CHAPTER-II
REVIEW OF LITERATURE AND RESEARCH DESIGN

There exists a debate in the literature about the concept of customer satisfaction. One model holds that customer satisfaction is the difference between perceived performance and customer expectations, while another suggests that both are required as perceived performance and customer expectations have positive effect on customer satisfaction. However, various studies reveal the existence of a fair degree of consensus with regard to the issue that customer satisfaction measurement provides the most reliable feedback on clients' preferences and expectations and hence, it provides a baseline standard of performance and a possible standard of excellence for any business organization. Most of the organizations consider customer satisfaction as an important criterion for adopting, implementing, and following the philosophy of customer orientation and the principle of continuous improvement. Though customer satisfaction is considered to be a baseline standard of performance and an indicator of a firm's financial viability, an important point to note here is that it is difficult to keep an entire organization motivated on a long-term horizon by a notion as abstract and intangible as customer satisfaction. Therefore, customer satisfaction has to be translated into measurable parameters linked to various aspects of an organization's products and services.

2.1 REVIEW OF LITERATURE:

The measurement of customer satisfaction and preferences has received immense attention in the banking industry as well as by the firms who market primary products and the product retail establishments. However, for the service sector industry, this has a special implication since this sector consists of various
customer-oriented firms offering different types of services to clients. In India, of late, there has been a high level of awareness about the need for customer satisfaction in the banking industry. Some of the relevant researches on such a relevant study area are as under:

Mountinho Brownlie (1989)^1, explained in, "Customer Satisfaction with Bank Services: A Multi Dimensional Space Analysis", that customers have high levels of satisfaction with regard to the location and accessibility of branch and ATMs and acceptance of the current levels of banking fees. The nature and direction of satisfaction which are delivered to customers of bank services are explored, and the criteria used to evaluate these services are highlighted by the author.

Goiporia Committee (1991)^2, recommended for opening up of specialized branches while focusing on International Banking, Industrial Finance and Small-Scale Industries and for compensating the customers for delay in collection of cheques, payment of mail transfers and telegraphic transfer etc. The Committee also recommended for the technological up-gradation, continuous review of working of the banking system, adherence of procedure in time and making bank deposits more attractive by raising rates on saving bank deposits, all for better services to customers.

Bennett and Rex (1992)^3 concluded that most common competitive strategies for banks should not be to make customer annoyed. The authors revealed that banks should provide just better services only then they can ensure customers satisfaction.

According to Leeds, (1992)^4 customer retention is an important element of banking strategy in today's increasingly competitive environment and bank management must identify and improve upon factors that can limit customer
defection, like employee performance and professionalism, willingness to solve problems, friendliness and level of knowledge, communication skills, and selling skills. The author feels that customer defection can also be reduced through adjustments in the bank's rates, policies and branch locations.

Kaynak and Kucukemiroglu (1992)\textsuperscript{5} discovered that customers choose their banks because of convenience, long association, recommendations of friends and relatives, and accessibility to credit. Further, the author revealed that social and technological change has had a dramatic impact on banking. These developments, such as internationalisation and unification of money markets and the application of new technologies in information and communication systems of banking, have forced banks to adopt strategic marketing practices. These have included offering extended services, diversification of products, entry into new markets, and emphasising electronic banking.

Taylor and Baker (1992)\textsuperscript{6} state that customer satisfaction is generally described as the full meeting of one's expectations and it is the feeling or attitude of a customer towards a product or service after its use. The authors indicated that there are potentially many antecedents of customer satisfaction, as the dimensions underlying satisfaction judgements are global rather than specific and deal attention to the confirmation paradigm, which concerns the comparison of products or services, performance expectations and evaluation.

In an article, "An Investigation into the Determinant of Customer Satisfaction" Churchill and Sauprenant (1992)\textsuperscript{7}, agree that satisfaction is an attitude or evaluation that is formed by the customer comparing their pre-purchase expectations of what they would receive from the product to their subjective perceptions of the performance they actually did receive. Further, "Satisfaction is a person's feelings of pleasure or disappointment resulting from
comparing a product’s perceived performance in relation to his or her expectations”.

**Gale and Wood (1994)**, explained in their study entitled, “Managing Customer Value: Creating Quality and Services”, how customers make purchase decisions between competing providers. The authors argued that customers buy keeping in view, of value and not simply products and that customer learn to think objectively about value in the form of preferred attributes, individual attribute performance and consequences from using a product in a particular situation.

**According to East (1997)**, the customers not only judge the accuracy and dependability of the delivered service but they also judge the other dimensions of the service being delivered. According to the author, customer satisfaction is thus based not only on the judgment of customers regarding the reliability of the delivered service but also on their experiences with the service delivery process. Further, he argued that there are two overriding dimensions to service quality; the first being the core or outcome aspect and the second being the relational or process aspect of the services.

**Woodruff, (1997)**, stated in Expectations and Norms in Models of Consumer Satisfaction, that banks must be able to provide “up-close” personal service for customers who come with high expectations. For customers who value convenience as must, banks must offer the latest product services such as electronic banking, touch-tone phone account access and internet banking. Clearly, it is stated that customer value can be a strong driver of customers retentions.

**Canals (1997)**, investigated internationalization strategies of banks and presented an internationalization model which is based on three main incentives,
the combination of which he hypothesizes to be instrumental for the internationalization of banks. In his view, financial incentives, customer service and resource transfer are the main incentives for international activity. Author further linked motives to organizational form of internationalization activity. Alliances have been felt the best way to transfer resources or skills, and acquisitions are a modus operandi for increasing financial incentives for better services to customers.

Canals (1997), stressed that the strategic options banks have open to them, vary depending on their resources and their home country and the reason for this variety of strategic options is related not only to each bank's starting position, resources, skills, and weaknesses, but also to the financial model in which it operates.

Cooper (1997), suggested that besides awareness, the services provided by the banks should be perceived to be innovative with high quality and user friendly to meet individual’s expectations, ease of use of innovative products or services as one of the three important characteristics for adoption of the customer’s perspective and this is related to user friendliness and ease of navigation as well as simple instructions to use the services.

Lockett and Littler (1997), argued that acceptance of a product or service depends upon the dimensions of perceived risk as well as on product involvement i.e. how consumers are involved in related product categories. They found that risk-averse households were less likely to adopt direct banking. The researchers conclude that perceived innovation attributes appear to be better predictions of adoption behavior than the personal characteristics.

Gelli (1998), in his paper, Indian Banking Managing Transition, raises three main issues, (a) what are the main pros and cons of new banking
dynamics i.e. Global banking;(b) where and what is the likely future of Indian banking? And most importantly,(c) how should Indian banking gear up itself up to suit the transaction process and emerge more efficiently and competitively? The author indicates that the global banking industry is standing at the porch of many existing opportunities and challenges which are directly or indirectly related to customers’ satisfaction.

Mylonakis (1998), in, This Greater Range of Services and Products reveal that improvements in communication efficiency could have a significant impact on customer satisfaction and consequent behavioral intentions. With a change in the broad financial fields which have accelerated and business activities converged by the offering of insurance, financial planning, and share brokerage, it is imperative to differentiate banking products from other similar or complementary ones that are offered by bank affiliates or non-banks.

Thungalaya (1998), focused on branch automation keeping in view the technological changes. He states that rural banking cannot be kept isolated from the new banking technology. He felt that although there are a lot of problems in computerization of rural branches due to certain operational difficulties like lack of trained staff, non maintenance of service facilities, yet these are not big problems. He stressed on corporate willingness to adopt new technologies for rural banking. The author feels that automation will make branch managers more efficient and they may get enough time for other activities like recovery position, analyzing the credit, worthiness of customers etc.

Angur (1999), examined the applicability of alternative service quality measures in the Retail Banking industry in India. He indicated that for customer satisfaction, responsiveness and reliability seem to be the most important dimensions followed by the empathy and tangible dimensions; whereas, assurance appears to be the least important dimension.
Khan (2000)\textsuperscript{19}, has advocated in the study Indian Institute of Bankers, Journal, that restructuring of bank should be taken at a fast speed backed with fast analysis and studied by experts with balanced views. The author concluded that developing a long term relationship with the customers requires an understanding of their concern, desire and motivation. The key of such a relationship is a change in culture of banks as well as staff.

Soch and Sandhu (2000)\textsuperscript{20}, worked on factors responsible for switching over of customers from public sector banks to private sector banks. They undertook a case study of Chandigarh city for 200 customers. With the help of factor analysis, they revealed that convenience to customers’ basic facilities, dealing hours and privacy are major factors which cause defection.

Shankr et al. (2000)\textsuperscript{21}, concluded in their paper, on Marketing that over the past few decades, researchers have recognized that customers switching behavior can affect the profitability and viability of firms in today’s market place and for all the anticipated benefits of customers, retention and loyalty problems have become evident in some of these efforts.

According to Hertog (2000)\textsuperscript{22}, since service is generally measured in terms of the degree of satisfaction rendered through repeated customer patronage that allows researchers the opportunity to focus on the outcome rather than the process. It has been argued that service provision varies between organizations and individuals, and yet, little is understood about the reasons why certain goods and services are valued more highly than others and effective service benefits are attained by both the service providers and customers and it improves competitive edge.

Johnson et al. (2000)\textsuperscript{23}, explained in, Improving Customer Satisfaction, Loyalty, and Profit: An Integrated Measurement and Management System that,
in order to attain goal, a company should have a high satisfaction rate from its clients. Further, author revealed that, the increasing competition, whether for profit and non profit purposes, is forcing the business sectors to pay much and more attention to satisfying customers. Author suggest that ,increased levels of customer satisfaction and loyalty are frequently attributed or linked to positive outcomes for a firm Further, measurement of the rate of customer satisfaction is also a measurement of how products and services supplied by a company meet or surpass customer expectation. Author concluded that, satisfaction is a multidimensional construct which has been conceptualized as a prerequisite for building relationships and is generally described as the full meeting of one’s expectations.

Moutinho and Smith (2000)\textsuperscript{24}, in their article, Modelling Bank Customer Satisfaction through Meditation, introduced a model which poses a crucial role for the evaluation of bank customers’ attitude towards better human tellers and automated banking in meditating the ease of banking, perceived satisfaction linkage. The model explicitly gives consideration of the effects of the bank customer attitude towards human and automated banking which provide additional explanatory power regarding perceived trend towards ease of banking, bank customers overall satisfaction, loyalty and behavior. A linear structural relation methodological approach is used for the modeling process.

Singh and Sirdeshmukh (2000)\textsuperscript{25}, stated the customer loyalty as the market place currency of the twenty-first century. The authors pointed out that the cost of serving a loyal customer is five or six times less than a new customer and that it is better to look after the existing customers before acquiring new customers as:

- The service cost of a loyal customer is less than new customers
o They will pay higher costs for a set of products; and

o For a company, a loyal customer will act as a word-of-mouth marketing agent

**Vaishnav (2000)**, opines that, Effectiveness of banking system depends upon the customers' satisfaction and in fact, customer is the kingpin of the banking industry. Customer satisfaction is felt to be dependent on the climate in which contacts between customers and the bank take place and healthy climate promotes pleasant transactions for both the parties. Further, the author argues that no industry in the service sector can afford to ignore its customers and as Banks are required to give top priority in providing satisfactory and efficient service to their customers.

**Mittal and Kamakura (2001)**, discovered that customer satisfaction has traditionally been regarded as a fundamental determinant of long-term customer behavior. They feel if customers are more satisfied, the greater is their retention. They found that customer satisfaction has a significant positive effect on repurchase intention in a range of services. Further, they stated that client satisfaction is unquestionably the key determinant in retaining current clients in professional services.

**Tandon (2001)**, opines in customer Relationship Management that customer satisfaction is one of the formidable challenges in marketing of services in banking industry in our country. The author reveals that the thrust on customer service has increased after liberalization of Indian economy which is an urgent need of the hour to be achieved by efficient customer service and immediate tactful handling of customer's grievances. Tandon advocates that better customer-management relationship leads to customer satisfaction and a good public image is to win over the customers. Hence, public relations should
be one of the strategies to achieve customer satisfaction. It is believed that banking system has a significant role to play in the rapid growth of the economy.

**Kotler (2001)**\(^{29}\), stated that the key to customer retention is customer satisfaction. According to the author higher the level of customer satisfaction is, the higher is the level of customer retention. H1b: For advanced Internet banking users, the higher the level of customer satisfaction is, the higher is the level of customer retention.

**Bowen and Chen (2001)**\(^{30}\), pointed out in the relationship between customer loyalty and customer satisfaction, that a small increase of customer satisfaction leads to customer loyalty dramatically. The study finds that customer satisfaction has a large positive correlation with customer loyalty in the retail banking sector. The authors stressed that strong positive correlation of customer satisfaction and customer loyalty means that the customers will recommend the bank to other people and the banks can be assured of a loyal and stable customer base, thereby reducing the cost.

**Alvarez (2001)**\(^{31}\), proposed that logic is no longer enough to sell the benefits of an intangible product or service, especially with commodity products and sceptical consumers. It has been stated that to compete successfully in today's competitive marketplace, banks must focus on understanding the needs, attitudes, satisfaction and behavioural patterns of the market. The author argues that consumers evaluate a number of criteria will choosing a bank. However, the prioritisation and use of these criteria differ across countries, and thus cannot be generalised.

**Eggert and Ulaga (2002)**\(^{32}\), revealed that at a specific moment in time, the customers make the choice to buy a product or a service and the perception of the product’s performance leads to a comparison process—perceived
performance is compared with one or more standards, such as expectations. According to the authors, there are three outcome possibilities: confirmation, positive disconfirmation and negative disconfirmation. Further, the authors revealed if the perceived performance meets the standard, the result would be a neutral feeling of satisfaction and the customer would also be satisfied if the performance exceeds his/her standard which is the case of positive disconfirmation.

Balasubramanya (2002)\textsuperscript{33}, in his study, “IT wave breaks over banking”, analysed that the automation in the banking sector has come a long way starting with the Rangarajan Committee report on the banking sector reforms during the eighties, followed by reports of the Narasimhan Committee in the nineties. With over 65,000 branches of the banks, public, private and the cooperative sector banks in the Country, the author found that 62 percent of branches are covered by automation. Though banks claimed that more than 70% business has been automated due to the enforcement of RBI guidelines, in reality it was much lower, as many functions in each branch are still done manually or with partial automation. Hence, the author suggests that there is a significant amount of automation work to be achieved in the banking sector.

McKinney et al. (2002)\textsuperscript{34}, In marketing literature, “The Measurement of Web-Customer Satisfaction: An expectation and Disconfirmation Approach”, the disconfirmation theory emerges as the primary foundation for satisfaction models. According to author, satisfaction is determined by the discrepancy between perceived performance and cognitive standards such as expectation and desires. Author described that, customer’s pre-trial beliefs about a product expectations are viewed as predictions made by consumers about what is likely to happen during impending transaction. Perceived performance is defined as
customer's perception of how product performance fulfills their needs, wants and desire.

**Jamal and Naser (2003)**, discussed that customer satisfaction is a significant issue for most marketers, researchers and consumers. According to them, customer satisfaction is a major outcome of marketing activity whereby it serves as a link with various stages of consumer behavior. The authors argue that the factors related to service offering are also related to customer satisfaction.

**According to Patricio (2003)**, effective service delivery is a service product or service process that is based on some technology or systematic method. It can be a new customer interaction channel, a distribution system, or a technological concept or a combination of them. The author admits that service delivery always includes replicable elements that can be identified and systematically reproduced in other cases or environments.

**Gani and Bhatt (2003)**, conducted a comparative study on Service Quality in Fire Commercial Banks Including Private Sector, Public Sector and Foreign Banks of Selected States of Northern India. The study concluded that service quality of foreign banks was comparatively much better than that of other banks and suggested high investment by the banks intangibility dimension to improve the quality of service to the customers.

**According to Ravichandran (2003)**, the Indian banking sector is going through major changes as a consequence of economic reforms and the changes affect the ownership pattern, availability of funds, the cost of funds as well as opportunities to earn, range of services (fee based and fund based), and management of priority sector lending of banks. The author suggests that the new rules of competition require recognition of the importance of consumers and
the necessity to address the needs through the innovative products supported by new technology.

Kamath (2003) explained that the biggest opportunity for the Indian banking system today is the Indian consumer. The author argues that demographic shifts in terms of income level and cultural shifts in terms of lifestyle aspirations are changing the profile of the Indian consumer. This is and will be a key driver of economic growth going forward. According to the author the Indian banking sector is at an exciting point in its evolution, the opportunities are immense – to enter new businesses and new markets, to develop new ways of working, to improve efficiency, and to deliver higher levels of customer service.

Aggarwal (2003) in Customer Relationship Management and Corporate Renaissance states that the concept of CRM is premised on a simple logic of business and it must keep tracking customers once attracting; retain them in business portfolio; and attain profit from their growth. The author describes the concept and mechanics of customer relationship management and concludes that all firms especially those with high customer turnover, must get a CRM project going somehow, will get tempered with a new wisdom.

Ranaweera and Prabhu (2003) argued that ideally, firms should aim at a combined strategy that makes switching costs as a complement to customer satisfaction. While customer satisfaction may be one important driver of customer retention, switching costs are also likely to influence customer retention, both independently and through customer satisfaction. The authors concluded that the presence of switching costs can mean that some retained customers that are apparently satisfied, are actually dissatisfied but do not switch banks because of high switching costs. Thus the level of switching costs may have a moderating effect on the relationship between customer satisfaction and customer retention.
Erdem et al. (2004)\(^{42}\), have emphasized on customers perceptions as they view a product in terms of where it is positioned between a set of required attributes for the product class and according to them, a product quality is the area where most customers are uncertain and this creates customers uncertainty leading to perceived risk.

Bhaskar (2004)\(^{43}\), analyzed that when good service is extended to a customer, a loyal customer will work as an ambassador to the bank and facilitate growth of business. Customer service is the base for business expansion because of the stiff competition prevalent in the banking industry. The survival of banking business is dependent on customer service. To conclude, the banking industry is active in India, due to technological revolution. Banks have to utilize this opportunity to become strong organizations providing essential service.

However, Singh (2004)\(^{44}\), analyzed the level of customer services, and explained that customers’ satisfaction is determined by branch location and design, variety of services, rates and changes, systems and procedures, delegation and decentralization, mechanization and computerization, competitive efficiency, complaint redress and very importantly, staff skills, attitude and responses. The ongoing review shows that a customer’s satisfaction of is an invaluable asset for the modern organization. To reduce the complaints, bank should improve service because the survival of banking business is dependent on customer service.

Anantha (2005)\(^{45}\), described customers’ services as the discriminating customers’ expectations which have begun to change in terms of quality and service. According to the author, with the advent of computers and ATMs, the gap between the customers and the banking personnel is widening. Unless a change of heart occurs, even the largest banks will find it hard to survive on their
assumed false glory. Banks which take care to see the reality and react early will survive and prosper while those who continue the development without solution will face bitter consequences. Against this background, it has been admitted that traditional path will find their market share eaten away. Nowadays, customers are no longer willing to wait in long queues or tolerate arrogant behaviour of the employees. As applicable to banking, “customer service” may be defined as the ability to satisfy the customers’ requirements and needs to the fullest extent and be able to replicate this on an on-going basis. Customers are not a homogeneous class as they come from varying socio-economic and cultural backgrounds. Their perceptions about the banking services are so dynamic that it may differ from customer to customer, and even for the same customer at different points of time, depending on their mood and mind-set and successful banking relationships are formed at a human level. Hence, the development strategy has been suggested to be interacting, speedy, convenient and supportive

Bodla (2005)^46, concludes in, Perception of the Quality of Service Offered by Selected Commercial Banks, that the performance of selected banks falls short of the expectations of the customers on a large majority of the elements of the service quality, and that service quality of private sector banks is better than that of public sector banks on all dimensions except assurance where the latter has an edge over the former.

Treiblmaier (2006)^47, investigates the importance of antecedents of online loyalty such as trust, quality of the web site, quality of the service and overall satisfaction and addresses the problem of how to keep customer online and loyal to specific suppliers.

Mittal and Dhingra (2006)^48, discussed the issue that the transaction through technology channels cost much be less to the banks than the customers
reaching the bank and doing the transactions. They admit that in the last decade banks have invested heavily in the technology. The author stated that in the use of information technology, the new private and foreign sector banks have taken lead over the public and old private sector banks. Today public sector banks are also investing heavily in technology to compete with the new private and foreign sector banks. In the study authors have identified the different technology issues and challenges. Author stressed that banks are required to address these issues and challenges effectively to stay in business and grow.

Dash, Mahapatra (2006)^49, concluded in an article, “Measuring customer Satisfaction in The Banking Industry” that, Satisfied customers are central to optimal performance and financial returns. Authors revealed that, with better understanding of customers' perceptions, companies can determine the actions required to meet the customers' needs. Further, authors explained that, customers can identify their own strengths and weaknesses, where they stand in comparison to their competitors, chart out path future progress and improvement. Customer satisfaction measurement helps to promote an increased focus on customer outcomes and stimulate improvements in the work practices and processes used within the company.

Venugopalan (2007)^50, concluded that customer service is an integral part of any facet of banking and it defines the future of any banking Institution. According to the author, pro active customer service has unleashed umpteen innovations in banking products and services and one of the biggest achievements of banking sector reforms initiated in 1991 is the attitudinal change among bankers in their sensibility to customer needs. He recommends that the customer’s needs, expectations and satisfaction level should become the focus for every scheme, activity, product or service.
Sakalya and Venkata (2007) analyzed the factors that affect the choice of customers in choosing the retail banks by the customers. In the study, the authors have tried to identify various factors and also analyzed as to which of these factors exerts the greatest, moderate and relatively lower influence as choice criteria. It is an attempt to study the consumer behavior with respect to the people's choice of retail banks. Efforts are made to dwell deep in the psychology by talking to the customers surveyed, wherever possible. The 15 different factors that could be identified, approximately in the order of their importance, are (1) Safety of Deposits, (2) Size and Strength, (3) Accuracy, (4) General Service Quality, (5) Speed of Delivery, (6) Proximity, (7) Security of Environment, (8) Cordiality of Staff, (9) Price and Service Charges, (10) Product Packaging, (11) General Public Impression, (12) Peer Group Impression, (13) Face Lift (Structural), (14) Friendship with Staff and (15) Advertisement and Publicity. According to the authors, the first six factors exert the greatest influence, next four have moderate importance, and the rest five have relatively lower influence. Thus, the authors suggest that retail banks must reorganize their activities to achieve their corporate mission through customer orientation. In the competitive and capitalistic markets, consumer is sovereign and therefore the bankers must reengineer their view and recognize the predilection and tang of the retail customers.

The study conducted by Mishra (2009), Customer Satisfaction in Indian Retail Banking, examined the reasons for the satisfaction of the customers with the services rendered by the Urban Cooperative Banks. The author described that, urban cooperative banks are operating in a more competitive environment and therefore, the need to take care of customer requirements has become more important. The author has recommended measures like the branches of UCBs must cater to the betterment of the customers. They should also improvise on
their own image, customer satisfaction and their profits. The time norms for specific business transactions should be displayed prominently in the banking hall so that it attracts the customers' attention. In the ultimate analysis, the author states what is necessary for improving customer services, is the active participation of employees at all levels in the bank functions. The author also raised some points which can be a plus point for UCBs to impress & attract their customers. These points are: effective board of management, efficient employees/staff, cordial personalised services, proper guidance, provision of loan facilities, good systems, computer systems, prompt services, good work culture, convenient timings, proper clearing services for outstation cheques and demand drafts, split hour facilities, Sunday working day, discounting facilities for outstation cheques, and good location of the bank.

Tanwar (2007) concluded in, CRM - A Creative Tool in the Success of Strategy concluded that it is highly important to understand that customer relationship management does not enable a quick win. It is a long-term approach that has to be adopted at a strategic level. While the value of customer relationship management has been identified by organizations, they are yet to look at the bigger picture and understand all of associated benefits that would enable their business strategies to be successful; those responsible for delivery are perhaps the most informed about these strategic benefits. The transformation is long-drawn-out process. The competencies required to deliver these customer benefits are explained as; to deliver on its service promise, integrate products and service channels effectively, customize products & service and their respective prices, create opportunities for cross selling and delivery mechanisms for the onward promotion of these products and services and reduce the gestation period to market by allowing quick and effective introduction of new products and services.
Devender (2007), opines in his study, CRM has power to help bankers quickly and directly to improve customer satisfaction. CRM is stated to be an added dimension to ensure that what the customer expects is consistent with what the bank is prepared to deliver. It is an approach which is less focused on providing the right services to the customer than attracting customers who are the right fit for what the bank has to offer. Further, the primary value of CRM is its potential as a customer retention tool. People are starting to measure CRM in terms of increased customer satisfaction rather than return in investment.

Uppal (2008), described in, “Customer Perception of E-Banking Services of Indian Banks”, that in the post-LPG i.e. Liberalization, Privatization and Globalization era and Information Technology (IT) era, transformation in Indian banks is taking place with different parameters and the curves of banking services are dynamically altering the face of banking, as banks are stepping towards e-banking from traditional banking. The author analyzes the quality of e-banking services in the changing environment. With different statistical tools such as weighted average method and ranking, he concluded that most of the customers of e-banks are satisfied with the different e-channels and their services, but the lack of awareness is a major obstacle in the spread of e-banking services.

Jham and Khan (2008), revealed in their studies, “Determinants of performance in Retail Banking perspective of customer satisfaction and Relationship Marketing”, that banking is a customer oriented service industry and Indian banks have started realizing that business depends on client service and the satisfaction of the customer. This is compelling them to improve customer service and build relationships with customers. The study is conducted among five Indian banks, aimed at identifying customer satisfaction variables which lead
to relationship through building, and developing a conceptual framework of relationship marketing practices in Indian banks by capturing the perspectives of customers with respect to their satisfaction with various services. It also sought to identify whether demographic variables have a role to play in customer satisfaction. Reporting on the different satisfaction levels of the customers, the findings suggest that while private banks have been able to attract the younger customers with higher educational levels, who are comfortable with multi channel banking, the customers of the public sector banks are older and more satisfied with the traditional facilities.

Han (2008)⁵⁷, in 'Interrelationships Between Service Quality, Customer Satisfaction and Customer Loyalty in Retail Banking Sector' stated that several researchers attempt to find the interrelationships between service quality, customer satisfaction and customer loyalty in the retail banking sector, which are the predictors of customer loyalty.

According to Gil (2008)⁵⁸, in contrast to products, customers are not really able to evaluate services before the service process takes place. The interaction with the service provides and the customers, called service encounter, is the key in the evaluation of service performance. The author explains that during these encounters, the customer is able to get an impression of the way the company provides its services. His/her service experience is defined by the interaction with the organization, the processes and the employees. Accordingly, customer satisfaction is built upon the basis of service encounters. Further it has been commented that service providers have significant opportunities to manage the interactions that together form the experience. It is argued that they design the interactive production process; select, train and manage service employees; design and maintain the service environment; selectively target, socialize and educate customers.
Haverila and Matti (2009)^9, in their paper specified that business loyalty helps to repeat business, lower price elasticity, and more cross selling and they have a tendency to spend more with their existing supplier. High satisfaction can also lead to an increase in business of bank. According to them higher customer satisfaction levels lead to a decreased number of customer complaints while at the same time, improving customer loyalty.

Mohaptra (2009)^6, examines in his article whether service quality of Indian commercial banks increase customer satisfaction that foster customer loyalty and suggests that better human, technical and tangible aspects of service quality of bank branches increase and foster customer satisfaction. Human aspects of service quality were found by the author to influence customer satisfaction more than the technical and tangible aspects and it has been advocated that an increase in service quality of the bank can satisfy and retain customers.

Uppal (2009)^6, revealed in, "Customer Service in Indian Commercial Banks", that good customer relationship is the future of any business and as such, once good service is extended, a loyal customer will work as an ambassador for bank who will facilitate growth of business. The author examined that rural customers don't know about bank services. Moreover, it is argued that only the level of customer service and satisfaction is determined by variety of services and the quality of products and services are the dynamic factors for customer satisfaction of the bank.

Jayaraman (2010)^62, has expressed that customer value is an asset to the organization. Hence, in order to maintain the customer, the organization needs to ensure that the organization is providing the right products and services, supported by the right promotion and making it available at the right time for the customers. While quality service and merchandise are essential in
today's competitive market, it is equally important that a customer experiences the "Wow Effect" that only superior customer service can deliver. A business that caters to customers' needs will inevitably gain the loyalty of the customers, thus resulting in repeat business as well as potential referrals.

Girimaji (2010) made an attempt to know the customer behavior. According to her, banks must protect client's interests. While emphasizing upon the importance of financial inclusion for sustained and long term equitable development. The author explained that banking services in each of the unbanked blocks in the country is certainly a welcome step, but the government needs to do much more to ensure that the citizens truly enjoy the benefits of the expansion in the banking network.

In an exclusive study on Evaluating Customer Satisfaction in Banking Services, Irina (2010) revealed that new competitive market conditions, where companies need to fight for their survival, rendered evident that building and managing relationships with customers is vital. At the basis of every long term relationship lies the customer satisfaction. In the service area the construct of satisfaction is bound to the interaction with the service provider, conferring to the evaluation even greater importance. In the globalize, highly competitive environment, building more unique relationships with customers is vital for companies. Conducted research points out those companies regard the implementation of customer relationship management as a factor that will allow them to survive in the new market conditions, favoring the relationship with their customers.

Wong (2011) argues that, in spite of the rapid adoption of Internet banking and the importance of customer retention to the banking industry, little empirical investigation has been reported in literature and real understanding of
factors that cause retention of Internet banking consumers has not been presented adequately in the literature rather the key to understand the power of a corporation to retain customers is thought to lie in measurement of customer satisfaction.

Santhiyavalli (2011) concluded in, "Customer's perception of service quality of State Bank of India - A Factor Analysis" that, Service quality should be used as a strategic tool to get a competitive advantage over the competitors. Further, author revealed that, with the increasing levels of globalization of the Indian banking industry, and adoption of universal banks, the competition in the banking industry has intensified. Any where' and 'any time banking now become a reality. Author explained that, recognition of service quality now acts as a competitive weapon. Further author concluded that, based on the percent level of customer satisfaction, the State Bank of India has scope to improve the quality of the service rendered to its customers to ensure their loyalty.

Bhasin (2012) in article, "Customer Service in Banking Industry" concluded that, the importance of customer service for capturing business in banks has become a focal point in all stages of marketing of banking services to achieve the targets. Author revealed that, since almost all the bank offers more or less same products with little changes in nomenclature but the concept of enhancing customer satisfaction is a pivotal point to attract more and more people to transact at a particular bank. Further he conclude that, a customer are becoming more and more demanding thus forcing the bankers to evolve new strategies as well as new and innovative products to keep pace with the growing customer expectation. With the opening up of the economy, customer satisfaction has acquired new meaning and different dimensions. Moreover, the customer preferences are changing at a rapid pace and their demands are
turning insatiable. In order to cater to the changing preferences and to survive in the midst of intense competition, bankers are bound to provide suitable services as per the customer needs. Customers are not ready to accept delay in service charges delivery and are in need of information for taking instant decisions. Author suggested that, providing customer satisfaction has become more important than mere delivery of service charges.

In Global Consumer Banking Survey, Ernst & Young (2012), explained that, despite best efforts of banks to attract and retain customers, customer confidence levels in banks remain low, customers are changing their behavior and demanding lower fees for higher levels of service or other improvements. If these demands are not met, they are increasingly likely to shop around at other banks for competitive rates for services and products. Further authors suggest that, for banks to remain competitive, they must:

- Give customers the opportunity to choose by making promises and service offers more transparent.
- Rebalance fee structures to achieve the clarity and sustainability required by regulators and investors.
- Help customers shape their own banking experiences by improving how they provide information and advice, recruiting online affinity groups and by developing flexible loyalty programs.
- Develop models around customer needs by reprioritizing spending, including increasing the use of low-cost digital models and using more innovative technology.

2.1.1 Research Gap

The crux of the predominant studies reveals that the different scholars have studied the concept of customer satisfaction in context to the services
rendered by different organizations particularly banking services in different ways at varying level of analysis. Different approaches, no doubt, helped in the emergence of more and more literature on the subject over time. A brief review of these diversified efforts in the research field is attempted in following paragraphs and considered as one among the many bricks that will be required to bridge the gap between research need and research efforts made so far.

The thinkers emphasize that besides awareness about services, products should be of good quality and according to the requirements of customers. Different views have given on banking by different authors but there are different issues which have been ignored such as what are requirements of customers who belong to backward areas in Himachal Pradesh and how much they are aware of the services and facilities which are being provided to them by banks. Majority of the customers do not have knowledge about services even they are having it. The rural and tribal regions of Himachal Pradesh have multiplicity of features which are dominated in terms of culture, language and life styles and such features are a big hurdle in understanding and communicating. The study is purposeful to pin-point these characteristics and to suggest State Bank of India to take initiatives for satisfying its customers keeping in view these features which are left in existing research. The purpose of the study is also to know about opinion and views of customers to improve services of bank. Moreover, there is a misconception in the bank management the policy formulation and implementation levels that better status, better facilities to staff, good working environment, provision of new techniques for customers etc are related to customers etc are related to customers satisfaction which is supported by the researchers also whereas, the aspects which is more important is related to the dealing, corporation and proper guidance to customers who have to settle down the claim case or are senior citizens not being given recognition in the bank.
counter or in the name of multi-counter facility, customers in groups, stand in one counter, face slow process of the counter clerk and when their turn comes, the clerk doesn’t co-operate and are directed to go to the other counter to get the service etc are the basic considerations which influence customers’ satisfaction and researches, so far, could not take such points for analysis. The research is endowed to fill this gap.

2.2 RESEARCH DESIGN:

Research Design is a master plan specifying the method and procedure for collection and analyzing needed information. The methodology employed in obtaining and analyzing information about customer satisfaction through services of State Bank of India in Himachal Pradesh is as under:

2.2.1 Need for Study

Indian economy has faced transition from the feudal socio-economic set up to the post independent society having need for reforms and to boost up all sectors for which, majority of the population having agriculture as the major occupation needed financial support of different financial institutions and banks. The network of such institutions has profit motive due to which, people seeking financial assistance or are using services of these institutions for the protection of their properties, assets or money, are exploited and keeping it in view, the Government has intervened through promulgation of Rules and regulating the network of financial institutions. Amongst all such institutions, State Bank of India has a history of its long past. The bank has seen different phases of the role of banking institutions to meet out the monetary demand and to render services to its customers to satisfy them. A need has been felt to study the phases of the development of state Bank of India in context to its customers’ satisfaction.
With the extension of banking services by different kinds of banking institutions in India, there has been a competition and for attaining advantage, the banking institutions manipulate customers by hiding the details of the conditions for availing loan and attaining services of these institutions thereby, causing risks involved which are regulated by the Government through formulation of various rules by empowering the regulating authorities and Reserve Bank to control over the activities of banking institutions. The research is needed to be conducted to examine the banking provisions for customers' satisfaction.

In order to extend services and facilities customers, the banking institutions have the provision of banking ombudsman to redress the grievances of the customers. The research endowed to analyze the trend of growth in the grievances of customers of State Bank group and also redressed of different kind of their grievances by the institutions of banking ombudsman as an important indicator of customer satisfaction.

Next to saving bank activities of post offices, State bank Of India has been popularized to extend its services and is accessible in the rural areas of Himachal Pradesh. It is pertinent that the widespread reach, high social status, good working environment, better facilities, handsome incentives and many more features for the staff of State Bank of India are the peculiar factors influencing their behavior towards customers. In a positive sense, all such features may positively affect their behavior resulting to customer satisfaction but on the other hand, such features may result into a gap between the staff and customers as the staff may deal customers differently. Thus in a changed developed environment of the State Bank of India inn Himachal Pradesh, need was felt to empirically examine the perception of its customers regarding level of their satisfaction.
2.2.2 Scope of the Study

The study spans over the analysis of customer satisfaction from the services of State Bank of India in Himachal Pradesh for which Shimla, Sirmour, Mandi and Kangra district have been taken for research analysis primarily. The scheduled area has been taken region wise in the study.

Further the secondary data has been analyzed for the last ten years i.e. since 2001 to 2011. The survey period for collection for primary data was during 2009-2010.

2.2.3 Objectives of the Study

The basic objective of the research is to access the quality of services offered by State Bank of India in Himachal Pradesh to its customers to analyze as to how the bank considers customers in the present competition as it is ahead of other banking institutions due to the backup of Government exchequer and services being rendered by it. The main objectives of the research are as under:

1. To study the phases of State Bank of India in context to its customer satisfaction.
2. To examine banking provisions for customer satisfaction.
3. To analyze the grievances of customers and their redressed initiatives taken by the banking ombudsman to determine the level of customers satisfactions.
4. To empirically analyze the perceptions of customers of State Bank of India regarding their satisfaction from its services in Himachal Pradesh.

2.2.4 Research Methodology

The research is mainly a primary probe. However, to accomplish the objectives of the study, both primary and secondary data have been analyzed. In
order to analyze perception of customers regarding their satisfaction from the services of state Bank of India in Himachal Pradesh, a field survey has been conducted and necessary information has been drawn through the interview schedule. The research hypothesis have been developed and tested by applying relevant statistical tools of analysis. The detailed methodology including sources of data, tools of analysis used and sampling design are explained below:

Source of Data: The sources of data are explained as under:

**Primary Sources:** The primary sources include;

a) Interview schedule: The data has been collected by administering a structured interview schedule to the customers of State Bank. Some open ended questions are however, included so as to have knowledge on the individual’s specific and personal views. Whenever possible, questions were structured to achieve a speedy completion. The interview schedule for the customers of State Bank of India was aimed at collecting data pertaining to their level of satisfaction.

b) Personal observation: Personal observations by the researcher have also been considered as instrumental sources of information to determine the level of customers’ satisfaction of State Bank of India. This has also helped to reveal certain ambiguous information in a right perspective.

c) Discussion: Discussion with customers belonging to the study area has been used as a primary source of information for analyzing the research problem.

**Secondary Sources:**

The secondary sources include; books; journals; record of certain organizations of the Government, published and unpublished researches and internet.
2.2.5 Sample Design

The process of selecting sample for the research is of multistage in nature. The organizational structure of State Bank of India is classified in four regions; Shimla-II, Shimla-III, Mandi and Dharamshala. Shimla-II Regions covers two Districts; Kinnaur and Shimla, while Districts Solan, Sirmour, Hamirpur and Bilaspur are under Shimla-III region. Under Mandi region the Districts are; Kullu, Lahaul Spiti, Chamba and Mandi and Under Dharamshala region; the districts are; Una and Kangra. The multistage convenient sample of customers of State Bank of India has been taken as under:

Stage I

At the first stage, out of the districts of each region, one District has been selected. These are Shimla from Shimla-li region, Sirmour from Shimla-lll region, Mandi from Mandi region and Kangra District from Dharamshala region. Thus four districts out of twelve from all regions have been selected.

Stage II

At the second stage three branches from each selected District have been selected on the basis of high density customer areas selected as Shimla, Rampur and Rohru from Shimla district; Nahan Paonta Sahib and Rajgarh from Sirmour District; Mandi Jogindernagar and Karsog from Mandi district and Dharamshala, Palampur and Kangra from Kangra District. Thus the total number of branches is twelve spread as three branches from each district sampled.

Stage III

At the third stage, fifty respondent customers on the basis of simple random sample as per the customers’ detail of the branch have been selected. Thus, total number of respondent customers is 150 from all the three branches.
of the sampled district and the total number of customer respondents from all the
four districts sampled from the twelve branches is 600 (50*3*4)

50 Respondents from each branch
3 Branches from each district
4 Districts

The sample design is shown as follow:

**Table 2.1: Sample design**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>SBI Region</th>
<th>District</th>
<th>Branches</th>
<th>Sampled Districts</th>
<th>Branches Sampled</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Rural</td>
<td>Semi Urban</td>
<td>Urban</td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Shimla-II</td>
<td>Kinnaur</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shimla</td>
<td>29</td>
<td>4</td>
<td>8</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>38</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Shimla-III</td>
<td>Solan</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sirmour</td>
<td>18</td>
<td>3</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hamirpur</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bilaspur</td>
<td>9</td>
<td>1</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>41</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Mandi</td>
<td>Kullu</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lahaul Spiti</td>
<td>7</td>
<td>0</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Chamba</td>
<td>16</td>
<td>1</td>
<td>0</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mandi</td>
<td>10</td>
<td>6</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>41</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Dharamshala</td>
<td>Una</td>
<td>7</td>
<td>2</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kangra</td>
<td>37</td>
<td>4</td>
<td>0</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>44</td>
<td>6</td>
<td>0</td>
</tr>
</tbody>
</table>
2.2.6 Data Presentation

Data has been systematically and suitably tabulated, presented, analyzed and accordingly interpreted. The data is presented in the form of charts and diagrams etc. and in order to analyze data, relevant mathematical and statistical tools of analysis have been applied like; average correlation, parametric and non-parametric tools including chi-square, F-test, ANOVA, Likert Scale, Standard Deviation, Growth Compound growth etc. according to the nature of data. At the end, conclusion and findings have been drawn and on the basis of conclusion and findings of the research, measures have been suggested to improve the level of customers' satisfaction of State Bank of India.

2.2.7 Hypothesis

A hypothesis in a statistics is simply a tentative statement about the population. The hypothesis is constructed in such a manner so that if one hypothesis is accepted the other is rejected and vice versa. Keeping in view objective of study following hypothesis have been developed for the purpose of study.

- Ho Availability of the banking institutions in the rural areas is not influenced by the region of the state.
- Region wise there is no difference in the response regarding distance of banking institutions
- Satisfaction from Banking Services in not influenced by the region.
- There is no difference in the opinion of people regarding region-wise satisfaction from banking services.
- Age wise there is no significant difference regarding banking services availed by customers.
- Income wise there is no significant variance as regards category of account wise response of people.
- There is no region wise significant difference in the response regarding time norms of the services provided by the banking institutions.
- Occupation wise there is no significant influence the response of people regarding satisfaction from services of State Bank of India.

2.2.8 Tools of Analysis

In order to analyze customers' satisfaction of State Bank of India in Himachal Pradesh, various tools of analysis have been used including mathematical and statistical tools. Some of relevant methods used are.

1. Trend analysis

Trend analysis has been used to determine the trend of growth of various indicators of customer's satisfaction by analysing the trend of growth of complaints in the offices of ombudsman and also other secondary data. The trends have been analyzed by applying the following formula:

\[ \text{Trend Growth} = \frac{P_{01}}{P_{02}} \times 100 \]

Where: \( P_{01} = \) Current year's figure
\( P_{02} = \) Base Year's figure

2. Arithmetic Mean

Arithmetic mean has been used as a single value that has represented the group of values analyzed under this research. The arithmetic mean has been calculated as under:
\[ \bar{X} = \frac{\sum X}{N} \]

Where:

\( \bar{X} \) = Arithmetic mean

\( \sum X \) = Summation of X component.

\( N \) = Number of observations.

### 3. Standard Deviation

The method of standard deviation has been used to measure the absolute dispersion or variability and magnitude and deviation of value from the mean to determine the degree of homogeneity of the series. Standard deviation has been calculated as:

\[ \sigma = \frac{\sum X^2}{N} \]

Where:

\( \sigma \) = Standard Deviation

\( X^2 \) = \((X - \bar{X})^2\)

\( N \) = Number of observations.

### 4. Coefficient of Variation

Coefficient of variation has been applied to ascertain the degree of variability in terms of percentage so as to understand the extent of uniformity of data. For this purpose, the following formula has been used:

\[ C.V = \frac{\sigma}{\bar{X}} \times 100 \]

Where:

\( \sigma \) = Standard Deviation

\( \bar{X} \) = Arithmetic Mean
5. Compound Growth

In order to know about the accumulative effect of trend of growth, the method of compound growth has been applied by using the following formula:

\[ C.G. = \frac{A_0}{N-1} \]

Where; C.G. = Compound Growth.

\[ A_0 = \text{Summation of the simple growth.} \]

\[ N = \text{Number of years.} \]

6. Correlation Analysis

Correlation Analysis has helped to identify the degree of relationship between two variables. The correlation has been drawn by using Karl Pearsons formula as:

\[ r = \frac{\Sigma xy}{\sqrt{\Sigma x^2 \times \Sigma y^2}} \times 100 \]

Where;

\[ r = \text{correlation} \]

\[ x = (x - \bar{x}) \]

\[ y = (y - \bar{y}) \]

7. Chi-Square

Chi-Square test has been used to test the significance at 5 percent level of the hypothesis of research. The formula used for testing the hypothesis has been used as under:

\[ \chi^2 = \frac{\Sigma (O - E)^2}{\Sigma E} \]
Where;

\[ O \] = Observed Frequency

\[ E \] = Expected Frequency.

\[ \Sigma \] = Sum of the Frequency.

8 (a) F. Test

To find out whether two independent estimates of population variance differ significantly, the method of F-Test has been applied by using the formula:

\[ F = \frac{S_1^2}{S_2^2} \]

Where;

\[ S_1^2 = \frac{\sum (X_i - \bar{X}_1)^2}{n_1 - 1}, \text{ and} \]

\[ S_2^2 = \frac{\sum (X_j - \bar{X}_2)^2}{n_2 - 1} \]

\[ S_1^2 \text{ is always larger than } S_2^2 \]

or

\[ F = \frac{\text{Larger estimate of variance}}{\text{Smaller estimate of variance}} \]

\[ v_1 = n_1 - 1 \text{ and } v_2 = n_2 - 1 \]

\[ v_1 \] = degree of freedom for sample having larger variance.

\[ v_2 \] = degree of freedom for sample having smaller variance.

The calculated value of F is compared with the table value for \( v_1 \) and \( v_2 \) at 5% level of significance. If the calculated value of F is found greater than the table value, the result is considered significant as the null hypothesis is rejected.
and it is concluded that both the samples have not come from the population having same variance and vice-versa.

The assumptions of F-test are based on the following:

1) The samples are drawn at random.

2) The values in each group are normally distributed.

3) The variance within each group is equal for all groups 
\( \sigma_1^2 = \sigma_2^2 = \ldots \sigma_e^2 \)

4) The error on variation of each value around its own group mean is independent for each value.

b) Analysis of variance (ANOVA).

In case of more than two independent estimates of population with the variance that differs significantly, the method of analysis of variance has been applied.

c) Likert Ranking scale:

The degree of satisfaction related to different variables of the services of State Bank of India has been ranked and analyzed on the basis of the response of respondents in term of Likert Five Rank Scale by designated 5,4,3,2,1 rank to the respective response from excellent or strongly agree to very pr or strongly disagree and by calculating mean, standard deviation, coefficient of variance and depicting the results in line diagram. To calculate the ranked weighted mean of the responses, the method applied is:

\[
LRS = \frac{NS_1 \times 5 + NS_2 \times 4 + NS_3 \times 3 + NS_4 \times 2 + NS_5 \times 1}{TR}
\]
Where LRS = Likert Ranking Scale

\[ \text{NS}_1, \text{NS}_2, \text{NS}_3, \text{NS}_4, \text{NS}_5 \text{ are=Number of response ranked as} \]
\[ 5, 4, 3, 2 \text{ and 1 respectively} \]
\[ \text{TR = Total Number of Responses} \]

2.2.9 Limitations

The research has been completed through a series of processes and interaction with various sources and thus, varied kinds of limitations had been faced. Streamlining of the limitations into a few is not even possible. Categorically; the limitations were concerned with pecuniary, non-availability of relevant data in certain cases, disparity in data from alternative sources, less attention paid by bank customers to respond while filling interview schedule etc. The limitations which obstructed the researcher while conducted research are:

- The most striking limitation of the study was non-availability of fully comparable data from various sources.
- The researcher faced the limitation of having adequate amount of money to be spent for research and survey as the research was to be conducted empirically in the research was to be conducted empirically in the distant places.
- Weather conditions were also the limitations in the research.

2.2.10 Questionnaire Design

For an easy understanding and reading, the questionnaire is designed into three parts. The first part of the questionnaire is taking consideration of the demographic factors of the respondents. The questions are designed with multiple choice selections for convenience. The second part of the questionnaire required the respondent to rate the satisfaction level of the bank they have
chosen or attached with, into a five pre-defined level scale - "Strongly Disagree", "Disagree", "No Comment", "Agree" and "Strongly Agree". The final part of the questionnaire includes open ended questions in addition to the same concept used in the second part of the questionnaire. The survey questionnaires were conducted via face to face interviews plus through other avenues such as; email and fax, so as to ensure that the survey encompasses a broader geographical area. The aim is to collect the opinions of the respondents. The answers of the questionnaire are solely based on the respondents experience and their personal opinion.

2.2.11 Organisation of the Study

The present study is divided into six chapters. Chapter one, 'Overview of Commercial Banking Customers Network with special Reference to State Bank of India' deals with the concept and origin of the bank, structure of banking in India, different phases of banking and brief explanation of the research area and chapter two is basically emphasising upon the conceptual explanation of the research problem analyzed with the help of literature and for this purpose, chapter two entitled, 'Review of Literature and Research Design', different empirical researches related to the customers' satisfaction from banking services in brief have been reviewed so as to find out the research gap. Consequently, the need, scope and research methodology have been explained for attaining the pin pointed objectives of the research.

In chapter three, the study area of research has been elaborately focused in 'Customer Satisfaction: Concept and Provisions' and to ascertain the satisfaction level of the customers, attempt has been made in chapter four entitled 'Satisfaction Level of Customers of Commercial Banks: Bank Group Wise Analysis' by analyzing complaints registered in the offices of banking ombudsman against banks.
Since, the research is mainly a primary probe, in order to empirically examine the research problem, in chapter five, ‘Empirical Analysis of Customers’ Satisfaction of Services of State Bank of India In Himachal Pradesh’, Region Wise and Occupation wise analysis, have been made on the basis of which, services provided by State bank of India, behavior of bank employees, knowledge of the schemes and basic amenities have been determined. The research is a detailed and comprehensive attempt to analyze the services of State Bank of India in Himachal Pradesh and in this direction, in chapter six i.e. Conclusion, Findings and Suggestions, Conclusions have been drawn on the basis of which, measures have been suggested to improve the services of State Bank of India in the State.

2.2.12 Areas for future Research

The study area itself is a quite comprehensive which needs to be conducted by research team to be financially assisted under some major research project of funding agency through, which a more detailed empirical examination based upon an effective areas wise sample of all the districts by taking at least 4000 to 5000 respondents, can be conducted so that the real position of the customers’ satisfaction is clearly sorted out. However, for researchers, the related areas to be studied are:

- Customers Relationship Management of banks for New Schemes.
- Comparative Analysis of Customers Relationship Management of State bank Group and Other Banking Institutions.
- Customers Relationship Management and Level of customers Satisfaction.
References:


12. Ibid


