness which customized for suitability of the bank was adopted. Structured questionnaire with close-ended question were distributed to account holders of the bank. Gap model was derived as understanding, service standards, service performance, communications and service quality and statistical tools like one-way ANOVA, ‘t’ test and ranking method were used. The research also indicated that compliance issues are important for Islam bank customers, and the customers appreciate a bank for its religious provision rather than its service quality offered.
• Kittitana Tananitikul and Nuttawuth Muenjohn (2010) intended to determine set of service, quality and value dimensions that are vital importance to a government-owned bank (GOB) and its customer satisfaction. Seven key attributes of 22 items scale namely tangible, reliability, responsiveness, assurance, empathy, price and differentiation are the statements measuring customer’s expectations and perceptions of service quality. Reliability is the most satisfied service dimension and it was one of the major policies and strategies of the bank and tangible, responsiveness and empathy were three service dimensions that have significant differences in their perspectives. The researcher found that tangible and price is least satisfied areas and the bank need to improve the quality of its services in order to meet the customer satisfaction.

• Vanniarajan and Naina Mohammed (2009) this paper examined the association between current customer perception and expectations held by the customers and the gap between the bank officials with respect to the quality of services provided in Indian Banking Industry. Factors of service quality, namely reliability, responsiveness, assurance, tangible and empathy were taken for the study. The result revealed that customer perceptions of service quality provided by the banks were consistently lower than their expectations and the service quality gap and delivery gap were the main reasons contributing to the service quality shortfalls in the Indian banking industry.
• Jothimurugan and Kannan (2009) explored a longitudinal design and identified the gap to assess the current expectation and perception held by the customers and bank officials with respect to the quality of services in Indian banking sector. The service quality model is primarily based on the five important gaps like understanding, service standards, service performance, communications and service quality. Five different dimensions of service quality like reliability, responsiveness, assurance, tangible and empathy were taken for the study. Service gap analysis was carried out on the basis of the service quality factors narrated by the factor analysis and identified the gap between customers, manager expectation and perception of service quality and hence the quality gap of the individual might not be focused.

• Girish Taneja and Neeraj Kaushik (2009) aimed to develop a conceptual foundation for investigating the customer perception with the use of the concepts of various relationship qualities between public and private sector bank. In the context of the service quality the factors depicted were core services, service facilities, services personnel, technologies and parking facilities. Factor analysis, ANOVA and percentage analysis were used for data analysis. The data found that factors differ significantly on the basis of age group, income level of respondents and type of banks. The link between customer and bank is a long time strategy and investments may yield for future dividend in the form of customer loyalty and referrals.

• Abasanul Haque et al. (2009) studied the customer perception about the Islamic banking and the relationship among the affective factors.
Demographic items like age, gender, education, occupation, monthly income and race were considered, identified and hope to analyze and determine the perception, quality of services, availability of services, confidence in the bank and social religious perspective about Islamic banking system. Four hypotheses were framed and a structured questionnaire was used. Tools like percentage analysis and ANOVA were used to investigate the relationship between consumer perception towards the Islamic bank and consumer demographic characteristics. The result of this study found that three coefficients possessed positive value which indicated a significant relationship between customer perception and service quality, social and religious perspective and availability of services on the other hand shows negative values of confidence in bank indicated comparatively less impact on customer perception for selecting bank products.

Joshua and Moli P. Koshi (2005) evaluated the services provided by the banks and areas which need to improve the quality of service and compare the banks especially those between old and new generation banks. Service gaps of the various dimensions like tangible, reliability, responsiveness, assurance; empathy and price were taken by the researcher. Statistical tool such as mean was taken and the results indicated that reliability, empathy and price exceed the customer expectation in new generation banks. Tangibility, responsiveness and assurance have much smaller service gaps in new generation banks. Customer perception and expectation of service dimension gap like assurance, tangible and responsiveness is negative and improvement is to be made in old generation banks.
Shahril Shafie, Wan Nursofiza wan Azmi and Sudin Haron (2004) highlighted the study on perceived quality with the customer’s comparison of expected service and the service offered. The CARTER six dimensions conceptualized as a proposed framework for measuring quality of service in Islamic banks by Othman and Owen 2001, where compliance, assurance, reliability, tangible, empathy and responsiveness. A sample of 200 customers was chosen for the study and 35 items listed in response rate were taken for the study and the results clearly judged compliance, assurance and reliability were more important while responsiveness, empathy and tangible were the least important. Compliance dimension is most important to customers and it shows the importance to place cultural difference in front when adopting service quality.

These studies assessed the service gap between customer’s perception and their expectation of the services rendered by the private sector banks, public sector banks and Islamic banks. Further the studies suggested measures and strategies to offset the quality gap perceived by the customers.

2.4 CUSTOMER SATISFACTION

Customer satisfaction can be considered as the essence of success in today’s competitive world of business. Customer satisfaction and service quality are interrelated and the higher the service quality, the higher is the customer satisfaction. The customer satisfaction reflects how far the customers are comfortable with the service relationship maintained by the service providers Spake et al. 2003.
• Rashed Al Karim et al. (2014) the study endeavors to know the impact of service quality on customer satisfaction in the private commercial banks in Bangladesh. Five dimensions of service quality such as tangibility, reliability, responsiveness, assurance and empathy are taken for the study to improve the satisfaction of the customers. 110 respondents of different banks of convenience sampling are taken for the study. Two hypotheses are framed and tools are correlation and multiple regression analysis taken from the above. The result showed that tangibility, reliability, assurance and empathy have a positive effect on customer satisfaction and the bank has to concentrate on responsiveness has less effect. The bank has to focus on service quality to satisfy their customers in every dimension of service quality.

• Samutthana (2014) the author identified the specific service quality antecedents and the impact on customer satisfaction and ascertained the most significant service quality dimensions and the role of corporate image contributing to satisfaction. Convenience sample of 110 Sri Lankan customers were taken for the study. Web quality, assurance, reliability, responsiveness, empathy, security, problem handling and corporate image taken as the variables and 8 hypotheses were framed and the statistical tools were correlation, regression and factor analysis. The result revealed that corporate image, assurance, problem handling, empathy, reliability and security have a positive impact on satisfaction and web quality, responsiveness has a negative effect and the banks need to enhance the customer satisfaction.
• Moha Asri Abdullah et al. (2014) the study established to assess the service quality dimensions that determine customer satisfaction in retail banking in New Zealand. The Structural Equation Model analysis examined the measurement model of the constructs for confirmation of the factor loadings. Statistical tools such as factor analysis and percentage analysis were taken for the study and five hypotheses were framed. This finally led to three factors namely, reliability, assurance and empathy specified to determine customer satisfaction in banks to be practical and statistically significant. The core relational aspect of service quality is to satisfy their customers in order to retain their loyalty.

• Irwan Misbach et al. (2013) in their study analyzed the influence of service quality on customer satisfaction and trust in Islamic banks. Independent variables namely, responsiveness, reliability, compliance, system of service, trust and customer satisfaction was taken for the study. The structural equation model (SEM) analysis was used to analyze direct and indirect relationship between banks service quality and satisfaction of trust. Structured questionnaire was taken for the study. The statistical tools, correlation and ‘t’ test were used and the findings of the study revealed that service quality of Islamic bank had significant influence on customer’s satisfaction on trust and responsiveness and service has strongest attraction to customers. On the other hand compliance was the weakest attraction to the banks and customer satisfaction plays an important role to support service quality of banks to influence trust and confidence.
Mu’azu Saidu Badara et al. (2013) examined the direct effect of service quality dimensions on customer satisfaction and customer loyalty in Nigerian Islamic Banks. Service quality consists of six dimensions; tangibility, reliability, responsiveness, assurance, empathy and compliance examining the direct effect on customer satisfaction and customer loyalty were taken for the study. Hypotheses were framed and data was analyzed with structural equation modelling (SEM) using analysis of movement structure (AMOS) confirmatory factor analysis, descriptive statistics and composite reliability analysis were used for the study. The study revealed that responsiveness has positive effect on customer satisfaction and assurance is a significant predictor of customer loyalty. Customers are satisfied with the bank staff response and provide fast banking services and banks are required to do more promotion and focus on strategic choice in providing products and services which are more innovative.

Marzouq and Alqeed (2013) studied the relationship between service quality and financial performance by customer satisfaction of the royal Jordan banks. Variables concerning tangible, intangible, assurance, empathy, responsiveness and reliability were taken for the study. The statements selected for the study have been developed and used in customer satisfaction literature (Lundstrom and Lamont 1976). Two hypotheses were framed in the above study and the tools mean, standard deviation, a ranking method, the correlation coefficient and multiple regression analysis were exploited the results of this study revealed that there is a relationship between service quality and financial performance with customer satisfaction.
• Sumathi and Thyagarajan (2013) aimed to examine the expectation and level of satisfaction of customers towards the services rendered by private and public sector banks and to identify the areas which need improvement, so that the service of the banks can be enhanced and to study the different services provided by the bank to the customers. Three hypotheses were framed and a random sample of 300 customers has been selected according to the convenience of the researcher and pilot study was conducted. Tools like simple percentage analysis, chi-square test, Garrett ranking technique, and discriminate analysis were used to analyze the above. The result shows that bankers have to realize the implication of market economy by providing various services based on technological development to the satisfaction of their customers.

• Balaji and Suresh Baabu (2012) examined to understand the demographic profile of the customers and the influence of demographic variables on the service quality of banks. Gender, age, marital status, educational qualification, occupation, monthly income, number of years as customer of the bank are influenced by the various five service quality dimension factors like tangible, reliability, responsiveness, assurance and empathy. Data was collected from 300 respondents and ANOVA was exploited to identify the same and found that the demographic variables influences the banks and helps to understand customers better and improve their quality in order to enhance customer satisfaction.
• Dharmalingam et al. (2012) conducted a study and evaluated the gap existing between expected and perceived services and the areas that need to be improved to deliver superior quality of service in selected new private sector banks. Service quality dimensions tangible, reliability, responsiveness, assurance, empathy, access, security, price and product variety were considered for measuring customer service quality expectations and perception. 8 hypotheses were taken for the study and the results indicated that customer’s highest expectations are security and accessibility dimensions and customer’s lowest expectations are responsiveness and largest service gap exists in reliability, price and product variety and smallest service gaps exists in empathy and tangible dimensions.

• Bhavesh Vanparia (2012) in a different form highlighted that service quality formulation and its measurement to assess applicability of service quality constructs to be used for diagnostic purposes in the bank. SERVQUAL and SERVPERF dimensions: tangible, reliability, responsiveness, assurance and empathy. Bank service quality dimensions such as effectiveness of assurance, access, price, tangible, service portfolio and reliability and sub-dimensions, appearance, convenience, promises, doing-it-right, inspiring confidence and courteousness and helpfulness were utilized. Confirmatory factor analysis, univariate and multivariate statistical methods are considered for the above and the result revealed that the SERVQUAL scale has high reliability followed by BANKQUAL and has higher validity than the other models. SERVPERF and Bank service quality were not applicable in
measuring service quality in banks. The overall model suggested in a better way to fit in SERVQUAL and BANKQUAL.

- Maya Basant Lohani and Pooja Bhatia (2012) ascertained service quality and demographic variations to measure the customer satisfaction by analyzing the gap between expectations and perceptions of banking service provided by the public sector and private sector banks in Lucknow. SERVQUAL dimensions are tangible, reliability, responsiveness; empathy and assurance were used for the study. A total of 410 customers were taken and the percentage analysis and chi square test were used and the result reveals that tangibility, reliability, responsiveness, empathy and assurance are significant and customers are committed and satisfied for better quality of service and bank has to come forward to provide better service to win back their customers.

- Parimta Mehta (2012) in the empirical study, aimed to study relationships between overall service quality and satisfaction in demographic variables and determine the importance of the five generic SERVQUAL scale developed by Parasuraman et al. 1988, 1991, tangible, reliability, responsiveness, assurance, empathy and overall satisfaction. 293 customers of six banks were chosen and personally interviewed and chi-square test, multiple regression analysis was used to determine the relative importance of the five dimensions of service quality. The result shows that reliability and responsiveness dimension plays the highest and most important dimension influencing overall quality perception and customer satisfaction and tangible
second important dimension and assurance shows negative effect on gap and it influences the satisfaction.

- Vaijayanthi et al. (2012) empirically examined the relationship between various constructs of service quality perceptions namely service performance, consumer satisfaction and purchase intentions. SERVPERF performance dimensions, namely tangible, responsiveness, empathy, reliability and assurance and its relationship with customer satisfaction and customer loyalty was taken by the researcher. The Pearson correlation coefficient was taken from the above and the author concluded that customer satisfaction exerts a relatively stronger influence on purchase intentions than service quality.

- Ganesh (2012) conducted a study on the service gap between perceived and expected service quality provided by the retail banks and service attribute factors influences the customer retention. Service attributes tangible, responsiveness, reliability, assurance and communication were used, demographic profile of the customers were collected. Five hypotheses were framed in the above study Z test, ANOVA, and Garrett’s ranking method was applied and the result reveals that there is a significant gap between the customers expected service and perceived service level in retail banking across the service quality dimensions and leads to dissatisfaction and non-committal approach towards the service provider.

- Garima Malik (2012) examined and compared the quality of banking services of private and public sector banks and measures the awareness of
the satisfaction level of the bank customers. The study identified the weak areas that need to be improved and the quality of services of banks. Service quality parameters are reliability, responsiveness, tangible, assurance and empathy and other factors are operational factor, awareness regarding modern value added services, price factor, situational factor, technological factor and satisfactory relationship are taken for the study. A total of 200 customers were taken for the study and factor analysis and weighted average score indicated that awareness level of various services offered and service delivery aspects has to increase the satisfaction level among the customers.

- Ahmed (2011) aimed to distinguish between the factors affecting the level of customer’s satisfaction and ascertain whether profession wise groups of customers differ in their level of satisfaction from the banking services and customer orientation towards various innovative services offered in Meghalaya district banks. Determinants of customer satisfaction dimensions were summarized into seven factors, namely a routine operation factor, price factor, environmental factor, management factor, technology factor, interactive factor and service factor including 25 variables. Two hypotheses were framed in the above and respondents were randomly selected for the study and correlation were employed to determine the satisfaction level of customers and the study emphasized that management factor and technology factor attributed lower satisfaction than routine operation factor and technology factors like ATM users have to improve innovativeness of new services which is essential in global competition.
Santhiyavalli (2011) suggested several important factors responsible for customer’s satisfaction and customer perception of service quality of the public sector banks. 22 variables grouped under five dimensions of service quality are tangibility, reliability, responsiveness; assurance and empathy were used for the study. Researcher applied factor analysis and cumulative variance and examined that major factors stood 90 percent of customer satisfaction regarding the services provided and bank has to improve the quality of services rendered to ensure the customer loyalty.

Satendra Thakur (2011) investigated the relationship between the effect on service quality and customer satisfaction, loyalty among the group of customers in Indian banking industries. Primary data were used for the study with questionnaires as a research instrument. The subject of this study was 298 customers in the banks. Sources of variables were reliability, responsiveness, assurance, tangibility, empathy, customer satisfaction and customer loyalty. Tools like mean, standard deviation and correlation showed that customer satisfaction is significantly and positively related to customer loyalty. Customer satisfaction and loyalty are found to be an important mediator between the service qualities. The bank has to provide better customer satisfaction by providing better service quality in order to create a loyal customer.

Mohsin Zafar et al. (2011) empirically tested and formulated a model for customer satisfaction based on service quality in e-banking. Service quality scale constructs like efficiency, reliability, responsiveness, assurance,
fulfillment and privacy were adopted. A pilot study was conducted with 30 online banking customers with questionnaire refined by modifying a few items based on their feedback and questionnaire was used in order to collect data from e-banking customers of private sector banks in Pakistan. Six hypotheses were framed and ‘t’ test was analyzed and the result revealed that positive significant effect on efficiency, assurance, reliability, responsiveness, privacy and fulfillment leads to highest customer satisfaction on service quality dimensions in e-banking.

- Kazi Omar Siddiq (2011) investigated the interrelationships and critical factors between service quality, customer satisfaction and customer loyalty in retail banking sector in Bangladesh. Structured questionnaire consists of four parts like general information, independent variable and dependent variable and customer loyalty adopting SERVQUAL were distributed to customers and eight hypotheses were framed in the study. The data were analyzed by using correlation as a statistical tool. The researcher concluded that empathy has highest positive correlation related to customer satisfaction and customer loyalty and tangibility showed the least positive correlation in the retail banking.

- Vibha Arora et al. (2011) the study investigated and determined the critical predictors and dimensionality of the service performance SERVPERF model and the relationship between service quality and customer satisfaction in India. The researcher identified dependent variable and independent variables to be satisfaction, service interaction, reliability, tangibility and
efficiency. The data were collected from 294 respondents through a self-administered questionnaire. Multiple regression analysis and exploratory factor analysis indicated that service quality and customer satisfaction have positive effect on reliability, service interaction and efficiency were statistically significant, whereas tangibility does not play a major role and future e-banking may exist as a factor.

- Muhammad Ali Ramdhani et al. (2011) did a research mainly based on CARTER model with compliance, assurance, reliability, tangible, empathy and responsiveness. Customer satisfaction and the availability of services, responsiveness, professionalism, speed of transactions and completeness were taken by the researcher. The study focused on Islamic banking services in Indonesia and a sample consists of 184 respondents who were chosen randomly. Hypotheses of the study were tested using the correlation, chi square, regression, factor analysis and structural equation model (SEM). The result indicated that compliance is supportive of the formation of service quality for business assurance, empathy, reliability, responsiveness and tangible. Tangible has negative significant effect of speed of transaction between customers and employees.

- Mubarak Ali et al. (2011) conducted a study on customer value and customer satisfaction which in turn leads to customer loyalty, demographic variable and five service quality dimensions based on tangible, reliability, responsiveness, assurance and empathy. 175 bank customers at various locations of banks were taken for the study. Confirmatory multiple
regression analysis, exploratory factor analysis and ‘t’ test were applied. The results indicated that impact of various services rendered to improve tangible services, modern equipment, physical facilities and employees neatness. Reliability, employees promptness, willingness, employee courtesy were the dominant factor and all other factors such as individual attention, convenient working hours and personal relation have related importance for the improvement of overall service quality.

- AroraVibha et al. (2011) examined the various dimensions of service quality and determined customer satisfaction in Indian banking sector. A total of 318 respondents were used for reliability test. Tangible, reliability, efficiency, service interaction were the variables used for the study. Multivariate regression analysis was used to see the impact of service quality dimensions on customer satisfaction. Reliability and service interaction has a direct impact and significant, tangible and efficiency are insignificant variables and maximum of the resources on increasing reliability in order to enhance customer satisfaction.

- Saiful Islam and Md. Borak Ali (2011) the author revealed that there is a relationship between service quality, customer satisfaction and customer loyalty. SERVQUAL model has extended to test the above linkage by reliability, responsiveness, assurance, empathy, tangible, security, access, service offered, reputation, satisfaction and loyalty. Eleven hypotheses were framed for the study correlation, confirmatory factor analysis and structural equation (SEM) model were taken for the study and to test the proposed
model and its hypothesized paths. The result concluded that responsiveness, assurance, empathy, security and reputation are the key to have a strong impact on customer satisfaction and reliability, tangibles, access to service and services offered indicates that they have a negative effect on customer satisfaction. Satisfaction and reputation have strong influence on positive impact on customer loyalty. SERVQUAL model is extended to other dimensions, namely security, access, services offered and reputation provide a framework for bankers in order to prescribe the pathway by offering quality service.

- Anber Abraheem Shlash Mohammad and Shireen Yaseen Mohammad Alhamadani (2011) addressed the level of service quality as perceived by customers of commercial bank in Jordan and effect of customer satisfaction. The service quality measure is based on the SERVQUAL proposed by Parasuraman et al. 1988, involving five dimensions, namely reliability, responsiveness, empathy, assurance and tangible. Customer satisfaction was measured by 9 item instrument (Walfried et al. 2000) and 260 randomly selected customers of commercial banks were taken for the study. Factor analysis and multiple regression analysis were employed and the result indicated to improve the elements of service quality as an important antecedent of customer satisfaction.

- Fathima Holy Ghost and Edwin Gnanadhas (2011) in her broad study identified and analyzed the impact of customer perception and customer satisfaction on service quality factors among the different groups of
customers based on their demographic variables in the public sector, private sector and non-private sector banks. 715 respondents were selected in urban, semi urban and rural areas respectively, five predominant factors like reliability, responsiveness, assurance, tangible and empathy are taken and mean, standard deviation and co-efficient of variation were used for the above. The analysis revealed that there is a close link between the customer’s perception and satisfaction with the service quality factors is not unique and it depends upon the demographic profile of the customers.

- Nikhil Chandra Shil and Muzakkeerul Huda M. (2011) conducted a study and analyzed the extent of influential factors of service quality and service delivery process and tangible quality have a direct impact on customer satisfaction in a private bank in Bangladesh. Factors such as service quality, tangible quality, staff quality, delivery, quality and process quality were taken by the researcher. A total of 220 respondents were taken for the study. Factor analysis and multiple regression analysis revealed that the staff quality and service quality are most predominant factors and tangible quality has less priority and is incremental to the customers.

- Barbara Culiberg and Rojsek (2010) the study explored that service quality in retail banks in Slovenia and its influence on customer satisfaction. SERVQUAL scale dimensions, namely reliability, responsiveness, assurance, empathy and tangible, SERVPERF scales were used for measuring service quality with a 28 item scale which has been developed for this study. Factor analysis and multiple regression analysis were used and the
researcher concluded that access, tangible, reliability, responsiveness and assurance are more favorable for customer satisfaction.

- Jayaraman Munusamy et al. (2010) aimed to examine and measure the level of customer satisfaction and services rendered in the banking industry of Malaysia. SERVQUAL formulated by Parasuraman et al. 1985, into five different dimensions assurance, reliability, tangible, empathy and responsiveness were taken for the study. Five hypotheses were framed and out of 140 questionnaires distributed only 117 respondents were taken for the study. Tools such as ‘t’ test were taken for the study and the results of the study concluded that customer satisfaction attributes such as assurance, tangible, empathy and responsiveness have a positive relationship and reliability has negative relationship but it has no significant effect on customer satisfaction. The study highlighted the implications for marketers in the banking industry for improvement in delivery of service quality.

- Sandip Ghosh Hazra and Kailash, B. L. Srivastava (2010) tried to find out the positive and negative impacts of the service quality and customer satisfaction, customer loyalty and customer commitment with the quality dimensions like tangible, reliability, responsiveness, assurance and empathy. 300 customers of banks were taken by the researcher and through factor analysis, multiple regression analysis and ANOVA it was found that there is a difference between private and public sector banks in customer satisfaction, customer loyalty and customer commitment. The study
emphasized the negative impact on assurance, empathy and tangible and the banks have to focus on providing reliable services to customers.

- Lo Liang Kheng et al. (2010) the study found the relationship between customer loyalty and customer satisfaction is the impact of service quality mediating variables. The researcher took SERVQUAL (Parasuraman et al. 1988) with five dimensions of independent variable tangible, reliability, responsiveness, empathy and assurance and dependent variable of customer loyalty and customer satisfaction. The author investigated these competing models in a sample of 238 customers in China. Multiple regression and percentage analysis were used to analyze the data collected and the results showed that the reliability, empathy and assurance play a predominant role in service quality and has to improve the customer loyalty and evaluate the overall respondents of the bank positively.

- Jelena Titko and Natalja Lace (2010) conducted a research study to evaluate the customer’s overall satisfaction and loyalty level in terms of service quality, process quality, level of technological development and product quality and predict their future actions towards the bank. The researcher developed a model to measure the gap between customer expectations and experience. Service quality involves RATER model (Reliability, assurance, tangible, empathy and responsiveness). Data was collected for the above and percentage analysis concludes that the most important factors are operating speed of an employee in determining the factors affecting customers' decision about suspending the relationships with the bank and completing the
developed performance measurement system for a bank with additional metrics.

- Abdel Kader Mohamed, Ahmed Abdullah and Norizan Mohd Kassim (2009) investigated the service quality dimensions of Islamic banking services. Interactive dimensions, human skills, online banking, tangible, empathy and billing integrity were taken for the study. The questionnaire was divided into three parts and the first part related to general statements about bank information and part two dealt with 26 service quality statements and part three consisted of demographic variables. Two hypotheses were framed and statistical tools such as mean, standard deviation, correlation and factor analysis and structural equation model (SEM) were taken for the study. The result indicated that all the four dimensions like human skills, online banking, tangible and empathy were statistically significant to measure the customer satisfaction. Factors such as accessibility, sufficient business hours, and adequate personnel training is also essential to enhance the quality of Islamic banking.

- Shankari Parivallal (2009) investigated the relationship between service quality factors and impact on customer’s satisfaction in public and private sector. Service quality dimension factors, namely empathy, reliability, assurance, tangibility and responsiveness were analyzed. 895 respondents were chosen using stratified random sampling and structured questionnaire was prepared and reliability and validity were analyzed using mean, standard deviation, factor analysis. ANOVA test and multiple regression analysis were used and the results indicated that the gap between expected service and perceived service are small and promises to perform the service with
traditional marketing activities and communicated by word of mouth and perceived service quality has to match the expected service to each other and thus customer satisfaction is achieved.

- Huei-Huang Chen et al. (2008) studied the effects of technology readiness, service quality, perceived risk and satisfaction on consumer behavioral intentions. The demographic profile of the respondents was evaluated and to examine the effect of the research model on user behavioral intention towards online banking service in Taiwan. Six hypotheses were framed and statistical tools namely, structural equation model (SEM), chi-square and confirmatory factor analysis were used. The results showed that user’s behavioral intention of online banking is mainly determined by customer satisfaction and additionally affected by the perceived service quality and the effect of perceived risk was negatively significant on the individual’s satisfaction of online banking.

- Mamta Brahmbhatt and Dharmendra Panelia (2008) intended to compare and measure service quality and customer satisfaction among private sector, public sector and foreign banks. The service quality dimensions tangible, reliability, responsiveness, assurance and empathy were considered as independent variables and overall satisfaction as a dependent variable were taken by the researcher. The statistical tools namely mean, standard deviation and factor analysis were adopted and the results, implicated that the present study is useful, for broader conclusions and there is a link between service quality and customer satisfaction.
Law Siew Yong and Jamil Bojel (2007) in their study examined the effects of perceived service quality (technical and functional quality) on the mediating variable satisfaction. Independent variables like functional quality, technical quality, trust, relationship commitment and customer satisfaction were considered for the study and eight hypotheses were proposed. Multiple regression analysis, correlation analysis, percentage analysis and path analysis were employed and the results showed that technical quality and customer satisfaction have a significant and direct influence in relationship commitment. Banks, who wish to have relationship commitment; trust and customer satisfaction among their retail customers have to focus more on the service outcome of delivery process services.

Avenir Lleshanaku (1998) studied the wide range of services offered in the competitive industry. SERVQUAL scales tangible, reliability, accuracy, responsiveness and empathy were taken for the study and 22 statements were reduced to 12 which influence their expectations and perception of quality received by the customers. A sample of 150 bank customers responded to questionnaire on customer demographics, levels of satisfaction, types of recovery strategies and service recovery employees. Statistical tools are mean and percentage analysis was used and the results of the study indicated that there is no significant difference in satisfaction in demographic variable and the improvements intangible element of service quality should lead to higher levels of commitment and positive word of mouth.
Muhamad Jantan et al. (1998) discussed the bank image dimensions of retail customers perceived, as pertinent to their selection decision and giving emphasis to the choice between foreign and local banks and the demographic variables in patronage situation. The five dimensions efficiency, physical facilities, range of services, terms of payment, media and social influence were treated as the independent variables to know about the customer’s perceptions of foreign and local banks. Mean, standard deviation and one-way ANOVA were used and the findings revealed that patronage decision of banks is efficiency; the range of services emerged as significant factors in determining the banking choice. Inefficiency and low quality of service generally depict the lack of credibility and bank must improve efficiency and quality of services and important issues that need special attention in the customer handling approaches of the bank.

Providing quality service and taking steps to fill the quality gap can have a significant impact on the customer perception of satisfaction. Once the customer feels that his expectations are absolutely met or the quality gap is negligible, his or/her satisfaction tend to increase. The above reviews reflect this fact and studies conducted have clearly shown the positive and significant impact of service quality on customer satisfaction.

2.5 CUSTOMER LOYALTY

The loyalty is a physical and emotional commitment given by a customer in exchange for their needs being met. Customer loyalty is also perceived as the
mindset of customers who hold a favourable attitude towards banking products, and recommend the products to others.

- Mubbsher Munawar Khan et al. (2014) conducted a study to determine the impact of various service quality dimensions of customer satisfaction and customer loyalty in Pakistan banks. Respondents are chosen from a range of varying demographic features using stratified random sampling and distributed to 270 customers. Among them 225 respondents are taken for the study. 11 hypotheses were framed for the study and the statistical tools namely ‘t’ test, regression, correlation and ANOVA were used to analyze and the result indicated that service quality and all its dimensions have a significant and positive association with satisfaction and loyalty of customers towards their respective banks. Customers are not loyal to one particular bank and hence the service quality has to satisfy the customer’s requirement effectively.

- Wayan Jaman Adi Putra (2013) empirically examined the relationship between service quality, perceived service values and customer loyalty of commercial banks operating in Malang city. Service quality dimensions tangible, reliability, assurance, responsiveness and empathy were taken for the study. 115 respondents were taken and the mean score is applied to the above study. The result showed a positive and significant effect between service quality on the perceived service value of the customer, service quality on customer loyalty and service value.
Mesay Sata Shanka (2012) the author assessed the service quality of private banks and its impact on customer satisfaction and tested the relationship that exists between customer satisfaction and their loyalty in Ethiopia. The five dimensions of 22 items SERVPERF scale measuring perceptions of reliability, assurance, tangibility, empathy and responsiveness were used to measure the quality of services offered by the private banks. 260 respondents of customers of banks were taken from the above and the statistical tools namely correlation and multiple regression analysis were used to investigate the relationship between variables. The result indicated that there is a positive correlation between the dimensions of service quality and customer satisfaction. Empathy and responsiveness plays most important role in customer satisfaction and followed by tangibility, assurance and bank reliability. This leads to high quality of service and increase customer satisfaction, which in turn paves way to high level of customer commitment and loyalty.

Mohsin Zafar (2012) did study on exploring most common constructs for quality of banking services that influence customer satisfaction and examined the impact of customer loyalty in the context of banking relationships. Service quality dimensions like tangibility, reliability, competence and conflict building are taken for the study. Convenience sampling of 192 respondents was taken and tools such as regression and AMOS was used to test the model. The result shows that increased tangibility of banking services the customer satisfaction is affected positively
and the service quality constructs customer satisfaction are very important and there is a positive and significant relationship with the customer loyalty.

- Muhammad Ehsan Malik et al. (2011) ascertained to determine the differential impact of the SERVQUAL dimensions on customer loyalty of the customers of international, private and government-owned banks operating in Lahore (Pakistan). 244 customers were successfully retrieved and hypotheses were framed to construct the attributes of customer loyalty. Correlation, ANOVA were the statistical tools used for the study and the results showed that three dimensions of tangible post more impact on customer loyalty followed by assurance and empathy whereas responsiveness and reliability did not observe to have significant impact on the customer loyalty.

- Romulo Carvalho de Oliveira et al. (2007) conducted a study on the link between service quality and loyalty on traditional services and examining a strong link of e-service operations can employ to drive customer loyalty. The dimensions such as security, information quality, ease of use, graphic style; reliability and responsiveness are taken for the study. The data were analyzed through structural equation modeling (SEM) and correlation analysis. The result indicated that there is a strong and significant link between service quality dimensions. It creates loyalty to achieve in e-services than in traditional services.
2.6 RESEARCH GAP

The in depth review of the related literature revealed the interesting findings and recommendations of the various researchers and has also thrown light on the concepts of customer perception on service quality, customer satisfaction and customer loyalty. The researcher found that many of the studies covered the five factors of the SERVQUAL model of Parasuraman, Zeithaml and Berry (1985, 1988, 1991) alone, but failed to include the factors such as ‘technology’ and ‘confidence building’. Further comparative studies covering the combined effect of service quality and customer satisfaction on customer loyalty were not undertaken in depth. It is felt that it is essential to study the sequential effects of service quality, customer satisfaction and customer loyalty to understand the changing customer’s perception. Hence the researcher decided to undertake a comparative study on service quality, customer satisfaction and customer loyalty among selected private sector banks and public sector banks. In addition least studies were found to be conducted in Chennai city.